

JOHNSON COUNTY LIBRARY

BOARD REPORT

OCTOBER 9, 2014

IF YOU REQUIRE ANY ACCOMMODATION (I.E. QUALIFIED INTERPRETER, HEARING ASSISTANCE, ETC) IN ORDER TO ATTEND THIS MEETING, PLEASE NOTIFY THE CENTRAL RESOURCE LIBRARY AT (913) 826-4600 NO LATER THAN 48 HOURS PRIOR TO THE SCHEDULED COMMENCEMENT OF THE MEETING.

AGENDA

JOHNSON COUNTY LIBRARY BOARD OF DIRECTORS
REGULAR MEETING, OCTOBER 9, 2014
ANTIOCH LIBRARY
4:00 P.M.

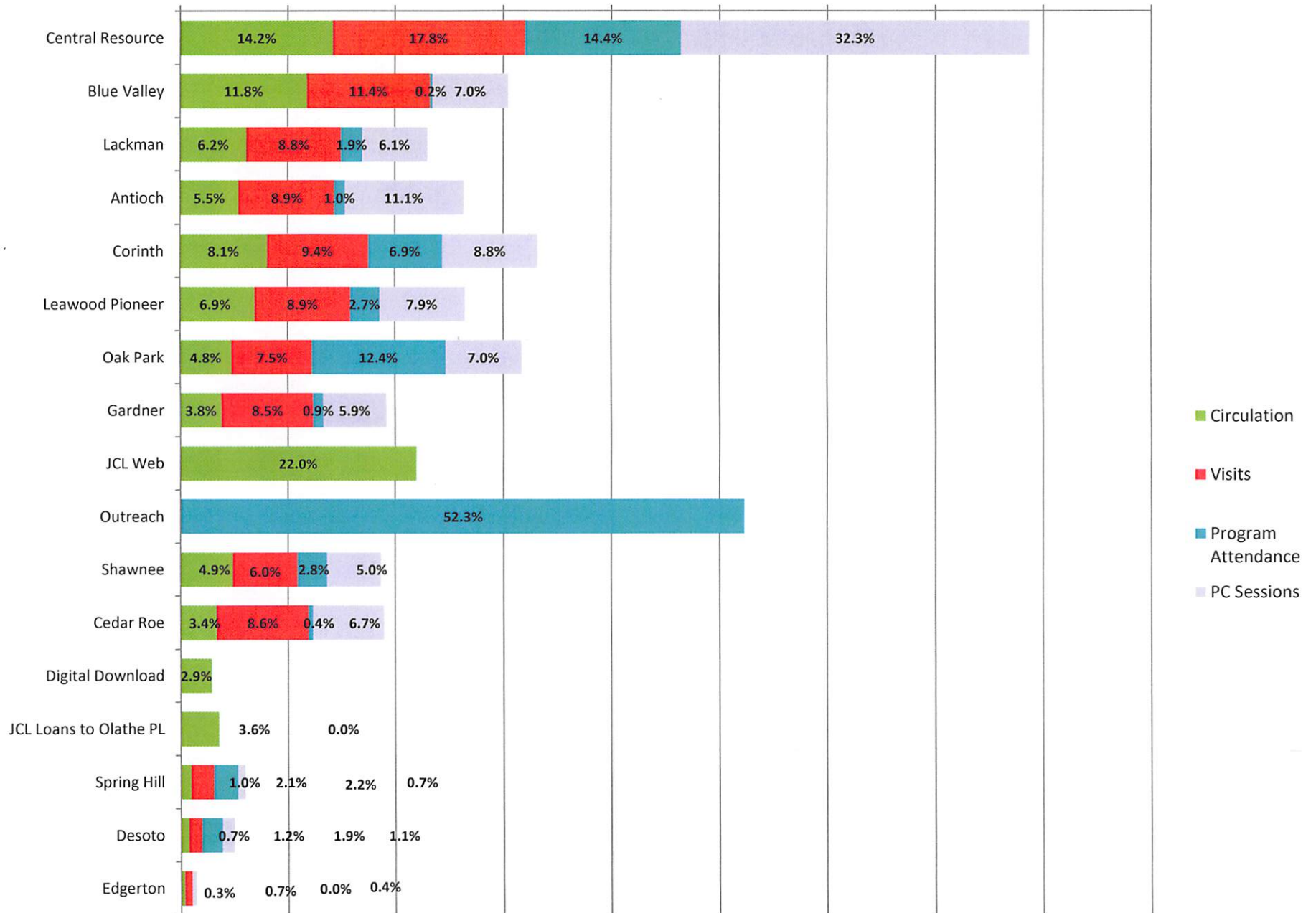
- I. Call to Order
- II. Citizen Comments
- III. Remarks
 - A. Members of the Johnson County Library Board of Directors
 - B. Nancy Hupp, Board Chair
 - C. Gloria Snowden, Friends of the Library
 - D. Susan Mong, Executive Director, Johnson County Library Foundation
 - E. Jason Osterhaus, Liaison, Board of County Commissioners
- IV. Reports
 - A. Board Counsel – Fred Logan
 - B. County Librarian Report
 - 1. Wonderscope/Head Start – Sean Casserley
 - 2. Overland Park Community Garden – Sean Casserley
 - 3. Change in Hours of Operations Discussion – Jennifer Mahnken.....26
 - 4. Lending Machine Awning update – Jennifer Mahnken
 - 5. Budget update – Nicole Neufeld
 - 6. Central Building Upgrade update – Kim Gile and Scott Sime
 - 7. Comprehensive Library Master Plan presentation by Kim Gile and Scott Sime
- V. Consent Agenda
 - A. Action Items:
 - 1. Minutes of the September 11, 2014 Regular Library Board meeting.....9
 - B. Information Items
 - 1. Summary of New and/or Renewed Contracts.....15
 - 2. Financial and Personnel
 - a) The County Librarian and the Finance Director certify those payment vouchers and personnel authorizations for August 2014 were handled in accordance with library and County policy.
 - b) The August 2014 Revenue and Expenditure reports produced from the County’s financial system reflect the Library’s revenues and expenditures
 - C. Gift Fund Report
 - 1. Treasurer’s Report.....16
- VI. New Business
 - A. Consideration of approval of the Bond Resolution.....29
 - 1. Memo to the Library Board on the Bond Resolution.....30

2. Resolution.....32
3. Trust Indenture.....38
4. Base Lease between the Library Board and the PBC.....99
5. Lease between the PBC and Johnson County, Kansas.....106
6. Sublease between Johnson County, Kansas and the Library Board.....145
7. Notice of Bond Sale and Bid Form.....180

VII. Executive Session

VIII. Adjournment

Johnson County Library Touch Points Percentage of Activity by Location -- August 2014



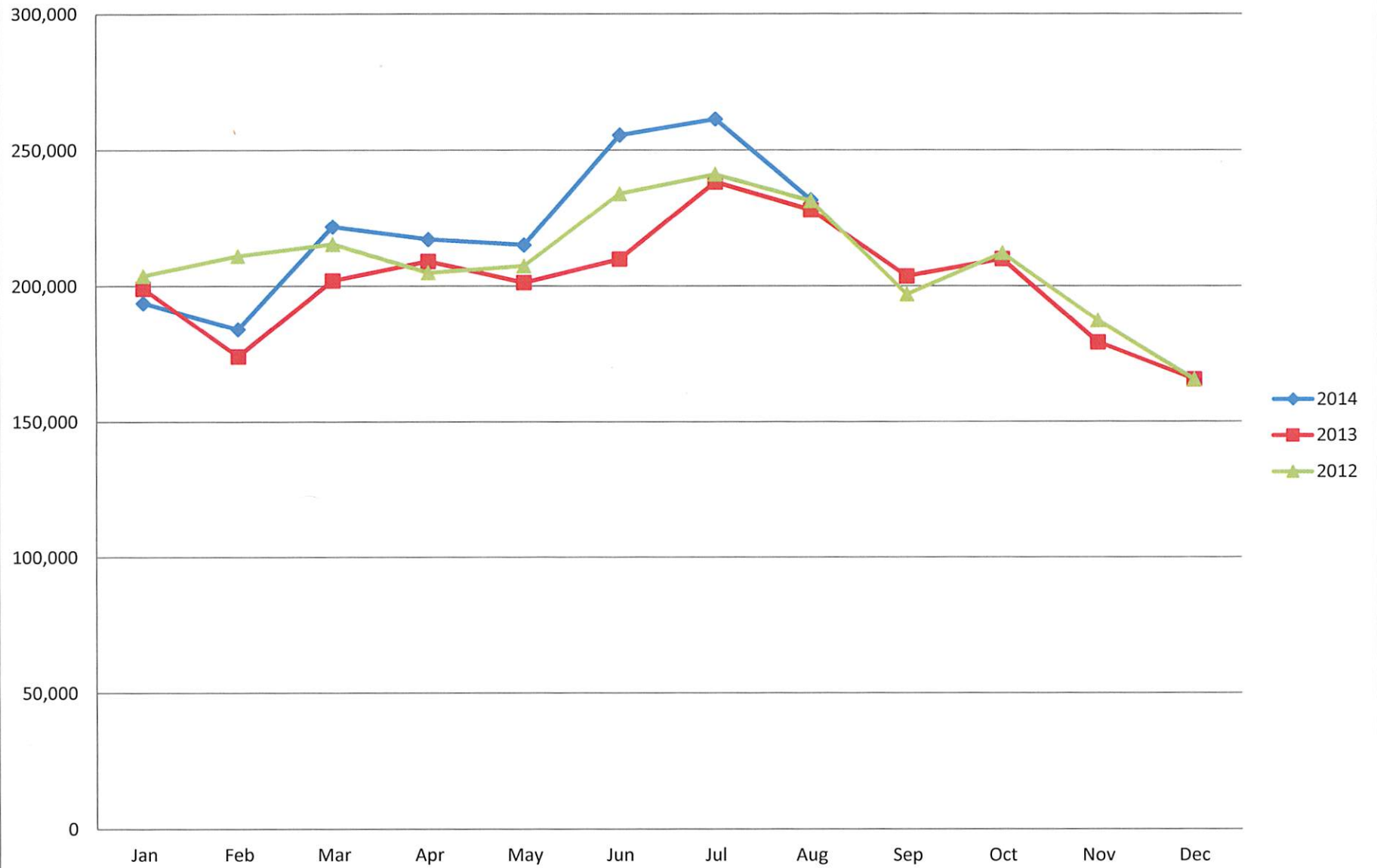
Johnson County Library
USER VISITS

August 2014

Location	Current Month 2014								Current Month 2013				Percent Change 2013 to 2014		
	Total Visits	% of Total Visits	Yr-to-Dt Visits	Previous Twelve Months	Visits per Hour		Circulations per Visit		Total Visits	% of Total Visits	Yr-to-Dt Visits	Previous Twelve Months	For Month	For Yr-to-Dt	Previous Twelve Months
					Hours Open	Visits per Hour	Circulation	Circ per Visit							
Antioch	20,648	8.9%	159,475	235,909	272	76	31,011	1.5	21,735	9.5%	163,567	240,994	-5.0%	-2.5%	-2.1%
Blue Valley	26,518	11.4%	210,613	306,704	266	100	67,116	2.5	30,359	13.3%	215,098	303,284	-12.7%	-2.1%	1.1%
Cedar Roe	19,845	8.6%	164,533	201,954	236	84	19,075	1.0	10,576	4.6%	72,608	104,620	87.6%	126.6%	93.0%
Central Resource	41,186	17.8%	301,258	444,004	288	143	80,875	2.0	45,932	20.1%	284,040	453,294	-10.3%	6.1%	-2.0%
Corinth	21,870	9.4%	184,473	266,851	272	80	45,979	2.1	24,372	10.7%	198,080	259,114	-10.3%	-6.9%	3.0%
DeSoto	2,820	1.2%	27,588	38,608	152	19	4,175	1.5	3,378	1.5%	42,484	33,494	-16.5%	-35.1%	15.3%
Edgerton	1,599	0.7%	9,822	12,116	108	15	1,979	1.2	644	0.3%	7,300	7,166	148.3%	34.6%	69.1%
Gardner	19,807	8.5%	119,765	158,374	256	77	21,717	1.1	11,950	5.2%	71,423	123,016	65.7%	67.7%	28.7%
Lackman	20,454	8.8%	172,082	234,132	256	80	35,057	1.7	17,895	7.8%	145,611	223,410	14.3%	18.2%	4.8%
Leawood Pioneer	20,669	8.9%	163,936	242,523	256	81	39,476	1.9	24,565	10.8%	182,478	271,887	-15.9%	-10.2%	-10.8%
Oak Park	17,429	7.5%	139,855	214,988	256	68	27,162	1.6	18,608	8.2%	141,225	212,588	-6.3%	-1.0%	1.1%
Shawnee	13,925	6.0%	93,856	133,717	256	54	27,624	2.0	12,307	5.4%	98,183	139,769	13.1%	-4.4%	-4.3%
Spring Hill	4,958	2.1%	33,568	49,530	144	34	5,487	1.1	5,680	2.5%	45,148	52,399	-12.7%	-25.6%	-5.5%
Branch Total	190,542	82.2%	1,479,565	2,095,405	2,730	70	325,858	1.7	182,069	79.9%	1,346,213	1,970,741	4.7%	9.9%	6.3%
SYSTEM TOTAL	231,728	100.0%	1,780,823	2,539,407	3,018	77	406,733	1.8	228,001	100.0%	1,661,830	2,424,035	1.6%	7.2%	4.8%

	2014	2013
Average Visits per Capita for Current Month:	0.5	0.5
Average Visits per Capita for Year-to-Date:	4.1	3.9
Service Area Population:	431,000	431,000

Johnson County Library Three-Year Trend in Library Visits



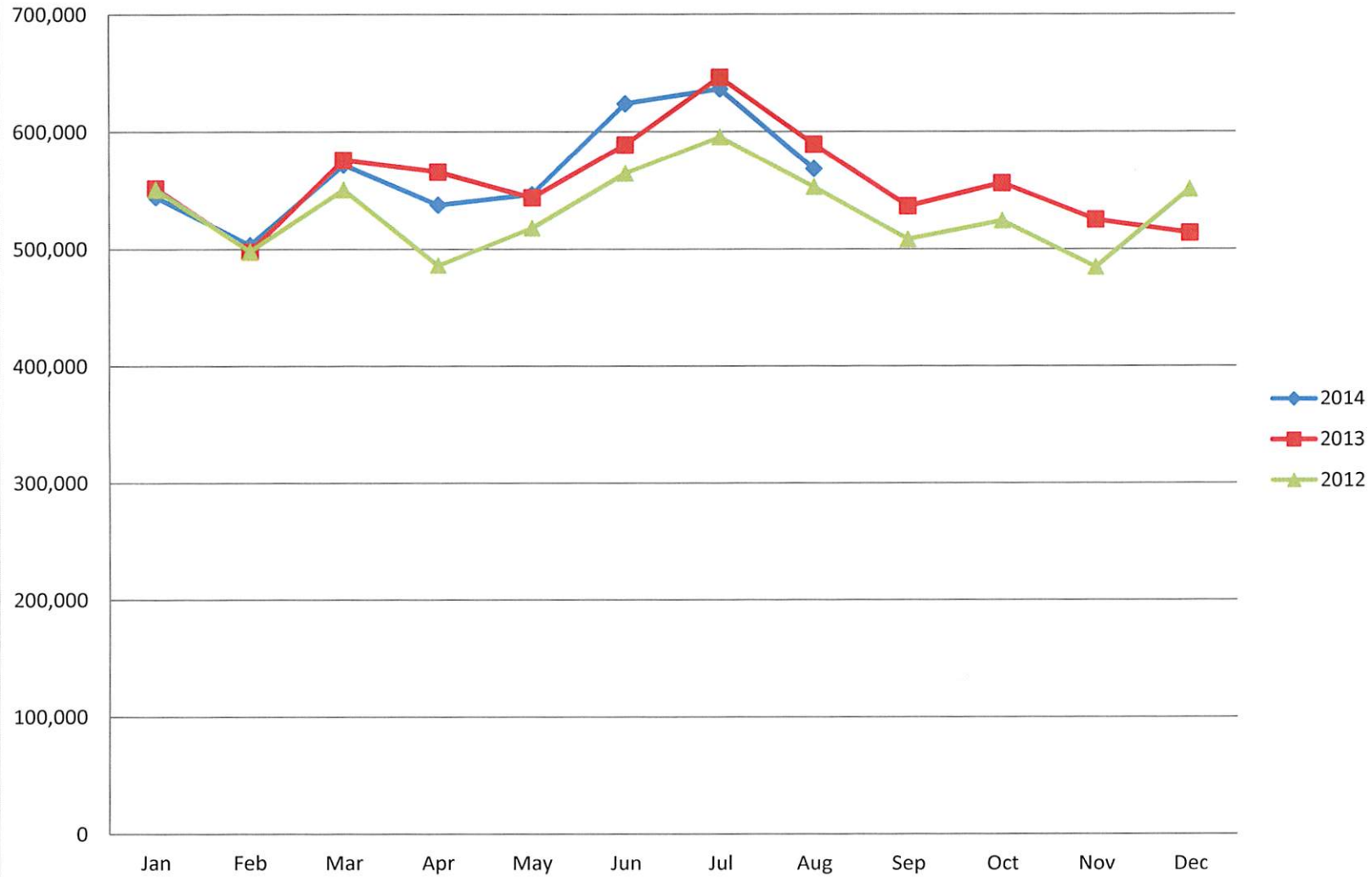
Johnson County Library
OFFICIAL CIRCULATION BY LOCATION

August 2014

Location	Official Circulation										
	Current Month 2014				Current Month 2013				Percentage Change		
	Month		Yr-to-Dt Circulation	Previous Twelve Months	Month			Previous Twelve Months	2013 to 2014		
	Number (inc. ILL)	Percent of System Total			Number (inc. ILL)	Percent of System Total	Yr-to-Dt Circulation		Month	Yr-to-Dt	Previous 12 mos.
Antioch	31,011	5.5%	251,232	367,045	32,893	5.6%	257,826	379,651	-5.7%	-2.6%	-3.3%
Blue Valley	67,116	11.8%	549,616	784,499	71,017	12.0%	546,243	789,455	-5.5%	0.6%	-0.6%
Cedar Roe	19,075	3.4%	155,717	244,705	21,190	3.6%	158,018	231,656	-10.0%	-1.5%	5.6%
Central Resource	80,875	14.2%	635,917	937,133	85,488	14.5%	627,989	928,017	-5.4%	1.3%	1.0%
Corinth	45,979	8.1%	358,470	521,587	46,397	7.9%	364,518	523,556	-0.9%	-1.7%	-0.4%
Desoto	4,175	0.7%	35,474	51,900	5,400	0.9%	34,800	51,365	-22.7%	1.9%	1.0%
Edgerton	1,979	0.3%	11,177	17,784	1,377	0.2%	11,180	16,386	43.7%	0.0%	8.5%
Gardner	21,717	3.8%	164,921	238,722	21,539	3.7%	168,118	248,215	0.8%	-1.9%	-3.8%
Lackman	35,057	6.2%	289,897	424,266	37,991	6.4%	304,640	443,810	-7.7%	-4.8%	-4.4%
Leawood Pioneer	39,476	6.9%	314,264	461,275	41,620	7.1%	321,604	471,062	-5.2%	-2.3%	-2.1%
Oak Park	27,162	4.8%	216,194	316,691	28,352	4.8%	216,321	322,171	-4.2%	-0.1%	-1.7%
Shawnee	27,624	4.9%	212,646	305,159	27,593	4.7%	211,350	305,367	0.1%	0.6%	-0.1%
Spring Hill	5,487	1.0%	44,035	66,881	6,980	1.2%	49,692	71,270	-21.4%	-11.4%	-6.2%
JCL Web Renewals	124,943	22.0%	1,008,348	1,499,540	123,341	20.9%	1,038,632	1,514,235	1.3%	-2.9%	-1.0%
Digital Downloads	16,507	2.9%	123,555	334,600	16,210	2.8%	80,151	80,151	1.8%	54.2%	317.5%
JCL Loans to Olathe PL	20,237	3.6%	161,109	237,523	21,980	3.7%	168,671	251,631	-7.9%	-4.5%	-5.6%
JCL Branch Total	325,858	57.3%	2,603,643	3,800,514	342,349	58.1%	2,644,310	3,853,964	-4.8%	-1.5%	-1.4%
JCL Brances and Central	406,733	71.6%	3,239,560	4,737,647	427,837	72.6%	3,272,299	4,781,981	-4.9%	-1.0%	-0.9%
JCL SYSTEM TOTAL	568,420	100.0%	4,532,572	6,663,712	589,368	100.0%	4,559,753	6,627,998	-3.6%	-0.6%	0.5%

Average Circulation per Capita		
	2014	2013
Current Month	1.3	1.4
Year-to-Date	10.5	10.6
Service Area Population	431,000	431,000

Johnson County Library Three-Year Trend in Circulation



**MINUTES JOHNSON COUNTY LIBRARY BOARD
REGULAR BOARD MEETING**

**Thursday,
September 11, 2014
4:00 p.m.**

Leawood Pioneer Library

BOARD: Nancy Hupp, John Nelson, Emmanuel Obi, Pam Robinson, Amy Ruo, Neil Shortlidge, Mitra Templin

BOARD ATTORNEY: Fred Logan

BOCC: Commissioner Osterhaus

STAFF: Megan Bannen, Jesseca Bear, Brian Berrens, Barbara Brand, Channell Butts, Carly Cadena, Sean Casserley, Zainab Fatima, Axel Fust, Kim Gile, Barb Grigsby, Jared Harper, Mike Heffernan, John Helling, Lisa Jordan, Erin Lavin, Christopher Leitch, Jennifer Mahnken, Susan Mong, Matthew Morgan, Nicki Neufeld, Rita Rubick, Jan Schobert, Michaela Scruggs, Aubrey Seavey, Scott Sime, Tricia Suellentrop, Lauren Vieyra, Lisa Weeks, Rachel Wilson, Ron Zluticky

GUESTS: Kathy McGinley, Georgia Sizemore

Board Chair, Nancy Hupp, called the meeting to order at 4:00 p.m.

Nancy asked that we take a moment to pause and remember the millions of lives affect by the terrorist attacks 13 years ago and the changes to our country.

CITIZEN COMMENTS

There were none.

BOARD OF DIRECTORS COMMENTS

Neil Shortlidge commented that he has been serving on the Central Library upgrade committee. The committee is beginning the vendor selection process for the construction manager at risk and several of the vendors are clients of Mr. Shortlidge's firm, Stinson Leonard Street LLP. Mr. Shortlidge has chosen to recuse himself from participating in the selection due to the potential of a perceived conflict of interest. He asked if another member of the Library Board would like to participate in the interviews of "short-listed" vendors being held September 23rd.

The selection committee will review all of the proposals and work through a pre-ranking process to create a "short list" of candidates. The short-listed candidates will be interviewed. The short-list will be developed by determining the natural break in the pre-ranking, the top of the pre-ranked pool will move into the finalist round for the interviews on the 23rd.

Ms. Hupp asked that board members let her know by Monday, September 15, if they will or will not be able to participate.

Ms. Hupp commented that on Sept. 3rd, she, Pam Robinson, Tricia Suellentrop and Sean Casserley met with representatives from the City of Lenexa to discuss their thoughts and anxiety regarding the Lenexa City Center project. Ms. Hupp told the representatives of Lenexa that the Board had made a unanimous decision to stay the course and not deviate from the plan of identifying and working with a consultant for the Library Master Plan study.

Ms. Robinson and Mr. Shortlidge are working with Staff Development manager Rita Rubick and her staff to develop a consistent annual performance review format for the County Librarian position. The format of the review will be used from year to year going forward.

Nancy asked that a third Board member join the committee. Amy Ruo volunteered.

Ms. Robinson thanked Ms. Ruo for volunteering, noting that Ms. Ruo was on the committee last year and that her experience and knowledge will be invaluable. The committee has been researching how the review was developed in the past and what will be of the most value for the County Librarian going forward.

This year the committee will use the same process and questions as were used last year on the evaluation. They are working on studying best practices, preferred characteristics and traits in a library director. With these benchmarks they will create a meaningful assessment and evaluation for next year and the years going forward. Ms. Rubick and her team will assist.

This year's survey will be sent on September 15th with the request that the survey be completed by September 25th. Responses will be compiled and in October the committee will finalize results. The results will be presented to Mr. Casserley in November. Ms. Robinson stated that it is her experience with evaluations that reinventing the system annually is not helpful and does not provide opportunity to show growth.

BOARD OF COUNTY COMMISSIONER REPORT

Commissioner Osterhaus noted that the Board of County Commissioners in the process of putting together the legislative platform. He asked that the library board notify the Board of County Commissioners or the County Managers Office if they believe an issue should be included in the platform.

Ms. Hupp stated that in the meeting with Lenexa, Mayor Boehm discussed the idea of developing an independent library system for Lenexa.

Mr. Logan provided his opinion that the topic will not need to go to the commission and recommended waiting to see if there is movement.

Commissioner Osterhaus added that developing a Lenexa library system would create an additional tax for Lenexa citizens. The tax would be in addition to the tax already in place for the Johnson County Library system. He noted that Chairman Eilert has planned to meet with Mayor Boehm to discuss the issue more in depth.

Ms. Robinson asked if the conversation that occurred last year about making board positions elected positions went anywhere.

Mr. Logan responded that the discussion did not reach the form of a bill. In response to a question if the topic could be resurrected, Mr. Logan stated that he has learned to expect everything and nothing from the

legislature. The library board is unique mix of advisory and governing roles and by statute can only impose a mill levy through the Board of County Commissioners. As such, Mr. Logan does not believe the proposed legislation would have affected the Library Board. If the topic should be resurrected he will keep the Board apprised.

FRIENDS OF THE LIBRARY

Kathy McGinley reported that the Friends and the Friend's staff have been very busy the last few months.

Planning is ongoing for the BIG Fall Kid's Book Sale, which will be November 13-15 in the Carmack Room at Central. There is a Friends-Only Preview Night Wednesday the 11th, 4-8pm. This kid's focused book sale is taking place instead of the large general fall sale which was held the past several years.

Planning also is ongoing for the June 2015 Sizzlin' Summer Book Sale, which most likely will be held at JCCC. This is the second change of venue for the Summer Sale and the Friends are hopeful that the JCCC location will be popular.

The Friends pamphlet and informational bookmark have been updated. Both are currently available through the bookstores and the Sorting center and soon will be available at branches. Ms. McGinley urged people to share these informational materials and spread the word of the Friends.

The Friends also have promotional materials available in Spanish. They hope to add more bilingual informational materials.

The Friends thanked the library staff for including them in Latino Fest. They also appreciate the staff of the Library's ongoing efforts to help the Friends broaden their role and participate in more activities.

Friend's staff continues to work with the planners of the remodel at Central on the design for a potential book store. This would be a major step forward for the visibility of the Friend's book selling efforts.

Internet Sales continue to boom. August sales totaled \$14,401.53 with a total of 710 items sold. The high ticket items were:

- A Genealogical Dictionary of the First Settlers of New England 3rd Edition 4 vols. - \$195.00
- Psychiatric Mental Health Nurse Practitioner: Nursing Review & Resource Manual - \$127.97
- Directory of Supermarket, Grocery & Convenience Stores - \$254.96

International orders went to Canada (3), Australia (2), Sweden, Czech Republic, Kuwait, Italy and Great Britain.

August sales at the Blue Valley Store met the budget with total sales of \$2388.16. There was a successful Back to School Sidewalk sale at Blue Valley August 7-9. Sales at the Antioch store were somewhat below budget, but we have set very high goals for the Antioch store.

JOHNSON COUNTY LIBRARY FOUNDATION

Ms. Mong took a moment to celebrate staff for organizing and holding a successful Latino Fest, which was at Central this year and drew 1,200 community members.

The Foundation has raised \$42,000 in committed sponsorships for the Pinnacle awards. In addition, 245 tickets have been sold. The room capacity is 300, so they are closely monitoring ticket sales.

The Foundation has received the second half of the grant from the Hall Family Foundation in support of Tutor.com and the 6 by 6 ready to read program. Target has awarded the Foundation a \$2,000 grant in support of the 6 by 6 program.

Ms. Mong attended the opening of IKEA; she enjoyed the Swedish meatballs and is working on building the relationship between IKEA and Johnson County Library.

There will be two Foundation Board openings next year; Ms. Mong would welcome recommendations for potential Board members.

Through several different funding sources another batch of 6 by 6 cards has been printed. Staff is excited to again have cards.

The Tanner Colby author event is Wednesday, October 8th. There will be a private reception before the event and Library Board members are welcome and encouraged to attend. The event is funded through the Lauffer Civic Engagement Fund.

The Board was uncertain if they had received an invitation to the Tanner Colby event. Ms. Mong will send an email invitation.

BOARD COUNSEL REPORT

No Report this month.

COUNTY LIBRARIAN REPORT

Request for Additional Resources (RAR) Update

Mr. Casserley reported that the Commission has approved the request for additional resources. \$200,000 of the \$350,000 will be moved into the 2014 budget. This move will provide funding to complete the Library Master Plan study.

Alcohol Exemption for Central Update

The request for an exemption to provide alcohol at the Central Resource Library has been approved by the Board of County Commissioners. The exemption will allow alcohol to be served at Friends, Foundation, Board and Library supported events.

The Commissioners expressed many of the same concerns as the Library Board regarding the regulation of alcohol consumption in a building where children are present. The general rule will remain for patrons that alcoholic beverages are prohibited. The exemption is only for specific, well-regulated events.

The Board asked Ms. Mong when the Foundation anticipates their first event with alcohol will be held.

Ms. Mong replied that the first potential event is the Tanner Colby author private reception. However, the Tanner Colby event is only the first potential event; plans have not yet been made to offer alcohol.

Strategic Plan Executive Summary

Mr. Casserley presented the Library Board with the Executive Summary of the Library's Strategic Plan. The Executive Summary lists the mission statement, vision statement and core values. It then provides an overview of the organizational goals and tactics of the strategic plan. The tactics are further delineated as gold, silver and bronze to indicate priority.

Mr. Casserley gave an overview of the goals and tactics of the strategic plan. The report includes a color coded dashboard that indicates if tasks and tactics are on schedule (green), behind schedule (yellow) or at a stop (red). A blue indicator shows a tactic that hasn't started.

Mr. Casserley asked if the Board would like more detailed report that includes tasks. Ms. Hupp stated her belief that this overview level is appropriate for the Board.

In response to a question regarding target completion date for the plan, Mr. Casserley stated that the goal is to continue to build on the plan. Every year staff will create new tactics and tasks within the portfolio areas of Community Building, Education and Convenience. In five years, Johnson County may again touch base with the community to seek alignment on the portfolio areas of Community Building, Education and Convenience. However, the strategic plan has been created with the intention that is a living, changing and evolving document.

The organization is scheduled to examine tactics for the 2015 strategic plan in November and December.

In response to a question, Mr. Casserley clarified that the gold, silver and bronze designations indicate the priority level of a tactic. Gold tactics are those staff should focus on first, then silver and finally bronze. It is a framework to focus our intention and allow us to make decisions not to do something.

The Board asked Mr. Casserley about a comment attached to Tactic 1.1.2, "*We have investigated providing tablets and determined that it is not feasible. We will move on to other ideas.*"

Mr. Casserley stated that the idea was to provide tablets to staff for the purpose of collectively improving familiarity to tablet technology. However, it has been deemed unworkable because under County policy non-exempt staff would have to be paid for using a tablet at home, even for personal use.

In response to a question on how the executive summary relates to the five-page strategic plan, Mr. Casserley explained that this is the work plan of the strategic plan. The work plan is designed to explain the goals, tactics and tasks in detail. It is how we carry-out the strategic plan.

Central Building Update –

Scott Sime provided an update on the Central Building renovation.

Another round of schematic design meetings have been completed over the last month. This is a further refinement of both public and staff work areas. The Request for Proposal (RFP) was released three weeks ago. Proposals have been received.

Next, interviews will be held for construction manager at risk. The interviews are scheduled for September 23. A team of three county departments, including Johnson County Library, County Facilities and Purchasing will review the proposals and select the construction manager at risk.

At the October 2nd, special board meeting, the selected construction manager and pre-construction services contract will be brought to the Board for action. The contract will be vetted by legal counsel, Mr. Logan, County Risk Management, County Legal and the project team prior to the presentation to the Board.

CONSENT AGENDA

MOTION: Mitra Templin moved to approve the consent agenda.

SECONDED: Amy Amos Ruo **MOTION CARRIED UNANIMOUSLY**

ADJOURNMENT

MOTION: Mitra Templin moved to adjourn

SECONDED: Amy Ruo **MOTION CARRIED UNANIMOUSLY**

Meeting Adjourned at 4:36 p.m.

DATE _____

SECRETARY _____
Amy Ruo

CHAIRMAN _____
Nancy Hupp

SIGNED _____
Sean Casserley, County Librarian

JOHNSON COUNTY LIBRARY

**SUMMARY OF NEW AND/OR
RENEWED CONTRACTS
August 2014**

VENDOR	DESCRIPTION	AMOUNT
Alliance Masonry Restoration	Installation of sealant at Shawnee	\$6,468.00
MindMixer	Online community engagement tool	\$250/month
Kantar Media SRDS License	Online Databases	\$3,773.00
	Total	<u>\$10,491.00</u>

SIGNED:

Finance Director

**JOHNSON COUNTY LIBRARY
GIFT FUND
TREASURER'S REPORT**
Period: AUG-2014

		Receipts	Payments	Balance
	Opening cash balance			\$136,213.97
	Add Receipts	\$143.09		
	Less Payments		\$0.00	
	Ending Cash balance			\$136,357.06
	Less Liabilities		\$0.00	
	Unobligated cash balance			\$136,357.06

APPROVED: _____

DATE: _____

JOHNSON COUNTY LIBRARY REVENUE REPORT

August 2014

66% of Year Lapsed

REVENUE ALL FUNDS	2014 Year to Date	2014 Budget	% Budget Year to Date	% Received Last Year
Ad Valorem	\$19,326,528.08	\$19,612,122	99%	99%
Ad Valorem Delinquent	\$189,878.81	\$308,005	62%	72%
Motor Vehicle	\$1,077,282.59	\$2,159,126	50%	51%
Library Generated - Copying/Printing	\$62,043.73	\$85,000	73%	54%
Library Generated - Overdues / Fees	\$424,541.16	\$725,000	59%	46%
Sale of Library Books	\$37,500.00	\$50,000	75%	50%
Misc Other	\$8,177.43	\$21,290	38%	27%
Library Generated - Other Charges	\$10,752.55	\$322,050	3%	22%
Investment	\$37,664.84	\$56,621	67%	35%
Unencumbered Balance Forward	\$0.00	\$630,000	0%	0%
Recreational Vehicle Tax	\$3,166.36	\$6,497	49%	33%
Heavy Trucks Tax	\$8,868.55	\$10,131	88%	104%
Rental Excise Tax	\$11,769.27	\$24,997	47%	56%
State and Federal Grants	\$159,828.72	\$226,278	71%	1%
TOTAL REVENUE	\$21,358,002.09	\$24,237,117	88%	89%

JOHNSON COUNTY LIBRARY: Summary of Expenditures by Cost Category
August 2014
66% of Year Lapsed

OPERATING FUND	2014	2014	% Program	% Expended
Programs	Year to Date	Budget	Expended	Last Year
Collection Development	2,125,780	3,412,889	62%	50%
Administrative Services	1,905,674	2,647,899	72%	42%
Branch Services	4,229,677	4,361,726	97%	48%
Technical Services	450,059	765,438	59%	40%
Systemwide Services	298,813	2,472,746	12%	45%
Central	2,601,910	3,936,955	66%	46%
Facilities	1,444,591	1,926,919	75%	66%
Information Technology	1,441,468	2,130,677	68%	51%
Risk Management Charges	71,850	95,798	75%	50%
Library General Tax Increment	0	0	0%	0%
Grants *	86,718	226,278	38%	2%
Transfer to Capital Projects	0	0	0%	0%
Interfund Transfers	0	0	0%	0%

TOTAL OPERATING FUND EXPENDITURES	\$14,656,539	\$21,977,325	67%	47%
--	---------------------	---------------------	------------	------------

* Includes expenditures for 2014 calendar year only. The life of the grant may cover more than one year.

SPECIAL USE FUND	2014	2014	% Budget	% Expended
	Year to Date	Budget	Expended	Last Year
Contractual Services (General Maintenance)	5,667	0		0%
Commodities (Capital Equipment)	138,670	208,868	66%	32%
Transfer to Debt Payment	1,106,979	1,122,186	99%	5%
Transfer to Capital Projects	0	0	0%	100%
PBC Debt Payment (Library Building Tax Increment)	103,368	928,738	11%	662%

TOTAL SPECIAL USE FUND EXPENDITURES	\$1,354,684	\$2,259,792	60%	18%
--	--------------------	--------------------	------------	------------

TOTAL EXPENDITURES	\$16,011,222	\$24,237,117	66%	38%
---------------------------	---------------------	---------------------	------------	------------

JOHNSON COUNTY LIBRARY: Summary of Expenditures by Type
August 2014
66% of Year Lapsed

ALL FUNDS

(OPERATING & SPECIAL USE)

Categories	2014 Year to Date	2014 Budget	% Categories Expended	% Expended Last Year
Salaries and Benefits	9,042,447.10	13,907,080.00	65%	45%
Contractual Services	3,018,350.74	3,041,351.00	99%	66%
Supplies	2,101,703.78	3,878,782.30	54%	38%
Capital - Operating	10,571.06	8,412.00	126%	0%
Risk Management Charges	71,848.50	95,798.00	75%	50%
Library General Tax Increment	0.00	0.00	0%	0%
Capital / Maintenance / Repair	138,670.19	221,621.70	63%	43%
Transfer to Debt Payment	1,106,978.71	1,122,186.00	99%	0%
Transfer to Capital Projects	330,566.00	790,566.00	42%	0%
Library Building Tax Increment	103,367.95	928,738.00	11%	0%
Grants	86,717.57	226,278.00	38%	2%

TOTAL EXPENDITURES	\$16,011,222	\$24,220,813	66%	43%
---------------------------	---------------------	---------------------	------------	------------

JOHNSON COUNTY LIBRARY

GRANTS MONTHLY REPORT

GRANTS*						Grant	Budget
Expenditures through 8/31/14	Source	Received	Expend By	Expenditures		Award	Remaining
2013 Ks H. C.	State	Mar-13		\$2,400.00		\$2,650.00	\$250.00
2011 Alcohol Tax Fund	Local	Jan-11	Dec-14	\$9,500.00		\$9,736.00	\$236.00
2012 Alcohol Tax Fund	Local	Jan-12	Dec-14	\$3,969.04		\$8,000.00	\$4,030.96
2014 Kansas Town Hall	Federal	Dec-14	Dec-14	\$561.50		\$1,912.00	\$1,350.50
2014 6by6 Activity Kits	State	Jul-13	Dec-14	\$648.20		\$2,144.95	\$1,496.75
2014 Check up and Check Out	State	Jul-14		\$1,051.62		\$5,250.00	\$4,198.38
2014 State Aid Grant	State	Jul-14		\$80,364.96		\$154,271.77	\$73,906.81
Dust, Drought and Dreams	State	Aug-14		\$1,100.00		\$1,200.00	\$100.00

*Includes all expenditures and revenues over the life of the grant. (Includes multiple years due to the grants crossing fiscal years).

Deferred Maintenance Account

REVENUE	TO DATE	BUDGET
2008 Operating Fund Transfer	\$520,000	\$520,000
2010 Special Use Fund Transfer	\$551,250	\$551,250
Total Revenue	\$1,071,250	\$1,071,250

EXPENDITURES	TO DATE	BUDGET REMAINING
Antioch Chiller	\$11,371.56	
Antioch Security System Upgrade	\$31,058.60	
Antioch Interior Renovations	\$8,263.42	
Antioch-Carpet	\$5,400.00	
Blue Valley HVAC Consulting	\$4,510.00	
Blue Valley Return Fan Project	\$5,980.66	
Blue Valley Carpet Repair	\$2,100.00	
Blue Valley Circulation Area Renovation	\$6,516.21	
Blue Valley Sorter Wall	\$4,450.00	
Blue Valley Security Camera Upgrade	\$15,488.04	
Cedar Roe Security System Upgrade	\$8,517.32	
Corinth Door Replacement	\$4,601.75	
Corinth Framing Project	\$9,000.00	
Corinth Card Entry Addition	\$1,488.00	
Corinth Wireless Intrusion System/Cameras	\$5,010.80	
Corinth Sidewalk Replacement	\$9,195.00	
Corinth Fire System Installation	\$25,125.00	
Corinth Upgraded Controls System	\$13,832.30	
Corinth Trash Receptacle Enclosure	\$10,950.00	
Corinth Retaining Wall	\$3,450.00	
Corinth Condensing Unit	\$27,709.14	
Corinth Asphalt Patching	\$10,000.00	
Corinth Generator Replacement	\$17,000.00	
CRL Sidewalk Replacement	\$13,650.00	
CRL Sign Refurbishment	\$2,771.61	
CRL Front Entrance - Architectural	\$14,780.30	
CRL Front Entrance Remodel	\$214,428.20	
CRL Roof Repair	\$204.34	
CRL - Youth Services Carpet Replacement	\$57,533.00	
CRL - Circulation Area Renovations	\$1,850.00	
CRL - Renovations	\$19,562.50	
CRL Security Upgrade	\$23,743.66	
Cedar Roe - City Commercial Permit	\$80.50	
Gardner Security System Improvements	\$11,296.32	
Desoto Security System Improvements	\$1,998.00	
Lackman Exterior Lights & Drive Repair	\$10,009.00	
Lackman Door Repair	\$5,905.00	
Lackman Security System Upgrade	\$26,381.56	
Leawood Repair & Paint	\$2,429.04	
Spring Hill Sidewalk Repairs	\$12,405.00	
Spring Hill Security System Improvements	\$1,998.00	
Spring Hill furnishings	\$5,253.89	
SSB-Card Entry System	\$3,488.80	
Furniture Replacement	\$136,843.30	
Oak Park HVAC - Engineering	\$29,488.55	
Oak Park HVAC Upgrade	\$146,830.00	
Oak Park Security System Upgrade	\$24,189.00	
Oak Park Entrance Walls	\$2,900.00	
Self-Check Machine Cabinet	\$12,272.82	
Shawnee Wall Construction& Book Drop	\$12,934.00	
Shawnee Security Camera Upgrade	\$3,184.00	
Shawnee Interior-Exterior Door Controls	\$11,977.00	
Miscellaneous Equipment	\$19,594.81	
TOTAL EXPENDITURES	\$1,071,000.00	\$250.00

Deferred Maintenance Account

REVENUE	TO DATE	BUDGET
2008 Operating Fund Transfer	\$520,000	\$520,000
2010 Special Use Fund Transfer	\$551,250	\$551,250
Total Revenue	\$1,071,250	\$1,071,250
		BUDGET
EXPENDITURES	TO DATE	REMAINING
Prior Years Total	\$987,497.62	\$83,752.38
Painting-CRL	\$6,737.75	
Security Equipment-Desoto	\$819.18	
Contractual Services	\$16,001.57	
Furnishings-SPH	\$5,253.89	
Miscellaneous Equipment	\$12,819.85	
Carpet-ANT	\$5,400.00	
Bookdrop-SE	\$8,700.00	
Replace Drive - LA	\$5,850.00	
Furnishings/Electrical-LE	\$5,930.64	
Patch & Paint-LE	\$450.00	
CRL -Electric Upgrade	\$3,562.50	
SE-Door Controls	\$11,977.00	
2013 & 2014 Expenditures	\$83,502.38	
Sub-Total 2013 & 2014 Expenditures	\$83,502.38	
TOTAL EXPENDITURES	\$1,071,000.00	\$250.00

Monticello Land Acquisition

REVENUE	TO DATE	BUDGET
Library Fund Transfer	\$100,000	\$100,000
Bond Sale Proceeds	\$710,000	\$710,000
TOTAL REVENUE	\$810,000	\$810,000

EXPENDITURES	TO DATE	BUDGET REMAINING
Earnest Money for Land Purchase	\$50,000.00	
Land Purchase	\$713,778.64	
Engineering	\$7,015.00	
Site Survey	\$1,900.00	\$37,306.36
TOTAL EXPENDITURES	\$772,693.64	\$37,306.36

Scheduled Replacement Account

<u>REVENUE</u>	<u>REVENUE RECEIVED TO DATE</u>
2011 Operating Fund Transfer	360,175.00
2012 Operating/SU Fund Transfer	642,934.00
2013 Operating/SU Fund Transfer	551,250.00
2014 Operating/SU Fund Transfer	330,566.00

Total Revenue 1,884,925.00

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Concrete Work - Antioch	28,900.00			
Grounds & Concrete Work - Blue Valley	43,800.00			
Furnishings and Equipment	19,538.42	104,730.19	12,960.81	2,077.93
Vehicle Replacement	26,476.00	38,362.71		9,000.00
Shawnee Roof Replacement	10,797.60	1,200.10		
Painting Lights & Improvements - CRL		1,470.00	80,511.00	
CRL Parking Lot Improvements	82,951.00			1,705.00
Monticello Vending Solution Design		9,482.50		
Site Improvements - AN & CRL	4,414.00		687.50	
Drainage Repairs - Corinth	4,730.00			
Roof & Window & Fire System Replacement - CRL	8,400.00	3,724.00	118,071.10	31,420.99
Carpet/Tile Replacement - Blue Valley	6,433.00			
Parking lot Maintenance - Cedar Roe			15,040.00	
Copier Replacement - Creative Services	11,415.00			
Parking Lot Repair - Gardner	4,063.03			
Parking Lot Repair & Boiler Replace - Antioch	33,180.00			49,670.00
Remove bookcases/Painting - CO Meeting & Reading Rooms		2,750.00	1,575.00	
Painting & Security upgrades- Oak Park		2,810.00		1,554.00
Painting/Furnishings Gardner		1,880.00	5,976.26	
Carmack Room Blinds	6,994.00			
Office Remodel / Security upgrade LE		5,650.00		8,043.00
Security System Upgrade - Blue Valley		8,138.00		
Blind Replacement & Furnish - OP		1,958.68	14,651.03	
HVAC Improvements - Antioch		108,235.97		
Concrete Repairs - Shawnee		24,750.00	5,875.00	
Handicap Ramp / landscape- Gardner		3,275.00		
Office Remodel - Blue Valley	24,000.00	11,650.00		
Electrical & Security Camera Installation - CR	664.00	16,701.24	24,360.00	
Roof Repairs - Corinth		39,483.20		
Stack Moving for Carpet Replacement - CRL		8,370.00		
Emergency Lighting & Electrical work - CRL		8,750.00	62,123.00	15,476.01
Carpet Replacement - AN & SSB furnishings		13,577.00	1,839.85	
Carpet Replacement - Shawnee		48,312.25		
Leawood Sorter Installation		54,167.13	5,318.84	
Retaining Walls - Corinth		13,825.00		
HVAC Improvements - Corinth		13,800.00		
HVAC Improvements - Shawnee		15,285.00		
Edgerton Environmental Sampling		712.80		
Carpet & Security System Improvement - Lackman		898.00	815.00	1,520.00
Entryway Handrail Repair - Corinth		250.00		
Fence Repair - Antioch		3,700.00		
Rear Entry Modifications - Antioch		1,375.00	725.00	
Electrical Upgrades/Furnishings - Lackman		5,304.00	6,513.16	
Circulation Area Remodel - Shawnee		11,250.00		
Grounds BV/ Remodel & Landscape			22,875.50	5,625.00
LE Cabinet Heater w/ T-Stat option			1,586.56	
Security Improvements DE/ED/SH			9,594.00	
Carpet/Furnishing CO			11,012.47	
CRL Furnishings/Painting/Carpet			39,591.66	3,185.76
Architectural Services - CRL-Roof Repair			9,961.25	12,030.12
Shawnee Interior Renovation/Remove Door Frame				11,081.99
Lackman Carpet/Furnishings				4,305.40
Concrete replacement - Cedar Roe				4,969.00
	<u>316,756.05</u>	<u>585,827.77</u>	<u>451,663.99</u>	<u>161,664.20</u>

Budget Remaining \$ 369,012.99

Expenditure of Friends of the JCL Donations 2014

August 2014 Report

<i>Expenditure Details</i>	<i>Payee</i>	<i>August</i>	<i>August YTD</i>
Volunteer Recognition		\$0.00	\$435.00
Advertising/Promotion		\$840.75	\$16,023.74
Collection Materials		\$0.00	\$0.00
Professional Development/Staff Recognition		\$528.54	\$912.85
Technology/Recruitment Consulting & Expenses		\$0.00	\$0.00
Card Services		\$0.00	\$7,794.50
Homework Help and Tudor.com		\$0.00	\$0.00
Summer Reading Club/Elementia		\$634.57	\$18,768.68
Other Library Programming		\$0.00	\$0.00
MidAmerica Regional Council		\$0.00	\$0.00
Board Travel Expenses		\$0.00	\$23.74
Miscellaneous		\$0.00	\$0.00
Total Expenditures		\$ 2,003.86	\$ 43,958.51

Hours Discussion and Information

Part of our Strategic Plan is to be convenient for our patrons. Through a variety of factors it came to our attention that perhaps our hours could be a little more convenient for our patrons. While the ultimate convenience might be to be open 24/7 or even until midnight every night, we do have to balance that with staff resources. With that, library staff is proposing a shift in open hours. Looking at a variety of sources of information, Library Administration feels that patrons would be better served by opening an hour earlier each day and closing an hour earlier each evening. With the proposed change, the library would be open three less hours per week.

Branch	Current hours	Proposed hours	Difference
Central	M – R: 9 – 9 Friday: 9 – 6 Saturday: 9 – 5 Sunday: 1 – 5	M – R: 9 – 8 Friday: 9 – 6 Saturday: 9 – 5 Sunday: 1 – 5	- 4 hours/ week Closing one hour earlier M - R
Antioch, Corinth, Blue Valley	M – R: 10 – 9 Friday: 10 – 6 Saturday: 9 – 5 Sunday: 1 – 5	M – R: 9 – 8 Friday: 9 – 6 Saturday: 9 – 5 Sunday: 1 – 5	+ 1/week – opening an hour earlier on Fridays
Gardner, Lackman, Leawood, Oak Park, Shawnee	M – R: 10 – 9 Friday: 10 – 6 Saturday: 9 – 5	M – R: 9 – 8 Friday: 9 – 6 Saturday: 9 – 5	+ 1/week – opening an hour earlier on Fridays
Cedar Roe	M – R: 10 – 9 Friday: 10 – 6 Saturday: 10 – 2	M – R: 9 – 8 Friday: 9 – 6 Saturday: 10 – 2	+ 1/week – opening an hour earlier on Fridays
De Soto	Closed Monday Tue, Wed, Fri: 10 – 6 Thursday: 1 – 8 Saturday: 10 – 2	Closed Monday Tue, Wed, Fri: 10 – 6 Thursday: 1 – 8 Saturday: 10 – 2	0 - Keep the same
Spring Hill	Mon, Tue, Wed: 10 – 6 Thursday: 1 – 8 Saturday: 10 – 2 Closed Friday	Mon, Tue, Wed: 10 – 6 Thursday: 1 – 8 Saturday: 10 – 2 Closed Friday	0 – Keep the same
Edgerton	Closed Monday Tues, Wed: 1 – 6 Thursday: 1 – 8 Friday: 1 – 5 Saturday: 10 – 2	Closed Monday Tues, Fri: 1 – 6 Wed: 10 – 2 Thursday: 1 – 8 Saturday: 10 – 2	0 – change neutral

Rationale for Change

Observation: Library administration has visited a number of branches this year before the library is open. During those visits, administration witnessed multiple patrons coming to the front door between 9 and 10 a.m. hoping to use the library. Staff confirms this pattern as well.

Other Metro Libraries: Most of the metro libraries in the area open at 9:00 a.m. By changing our hours we would be more in line with those other library systems.

Data: Through a variety of data points, we have measured our transactions in the evening between 8 and 9 p.m. All the branches have fewer questions at this hour than any other time of day – almost 60% fewer questions (Less than 10 in that hour). Central is currently open at 9:00 a.m. each day. Between 9 – 10 a.m. Central answers between 25 – 40 questions each day. We believe that if the branches open at this hour, they will be just as busy.

Patron Convenience: We ask to make this change as a convenience to patrons. We recognize that we do have some patrons using the library between 8 – 9 p.m., but we believe we would have a greater number of patrons using the library from 9 – 10 a.m. each day. We also would not close earlier on Fridays. We would stay open until 6 p.m. as there are a number of patrons who come in at that hour to pick up holds and movies for the weekend. Though the numbers do not support keeping evening hours in the community branches (De Soto, Spring Hill, Edgerton: less than 5 questions per evening) we felt it was important to keep one evening per week at each of those locations as a patron convenience. Finally, according to some of the data we have collected, we are not reaching as many families as we would like. One way to do this is to open earlier, to accommodate those families with young children. We can offer story times earlier and be more convenient to those patrons.

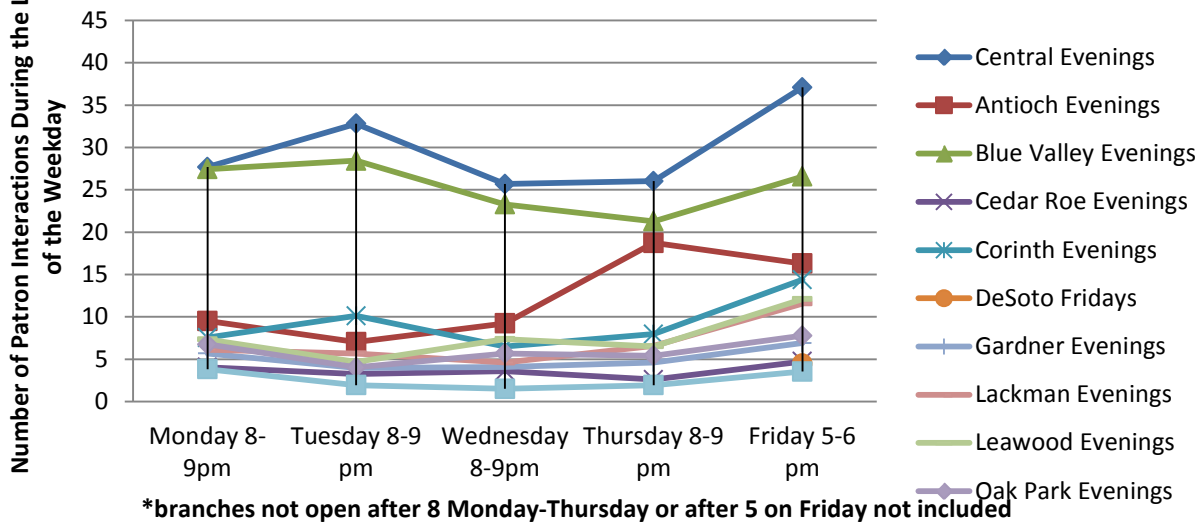
Other considerations

Programming: Some of our adult programs run until 9:00 p.m. We would adjust some programming times or opt to keep buildings opened longer on a program night if warranted.

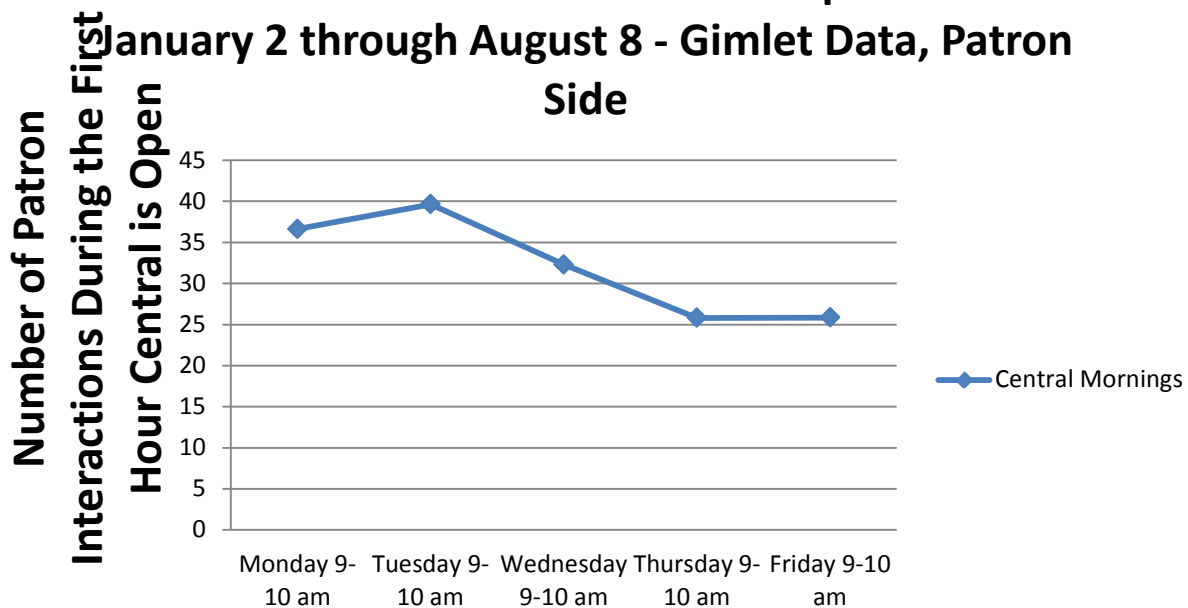
Johnson County Adult Education: Some concerns were brought to our attention from the JCAE group who offers GED and ESL classes, specifically at the Antioch location. They have evening classes and a large number of students who come after 7:00 p.m. We would work with this group to work out an arrangement. Specifically they might be allowed to stay in the building after 8:00 p.m. as long as we could secure the library portion of the building.

Staff working only evenings: We do have some staff that only work evenings and weekends. If we close earlier it might be more difficult to get these folks scheduled. However, they would have the option of working some of their hours at a branch that is open on Sundays to make up those hours.

Average Number of Patron Interactions from January 2 through August 8 - Gimlet Data, Patron Side



Average Number of Patron Interactions at Central Before Other Locations Open from January 2 through August 8 - Gimlet Data, Patron Side



JOHNSON COUNTY LIBRARY
Board of Directors
October 9, 2014

AGENDA ITEM: VI. 1. Consideration of the approval of the Bond Resolution

ISSUE FOR BOARD DETERMINATION:

Whether to approve the bond resolution as described in the memo provided by Fred Logan, Legal Counsel to Johnson County Library.

DISCUSSION:

A discussion is included in the memo provided by Mr. Logan which is included in the board packet materials.

REVIEW BY BOARD COUNSEL:

The document has been reviewed by Board Counsel.

RECOMMENDATION:

That the Board approve the proposed bond resolution 2014-1.

PERSONS RESPONSIBLE:

Fred Logan
Sean Casserley

LOGAN LOGAN & WATSON, L.C.

ATTORNEYS AT LAW
CORINTH OFFICE BUILDING
8340 MISSION ROAD, SUITE 106
PRAIRIE VILLAGE, KANSAS 66206
TELEPHONE (913) 381-1121
TELEFAX (913) 381-6546
www.loganlaw.com

FRED J. LOGAN, JR.
SCOTT K. LOGAN
M. BRADLEY WATSON
JEFF K. BROWN
CHRISTOPHER H. LOGAN
DAVID M. TYRRELL

ALL ATTORNEYS
ADMITTED IN KANSAS
AND MISSOURI

MEMORANDUM

To: Members of the Library Board, Sean Casserley

From: Fred Logan, Board Counsel

Re: Bond issue for Central Resource Library and Monticello projects

Date: October 3, 2014

As I advised you at your special meeting on October 2, the county is getting ready to issue bonds to fund improvements at the Central Resource Library and on the Monticello library site. You are being asked to approve the following Resolution, which is in your Board meeting materials, in conjunction with the bond issuance:

A RESOLUTION AUTHORIZING THE CONSTRUCTING, EXPANDING, RECONSTRUCTING, FURNISHING AND EQUIPPING OF AN EXPANSION TO THE CENTRAL RESOURCE LIBRARY AND THE CONSTRUCTING, FURNISHING AND EQUIPPING OF A BUILDING FOR USE AS THE INITIAL PHASE OF THE MONTICELLO LIBRARY; APPROVING THE ISSUANCE BY THE PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS OF ITS LEASE PURCHASE REVENUE BONDS (LIBRARY PROJECTS), SERIES 2014B TO PAY THE COSTS OF SUCH IMPROVEMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BASE LEASE AND A SUBLEASE IN CONNECTION THEREWITH; AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN OTHER DOCUMENTS AND THE TAKING OF CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

I have carefully reviewed this Resolution, which will be numbered 2014-1, and find it to be entirely in order. I will ask you to approve the Resolution at your regular meeting of Thursday, October 9.

The Library Board is required to make other bond issuance documents part of its record at the October 9 meeting. Those documents include the following:

- Trust Indenture between the Public Building Commission and Security Bank of Kansas City

- Base Lease between the Library Board and the PBC
- Lease between the PBC and Johnson County, Kansas
- Sublease between Johnson County, Kansas and the Library Board
- Notice of Bond Sale and Bid Form

I have carefully reviewed all of these documents and have found them largely to be in order. I have suggested a handful of revisions. I expect that the concerns I have raised will have been resolved by the time you meet next week.

As I said at your special meeting, the important item you will want to review is the Resolution. The other documents are more technical and are necessary in the bond issuance process. I will be happy to answer any questions you may have about any of these materials, either before the meeting or during my presentation.

RESOLUTION NO. 2014-__

A RESOLUTION AUTHORIZING THE CONSTRUCTING, EXPANDING, RECONSTRUCTING, FURNISHING AND EQUIPPING OF AN EXPANSION TO THE CENTRAL RESOURCE LIBRARY AND THE CONSTRUCTING, FURNISHING AND EQUIPPING OF A BUILDING FOR USE AS THE INITIAL PHASE OF THE MONTICELLO LIBRARY; APPROVING THE ISSUANCE BY THE PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS OF ITS LEASE PURCHASE REVENUE BONDS (LIBRARY PROJECTS), SERIES 2014B TO PAY THE COSTS OF SUCH IMPROVEMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BASE LEASE AND A SUBLEASE IN CONNECTION THEREWITH; AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN OTHER DOCUMENTS AND THE TAKING OF CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the Board of Directors of the Johnson County Library (the “Library Board”) is a body corporate and politic organized and validly existing under the laws of the State of Kansas, including specifically K.S.A. 12-1218 *et seq.*; and

WHEREAS, pursuant to the authority of K.S.A. 12-1757 *et seq.* (the “Act”), the Public Building Commission of Johnson County, Kansas (the “PBC”) has heretofore been created by action duly taken by the Board of County Commissioners of Johnson County, Kansas (the “County”) and has the power and authority to issue revenue bonds to provide funds for the purpose of acquiring, erecting, equipping, repairing, maintaining and operating buildings and other facilities; and

WHEREAS, pursuant to the Act, the PBC has proposed to issue its Lease Purchase Revenue Bonds (Library Projects), Series 2014B (the “Series 2014B Bonds”) for the purpose of (a) constructing, expanding, reconstructing, furnishing and equipping an expansion to the Central Resource Library (the “Central Resource Improvements”) located in the County and owned by the Library Board and (b) constructing, furnishing and equipping an approximately 288 square foot building for use as the initial phase of the Monticello Library (the “Monticello Improvement,” together with the Central Resource Improvements, the “Improvements”) on land located in the County and owned by the Library Board; and

WHEREAS, the Series 2014B Bonds will be issued under a Trust Indenture (the “Indenture”) between the PBC and Security Bank of Kansas City, as trustee (the “Trustee”); and

WHEREAS, the Library Board hereby deems it necessary and desirable that the PBC issue the Series 2014B Bonds to pay the costs of the Improvements; and

WHEREAS, in connection therewith, the Library Board hereby deems it necessary and desirable that:

- (a) the Library Board and the PBC enter into a Base Lease (the “Base Lease”), whereby the Library Board will lease the real estate upon which the Improvements will be located and the existing improvements thereon (collectively, the “Land”), together with the Improvements, to the PBC;

- (b) the PBC and the County enter into a Lease (the “Lease”) to provide for the construction, furnishing and equipping of the Improvements and the leasing of the Land and the Improvements (collectively, the “Facility”) by the PBC to the County; and
- (c) the Library Board and the County enter into a Sublease (the “Sublease”), whereby the County will sublease the Facility to the Library Board; and

WHEREAS, the Library Board further deems it necessary and desirable that the Library Board enter into certain other documents and take certain other actions as provided herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE JOHNSON COUNTY LIBRARY:

Section 1. Authorization of Improvements. The Library Board hereby authorizes and approves the constructing, furnishing and equipping of the Improvements, which are hereby deemed and declared to be necessary, convenient and in furtherance of the governmental purposes of the Library Board.

Section 2. Approval of Issuance of Series 2014B Bonds. The Library Board hereby approves the issuance and sale by the PBC of the Series 2014B Bonds, in a principal amount not to exceed \$4,750,000, in order to pay the costs of the Improvements and the costs of issuance of the Series 2014B Bonds. The Library Board hereby requests that the PBC proceed with the sale of the Series 2014B Bonds, provided that the true interest cost of the Series 2014B Bonds shall not exceed ____%, and the Series 2014B Bonds shall mature in principal installments with a final maturity date not later than September 1, 2024. The Series 2014B Bonds shall be in such denominations, shall mature at such times, bear interest at such rates, shall be in such forms, shall be subject to redemption, shall have such other terms and provisions, and shall be issued, executed and delivered in such manner subject to such provisions, covenants and agreements, as are set forth in the Indenture.

Section 3. Authorization of Documents. The Library Board is hereby authorized to enter into the following documents (the “Library Board Documents”), in substantially the forms presented to and reviewed by the Library Board at this meeting (copies of which documents shall be filed in the records of the Library Board), with such changes therein as shall be approved by the officials executing such documents, such officials’ signatures thereon being conclusive evidence of their approval and the Library Board’s approval thereof:

- (a) Base Lease.
- (b) Sublease.
- (c) Continuing Disclosure Undertaking between the County and the Library Board.
- (d) Tax Compliance Agreement among the PBC, the County, the Library Board, and the Trustee, pursuant to which the requirements relating to the federal tax status of the Series 2014B Bonds are set forth.

Section 4. Execution of Documents. The Chair is hereby authorized and directed to execute and deliver the Library Board Documents 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 Library Board. The Secretary is hereby authorized and directed to attest, by manual

or facsimile signature, to the Library Board Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 5. Approval of Indenture. The Library Board hereby approves the Indenture, in substantially the form presented to and reviewed by the Library Board at this meeting (copies of which documents shall be filed in the records of the Library Board), with such changes therein as shall be approved by the officials executing the Library Board Documents, such officials' signatures on the Library Board Documents being conclusive evidence of their approval and the Library Board's approval of such changes to the Indenture.

Section 6. Official Statement. The proposed form of Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"), in substantially the form presented to the Library Board at this meeting, and the final Official Statement, in substantially the form of the Preliminary Official Statement with such changes and additions thereto as are necessary to conform to and describe the transaction, are hereby approved, and the Library Board hereby consents to the use and public distribution of the same in connection with the sale of the Series 2014B Bonds. For the purpose of enabling the purchase of the Series 2014B Bonds to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the Chair is hereby authorized to execute the "Certificate Deeming Preliminary Official Statement Final" as approval of the information relating to the Library Board contained in the Preliminary Official Statement, in substantially the form presented to the Library Board at this meeting, such official's signature thereon being conclusive evidence of such official's and the Library Board's approval thereof.

Section 7. Further Authority. The Library Board shall, and the officials, agents and employees of the Library Board are hereby authorized and directed to, take such further action, 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 Library Board with respect to the Series 2014B Bonds and the Library Board Documents.

Section 8. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the Library Board.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

ADOPTED by the Board of Directors of the Johnson County Library on October __, 2014.

(SEAL)

Chair

ATTEST:

Secretary

**EXCERPT OF MINUTES OF A MEETING
OF THE BOARD OF DIRECTORS OF THE
JOHNSON COUNTY LIBRARY
HELD ON OCTOBER __, 2014**

The Board of Directors of the Johnson County Library met in [regular][special] session at _____ at __:___.m.

The Chair presided and the following members of the Board were present: _____

The following members were absent: _____

The Chair declared that a quorum was present and called the meeting to order.

(Other proceedings)

Thereupon, there was presented a Resolution entitled:

A RESOLUTION AUTHORIZING THE CONSTRUCTION, EXPANDING, RECONSTRUCTING, FURNISHING AND EQUIPPING OF AN EXPANSION TO THE CENTRAL RESOURCE LIBRARY AND THE CONSTRUCTION, FURNISHING AND EQUIPPING OF A BUILDING FOR USE AS THE INITIAL PHASE OF THE MONTICELLO LIBRARY; APPROVING THE ISSUANCE BY THE PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS OF ITS LEASE PURCHASE REVENUE BONDS (LIBRARY PROJECTS), SERIES 2014B TO PAY THE COSTS OF SUCH IMPROVEMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BASE LEASE AND A SUBLEASE IN CONNECTION THEREWITH; AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN OTHER DOCUMENTS AND THE TAKING OF CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

The Resolution was considered and discussed; and on motion of _____, seconded by _____, the Resolution was adopted by the following roll call vote:

Aye: _____.

Nay: _____.

Thereupon, a majority of the members of the Library Board having voted in favor of the adoption of the Resolution, it was given No. _____ and was signed by the Chair and attested by the Secretary.

(Other Proceedings)

CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the Board of Directors of the Johnson County Library, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

Secretary

TRUST INDENTURE

Dated as of November 1, 2014

between

PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS

and

**SECURITY BANK OF KANSAS CITY,
as Trustee**

\$_[4,290,000 _]
Lease Purchase Revenue Bonds
(Library Projects)
Series 2014B

TRUST INDENTURE

TABLE OF CONTENTS

	<u>Page</u>
Parties.....	1
Recitals.....	1
Granting Clauses.....	2

**ARTICLE I
DEFINITIONS**

Section 101.	Definitions of Words and Terms.....	3
Section 102.	Rules of Interpretation	11

**ARTICLE II
THE BONDS**

Section 201.	Authorization of Bonds	11
Section 202.	Security for the Bonds; Limited Nature of Obligations.....	12
Section 203.	Authorization and Description of the Series 2014B Bonds.....	12
Section 204.	Method and Place of Payment of the Bonds	13
Section 205.	Registration, Transfer and Exchange of Bonds	14
Section 206.	Execution, Registration, Authentication and Delivery of Bonds.	15
Section 207.	Mutilated, Lost, Stolen or Destroyed Bonds.....	15
Section 208.	Cancellation and Destruction of Bonds Upon Payment	16
Section 209.	Book-Entry Bonds; Securities Depository	16
Section 210.	Authorization of Additional Bonds	17
Section 211.	Payments Due on Saturdays, Sundays and Holidays.....	18
Section 212.	Nonpresentment of Bonds.	18

**ARTICLE III
REDEMPTION OF BONDS**

Section 301.	Redemption.....	19
Section 302.	Election to Redeem; Selection of Bonds to be Redeemed	20
Section 303.	Notice and Effect of Call for Redemption	20

**ARTICLE IV
FUNDS AND ACCOUNTS; APPLICATION OF BOND PROCEEDS**

Section 401.	Creation of Funds and Accounts.	22
Section 402.	Disposition of Series 2014B Bond Proceeds.	22

Section 403.	Deposits into the Construction Fund.....	23
Section 404.	Application of Moneys in the Construction Fund.	23
Section 405.	Application of Moneys in the Costs of Issuance Fund.	24
Section 406.	Deposits into the Principal and Interest Payment Fund.....	24
Section 407.	Application of Moneys in Principal and Interest Payment Fund.	24
Section 408.	Deposits into and Application of Moneys in the Rebate Fund.....	25

**ARTICLE V
SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS**

Section 501.	Moneys to be Held in Trust.....	25
Section 502.	Investment of Moneys in Funds.	26
Section 503.	Record Keeping.	26

**ARTICLE VI
GENERAL COVENANTS AND PROVISIONS**

Section 601.	Payment of Principal of, Premium, if any, and Interest on the Bonds.	26
Section 602.	Authority to Execute Indenture and Issue Bonds.	27
Section 603.	Performance of Covenants.	27
Section 604.	Instruments of Further Assurance.	27
Section 605.	Inspection of Books.	27
Section 606.	Enforcement of Rights Under the Lease.	27
Section 607.	Possession and Use of Facility.	27
Section 608.	Maintenance, Taxes and Insurance.	27
Section 609.	Continuing Disclosure.	27
Section 610.	Tax Covenants.	28

**ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES**

Section 701.	Exercise of Remedies by the Trustee.....	28
Section 702.	Trustee May File Proofs of Claim.....	30
Section 703.	Limitation on Suits by Bondowners.....	30
Section 704.	Control of Proceedings by Bondowners.	31
Section 705.	Application of Moneys Collected.	31
Section 706.	Rights and Remedies Cumulative.	32
Section 707.	Waiver of Past Defaults.....	32

**ARTICLE VIII
THE TRUSTEE**

Section 801.	Acceptance of Trusts; Certain Duties and Responsibilities.	33
Section 802.	Certain Rights of Trustee.....	34

Section 803.	Notice of Default	36
Section 804.	Compensation and Reimbursement.....	36
Section 805.	Corporate Trustee Required; Eligibility.....	36
Section 806.	Resignation and Removal of Trustee	37
Section 807.	Appointment of Successor Trustee	38
Section 808.	Acceptance of Appointment by Successor Trustee	38
Section 809.	Merger, Consolidation and Succession to Business	38
Section 810.	Co-Trustees and Separate Trustees	39
Section 811.	Paying Agents	40
Section 812.	Performance of Duties under the Lease.	40

**ARTICLE IX
SUPPLEMENTAL INDENTURES**

Section 901.	Supplemental Indentures Not Requiring Consent of Owners.	40
Section 902.	Supplemental Indentures Requiring Consent of Owners	41
Section 903.	Execution of Supplemental Indentures	42
Section 904.	Effect of Supplemental Indentures.....	42
Section 905.	County’s Consent to Supplemental Indentures.....	42

**ARTICLE X
LEASE AMENDMENT**

Section 1001.	Lease Amendments.....	42
---------------	-----------------------	----

**ARTICLE XI
SATISFACTION AND DISCHARGE**

Section 1101.	Payment, Discharge and Defeasance of Bonds.....	42
Section 1102.	Satisfaction and Discharge of Indenture	43
Section 1103.	Rights Retained After Discharge.....	43

**ARTICLE XII
MISCELLANEOUS PROVISIONS**

Section 1201.	Acts of Bondowners	44
Section 1202.	Limitation of Rights Under the Indenture.....	45
Section 1203.	Notices	45
Section 1204.	Immunity of Officers, Employees and Members of the PBC.....	45
Section 1205.	Severability	45
Section 1206.	Execution in Counterparts	45
Section 1207.	Electronic Transactions	45
Section 1208.	Governing Law	46

Signatures, Seals and Acknowledgements..... 46

Exhibit A - Form of the Bonds

TRUST INDENTURE

THIS TRUST INDENTURE, dated as of November 1, 2014 (the “Indenture”), is made by and between the Public Building Commission of Johnson County, Kansas, a municipal corporation duly organized and existing under the laws of the State of Kansas (the “PBC”), and Security Bank of Kansas City, Kansas City, Kansas, a state banking corporation duly organized and existing and authorized to accept and execute trusts of the character herein set forth under the laws of the State of Kansas, with its corporate trust office located in the City of Kansas City, Kansas, as trustee (the “Trustee”).

RECITALS

1. Pursuant to the authority of K.S.A. 12-1757 *et seq.* (the “Act”), the PBC has heretofore been created by action duly taken by the Board of County Commissioners of Johnson County, Kansas (the “County”) and has the power and authority to issue revenue bonds to provide funds for the purpose of acquiring, erecting, equipping, repairing, maintaining and operating buildings and other facilities.

2. The PBC has heretofore adopted Resolution No. PBC 003-13 declaring an intent to issue revenue bonds in an aggregate principal amount not to exceed \$4,750,000 for the purpose of paying all or a portion of the costs of (a) constructing, expanding, reconstructing, furnishing and equipping an expansion to the Central Resource Library (the “Central Resource Improvements”) located in the County and owned by the Board of Directors of the Johnson County Library (the “Library Board”), and (b) constructing, furnishing and equipping an approximately 288 square foot building for use as the initial phase of the Monticello Library (the “Monticello Improvements,” together with the Central Resource Improvements, the “Improvements”) on land located in the County and owned by the Library Board, and paying the costs of issuance of such revenue bonds; and such resolution was published in accordance with the Act, and no sufficient protest was filed against the Improvements or such revenue bonds in accordance with the provisions of the Act.

3. Pursuant to Resolution No. PBC [____]-14, the PBC has determined that it is desirable to issue its Public Building Commission of Johnson County, Kansas Lease Purchase Revenue Bonds (Library Projects), Series 2014B, dated November 25, 2014, in the principal amount of \$[4,290,000] (the “Series 2014B Bonds”), for the purpose of paying a portion of the costs of constructing, furnishing and equipping the Improvements, as more fully described herein and in the hereinafter defined Lease.

4. In connection with the issuance of the Series 2014B Bonds, the PBC will enter into a Base Lease dated as of November 1, 2014 (the “Base Lease”) with the Library Board, whereby the PBC will lease the real estate upon which the Improvements will be located, as legally described in *Schedule 1* attached to the Base Lease, and the existing improvements located thereon (collectively, the “Land”), together with the Improvements, from the Library Board upon the terms and conditions set forth therein.

5. The PBC will also enter into a Lease dated as of November 1, 2014 (the “Lease”) with the County, under which the proceeds of the Series 2014B Bonds shall be used to pay a portion of the costs necessary to construct, furnish and equip the Improvements and pursuant to which the PBC shall lease the Land and the Improvements (collectively, the “Facility”) to the County, in consideration of rentals that are intended to be sufficient to provide for the payment of the principal of, premium, if any, and interest on the Series 2014B Bonds as the same become due.

6. The Board of County Commissioners has adopted Resolution No. [____], which requested that the PBC issue revenue bonds in one or more series in an aggregate principal amount not to exceed \$4,750,000 to provide for financing the costs of the Improvements and associated costs of issuance, and authorized the County to enter into the Lease to provide for the source of repayments of such revenue bonds and other expenses and to enter into a sublease with the Library Board for the use

and operation of the Facility (the “Sublease”).

7. The Library Board has adopted Resolution No. [_____], which requested that the PBC issue its revenue bonds in one or more series in an aggregate principal amount not to exceed \$4,750,000 to provide for financing the costs of the Improvements and associated costs of issuance, and authorized the Library Board to enter into the Base Lease and the Sublease.

8. This Indenture provides for the issuance of additional parity bonds from time to time (the “Additional Bonds,” together with the Series 2014B Bonds, the “Bonds”) on the terms and conditions provided for herein.

9. All things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid and legally binding limited obligations of the PBC, and to constitute this Indenture a valid and legally binding pledge and assignment of the Trust Estate herein made for the security of the payment of the principal of, premium, if any, and interest on the Bonds issued hereunder, have been done and performed, and the execution and delivery of this Indenture and the execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

GRANTING CLAUSES

To declare the terms and conditions upon which Bonds are to be authenticated, issued and delivered and to secure the payment of all of the Bonds issued and Outstanding under this Bond Indenture, to secure the performance and observance by the PBC of all the covenants, agreements and conditions contained in this Indenture and in the Bonds, and in consideration of the premises, the acceptance by the Trustee of the trusts created by this Indenture, and the purchase and acceptance of the Bonds by the Owners thereof, the PBC transfers in trust, pledges and assigns to the Trustee, and grants a security interest to the Trustee in, the following described property (said property referred to in this Indenture as the “Trust Estate”):

- (a) all right, title and interest, of the PBC in, to and under the Base Lease and the Lease, the provisions of which are incorporated herein by reference, all Basic Rent or Additional Rent derived by the PBC pursuant to the Lease, subject to the provisions of the Lease and the Base Lease; provided that the pledge and assignment hereby made shall not impair or diminish the obligations of the PBC under the provisions of the Lease and the Base Lease;
- (b) all moneys and securities from time to time held by the Trustee under the terms of this Indenture (except moneys and securities held in the Rebate Fund), including, without limitation, Bond proceeds and income from the temporary investment thereof, and proceeds from insurance and condemnation awards; and
- (c) any and all other property (real, personal or mixed) of every kind and nature from time to time hereafter, by delivery or by right of any kind, pledged, assigned or transferred as and for additional security under this Indenture by the PBC or by anyone on its behalf of with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

The Trustee shall hold in trust and administer the Trust Estate, upon the terms and subject to the conditions herein set forth, for the equal and proportionate benefit, protection and security of all Owners from time to time of the Bonds issued and Outstanding under this Indenture, without preference, priority or

distinction as to lien or otherwise of any of the Bonds over any other of the Bonds except as expressly provided in or permitted by this Indenture.

NOW, THEREFORE, the PBC covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective Owners of the Bonds, that all Bonds are to be issued, authenticated and delivered and the Trust Estate is to be held and applied by the Trustee, subject to the further covenants, conditions and trusts hereinafter set forth, as follows:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to the words and terms defined elsewhere in this Indenture, the capitalized words and terms as used in this Indenture and in the Lease shall have the following meanings, unless some other meaning is plainly intended:

“Act” means K.S.A. 12-1757 *et seq.*, as amended.

“Additional Bonds” means any Bonds issued in addition to the Series 2014B Bonds specifically authorized in *Section 210* of this Indenture.

“Additional Rent” means all fees, charges and expenses of the Trustee, all Impositions, all amounts required to be rebated to the United States pursuant to this Indenture, all other payments of whatever nature (other than Basic Rent) payable or to become payable pursuant to this Indenture or which County has agreed to pay or assume under the provisions of the Lease and any and all expenses (including reasonable attorney’s fees) incurred by PBC in connection with the issuance of the Bonds or the administration or enforcement of any rights under the Lease or this Indenture.

“Authorized County Representative” means the [__Budget Director for the County__], or such other person as is designated to act on behalf of the County as evidenced by a written certificate furnished to the PBC and the Trustee containing the specimen signature of such person. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized County Representative.

“Authorized Library Board Representative” means the [__Chair of the Library Board__], or such other person as is designed to act on behalf of the Library Board, as evidenced by a written certificate furnished to the PBC and the Trustee containing the specimen signature of such person. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized Library Board Representative.

“Base Lease” means the Base Lease dated as of November 1, 2014 between the Library Board, as lessor and the PBC, as lessee, as from time to time amended and supplemented in accordance with the provisions thereof.

“Basic Rent” means the semi-annual amount of rent due and payable under the Lease which, when added to Basic Rent Credits, will be sufficient to pay, on any Bond Payment Date, all principal of, redemption premium, if any, and interest on the Bonds which is due and payable on such Bond Payment Date.

“Basic Rent Credits” means all funds on deposit in the Principal and Interest Fund and available for the payment of principal of, redemption premium, if any, and interest on the Bonds on any Bond Payment Date.

“Basic Rent Payment Date” means the Business Day prior to each Bond Payment Date until the principal of, redemption premium, if any, and interest on the Bonds have been fully paid or provision made for their payment in accordance with the provisions of this Indenture.

“Beneficial Owner” of the Bonds includes any Owner of the Bonds and any other person who, directly or indirectly, has investment power with respect to any of the Bonds.

“Bondowner” means the Owner of any Bond.

“Bond Counsel” means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the PBC and County.

“Bond Payment Date” means any date on which principal of or interest on any Bond is payable.

“Bond Register” means the books for the registration, transfer and exchange of Bonds kept by the Trustee.

“Bonds” or **“Bond”** means, collectively, the Series 2014B Bonds and any Additional Bonds issued hereunder.

“Business Day” means a day which is not a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which banks in the City of New York or in the State are not authorized to be closed.

“Cede & Co.” means Cede & Co., as nominee of The Depository Trust Company, New York, New York.

“Certificate of Completion” means a written certificate signed by the Authorized Library Board Representative stating that: (a) the Improvements have been completed in accordance with the plans and specifications prepared or approved by the PBC, the County or the Library Board, as the case may be; (b) the Improvements have been completed in a good and workmanlike manner; (c) no mechanic’s or materialmen’s liens have been filed, nor is there any basis for the filings of such liens, with respect to the Improvements; (d) the Improvements are located or installed on the Land; and (e) if required by applicable building codes, that an appropriate certificate of occupancy has been issued with respect to the Improvements.

“Code” means the Internal Revenue Code of 1986, as amended, together with the regulations promulgated thereunder by the United States Department of the Treasury.

“Construction Fund” means the fund authorized and established with the Trustee pursuant to the Indenture and designated “Public Building Commission of Johnson County, Kansas Construction Fund for Lease Purchase Revenue Bonds (Library Projects).”

“Continuing Disclosure Undertaking” means the Continuing Disclosure Undertaking dated as of November 1, 2014 between the County and the Library Board, as may be amended from time to time in accordance with the provisions thereof.

“Costs of Issuance” means all costs of issuing the Bonds, including all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, all expenses incurred in connection with receiving ratings on the Bonds, and any premiums or expenses incurred in obtaining municipal bond insurance on the Bonds.

“Costs of Issuance Fund” means the fund by that name created in *Section 401* hereof.

“County” means Johnson County, Kansas, and its successors and assigns.

“Dated Date” means November 25, 2014.

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (A) not subject to redemption prior to maturity or (B) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) the obligations are rated in the highest rating category by Moody’s (presently “Aaa”) or Standard & Poor’s (presently “AAA”).

“Derivative” means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

“Event of Default” means, with respect to this Indenture, any one of the following events:

(a) Default in the due and punctual payment of the principal of, premium, if any, and interest on the Bonds whether at the stated maturity or accelerated maturity thereof, or at the redemption date thereof;

(b) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the PBC under this Indenture or the Bonds, and the continuance thereof for a period of **30** days after written notice thereof shall have been given to the PBC by the County, or to the PBC and the County by the Owners owning not less than **25%** in aggregate principal amount of Bonds then Outstanding; provided, however, if any default shall be such that it cannot be corrected within such **30**-day period, it shall not constitute an Event of Default if corrective action is instituted by the PBC or the County within such period and diligently pursued until the default is corrected; or

(c) An Event of Default as defined in the Lease shall have occurred.

“Facility” means the Land and the Improvements acquired, constructed, installed or equipped with the proceeds of the Series 2014B Bonds, together with any Facility Additions.

“Facility Additions” means any additions to the Facility acquired, constructed or installed from proceeds of any series of Additional Bonds authorized and issued pursuant to this Indenture. It also includes any alterations or additions made to the Facility to the extent provided in *Articles XI* and *XII* of the Lease.

“Fiscal Year” means the twelve month period ending on December 31 of each year.

“Improvement Costs” means those costs incurred in connection with the Improvements, including:

(a) all costs and expenses of every nature incurred in connection with constructing, acquiring, installing or equipping of the Improvements;

(b) fees and expenses of architects, appraisers, surveyors and engineers for estimates, surveys, soil borings and soil tests and other preliminary investigations and terms necessary to the commencement of construction, preparation of plans, drawings and specifications and supervision of construction, as well as for the performance of all other duties of architects, appraisers, surveyors and engineers in relation to the construction, furnishing and equipping of the Facility or the issuance of the Series 2014B Bonds;

(c) payment of interest actually incurred on any interim financing obtained from a lender unrelated to the County for performance of work on the Improvements prior to the issuance of the Series 2014B Bonds;

(d) the costs of title insurance policies and the cost of any insurance and performance and payment bonds maintained during the construction of the Improvements in accordance with the Lease;

(e) interest accruing on the Series 2014B Bonds during the period of construction of the Improvements; and

(f) Costs of Issuance.

“Improvements” means, collectively, (a) the expansion to the Central Resource Library located in the County and (b) the approximately 288 square foot building to be constructed for use as the initial phase of the Monticello Library on land located in the County, the construction, reconstruction, furnishing and equipping of each of which is funded from the proceeds of the Series 2014B Bonds.

“Indenture” means this Indenture, as from time to time amended and supplemented by Supplemental Indentures in accordance with the provisions of *Article VIII* of this Indenture.

“Interest Payment Date” means March 1 and September 1 of each year, commencing September 1, 2015.

“Investment Securities” means the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the PBC’s temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the County which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody’s or Standard & Poor’s; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

“Land” means the real property (or interests therein) described in *Schedule 1* attached to the Lease, including the existing improvements located thereon.

“Lease” means the Lease dated as of November 1, 2014 between the PBC, as lessor, and the County, as lessee, as from time to time amended and supplemented in accordance with the provisions thereof.

“Library Board” means the Board of Directors of the Johnson County Library, a body corporate and politic organized and existing under the laws of the State, and its successors and assigns.

“Maturity” when used with respect to any Bond, means the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

“Moody’s” means Moody’s Investor’s Service, Inc., and its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities ratings agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the PBC.

“Net Proceeds” means, when used with respect to any insurance or condemnation award with respect to the Facility, the proceeds from the insurance or condemnation award remaining after the payment of all expenses (including the County’s attorneys’ fees and any extraordinary expenses of the PBC occasioned by such casualty or condemnation) incurred in the collection of such proceeds.

“Notice Address” means:

- (1) With respect to the County:

Johnson County, Kansas
Johnson County Administration Building
111 South Cherry, Suite 2300
Olathe, Kansas 66061-3441
Attention: [__County Manager__]

- (2) With respect to the PBC:

Public Building Commission of Johnson County, Kansas
Johnson County Administration Building
111 South Cherry, Suite 2300
Olathe, Kansas 66061-3441
Attention: [__Chair__]

- (3) With respect to the Trustee:
Security Bank of Kansas City
One Security Plaza
701 Minnesota
Kansas City, Kansas 66101
Attention: Corporate Trust Department

- (4) With respect to the Library Board:

Board of Directors of the Johnson County Library
[__P.O. Box 2933
Shawnee Mission, Kansas 66201-1333__]
Attn: [__County Librarian__]

“Notice Representative” means:

- (1) with respect to the County, the [__County Manager__];
- (2) with respect to the PBC, the [__Chair__];
- (3) with respect to the Trustee, the Corporate Trust Department; and

(4) with respect to the Library Board, the [__County Librarian__].

“Outstanding” means, when used with reference to the Bonds, as of a particular date of determination, all Bonds theretofore authenticated and delivered, except the following Bonds:

- (a) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;
- (b) Bonds deemed to be paid in accordance with the provisions of *Section 1101* hereof; and
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered herunder.

“Owner” when used with respect to any Bond means the person in whose name such Bond is registered on the Bond Register.

“Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“Paying Agent” means the Trustee.

“PBC” means the Public Building Commission of Johnson County, Kansas, a municipal corporation organized and existing under the laws of the State, and its successors and assigns.

“Principal and Interest Fund” means the fund by that name created in *Section 401* hereof.

“Principal Payment Date” shall mean each September 1, commencing September 1, 2014 and continuing until such time as the aggregate principal amount of the Bonds has been paid or provision is made for the payment thereof, whether at Stated Maturity or on a Redemption Date.

“Purchase Price” means: (a) with respect to the Series 2014B Bonds, [__100% of the principal amount of the Series 2014B Bonds__]; and (b) with respect to any Additional Bonds, the amount set forth in the Supplemental Indenture authorizing such Additional Bonds.

“Purchaser” means [_____].

“Rebate Fund” means the fund by that name created in *Section 401* hereof.

“Record Dates” for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of each month preceding such Interest Payment Date.

“Redemption Date,” when used with respect to any Bond to be redeemed means the date fixed for the redemption of such Bond pursuant to the terms of this Indenture.

“Redemption Price,” when used with respect to any Bond to be redeemed, means the price at which such Bond is to be redeemed pursuant to the terms of this Indenture, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Rental Payments” means the aggregate of the Basic Rent payments and Additional Rent payments pursuant to the Lease.

“Replacement Bonds” means Bonds issued to the Beneficial Owners of the Bonds in accordance with *Section 209* hereof.

“SEC Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as may be amended from time to time.

“Securities Depository” means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

“Series 2014B Bonds” means the Public Building Commission of Johnson County, Kansas Lease Purchase Revenue Bonds (Library Projects), Series 2014B, dated November 25, 2014, in the aggregate principal amount of \$[4,290,000].

“Special Record Date” means the date fixed by the Trustee pursuant to *Section 204* hereof for the payment of Defaulted Interest.

“Standard & Poor’s” means Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, Inc., and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the PBC.

“State” means the State of Kansas.

“Stated Maturity” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and this Indenture as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“Sublease” means the Sublease dated as of November 1, 2014 between the County, as lessor, and the Library Board, as lessee, as from time to time amended and supplemented in accordance with the provisions thereof.

“Supplemental Indenture” means any indenture, supplemental or amendatory to this Indenture, entered into by the PBC and the Trustee pursuant to of this Indenture.

“Tax Compliance Agreement” means the Tax Compliance Agreement dated as of November 1, 2014 among the PBC, the County, the Library Board and the Trustee, as from time to time amended and supplemented in accordance with the provisions thereof.

“Tax-Exempt Bonds” means Bonds of a series the interest on which is intended to be excluded from gross income for federal income tax purposes as designated by the PBC at the time of issuance of a series of Bonds.

“Trust Estate” means the Trust Estate described in the Granting Clauses of this Indenture.

“Trustee” means Security Bank of Kansas City, Kansas City, Kansas, a state banking corporation organized under the laws of the State of Kansas, in its capacity as trustee, bond registrar and

paying agent, and its successor or successors, and any other corporation or association with at the time may be substituted in its place pursuant to and at the time serving as Trustee under the Indenture.

“**United States Government Obligations**” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the PBC.

Section 102. Rules of Interpretation.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

(b) Wherever in this Indenture it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(c) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision.

(d) The Table of Contents and the Article and Section headings of this Indenture shall not be treated as a part of this Indenture or as affecting the true meaning of the provisions hereof.

ARTICLE II

THE BONDS

Section 201. Authorization of Bonds. The PBC may issue Bonds in series from time to time under this Indenture, but subject to the provisions of this Indenture and any Supplemental Indenture authorizing a series of Bonds. No Bonds may be issued under this Indenture except in accordance with the provisions of this Article. The total principal amount of Bonds, the number of Bonds and series of Bonds that may be issued under this Indenture is not limited, except with respect to the Series 2014B Bonds as provided in **Section 203** hereof, and with respect to Additional Bonds as provided in **Section 210** hereof and in the Supplemental Bond Indenture providing for the issuance thereof, and except as may be limited by law. The several series of Bonds may differ as between series in any respect not in conflict with the provisions of this Indenture and as may be prescribed in the Supplemental Indenture authorizing such series. The general title of all series of Bonds authorized to be issued under this Bond Indenture shall be Lease Purchase Revenue Bonds (Library Projects),” with such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular series as the PBC may determine.

Section 202. Security for the Bonds; Limited Nature of Obligations.

(a) The Bonds and the interest thereon shall be limited obligations of the PBC payable solely and only from the net earnings and revenues derived by the PBC from the Facility, including but not limited to the rents, revenues and receipts under the Lease (including, in certain circumstances, Bond proceeds and income from the temporary investment thereof and proceeds from insurance and condemnation awards). The Bonds and the interest thereon shall not be a debt or general obligation of the PBC, the County, the Library Board or the State or any political subdivision thereof and are secured by a pledge and assignment of the Trust Estate to the Trustee in favor of the Owners of the Bonds, and the Bonds, the interest thereon, or any judgment thereon or with respect thereto, are payable from tax revenues only to the extent that the County generates the rentals payable under the Lease from taxation. The Bonds shall not constitute an indebtedness or a pledge of the faith and credit of PBC, the County, the Library Board, the State or any political subdivision thereof, within the meaning of any constitutional or statutory limitation or restriction.

The covenants and agreements of the PBC contained in this Indenture, the Base Lease, the Lease and in the Bonds shall be for the equal benefit, protection, and security of the legal Owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of, redemption premium, if any, and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Indenture.

(b) No provision, covenant or agreement contained in this Indenture or the Bonds, or any obligation herein or herein imposed upon the PBC, or the breach thereof, shall constitute or give rise to or impose upon the PBC a pecuniary liability or a charge upon its general credit or powers of taxation. In making the agreements, provisions and covenants set forth in this Indenture, the PBC has not obligated itself except with respect to the Facility and the application of the payments, revenues and receipts therefrom as hereinabove provided. Neither the officers of the PBC nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

Section 203. Authorization and Description of the Series 2014B Bonds. There shall be issued under and secured by this Indenture a series of Bonds designated “Public Building Commission of Johnson County, Kansas Lease Purchase Revenue Bonds (Library Projects), Series 2014B,” in the original aggregate principal amount of \$[4,290,000], for the purpose of providing funds to pay Improvement Costs and Costs of Issuance.

The Series 2014B Bonds shall consist of fully registered bonds in the minimum authorized denomination of \$5,000 or any integral multiple thereof and shall be numbered in such manner as the Trustee shall determine. All of the Series 2014B Bonds shall be dated the Dated Date, shall become due in the amounts on the Stated Maturities, and subject to redemption and payment prior to their Stated Maturities as provided in *Article III* hereof, shall bear interest as the respective rates per annum as follows:

SERIAL BONDS

Stated Maturity	Principal	Interest
<u>September 1</u>	<u>Amount</u>	<u>Rate</u>

TERM BONDS

\$_____ % Term Bonds Maturing September 1, 20__

The Series 2014B Bonds shall bear interest at the above specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid on the Interest Payment Dates in the manner set forth in *Section 204* hereof. The Series 2014B Bonds shall be issued as book-entry only Bonds and administered in accordance with the provisions of *Section 209* hereof.

The Series 2014B Bonds and the Trustee's Certificate of Authentication to be endorsed thereon, shall be in substantially the form set forth in *Exhibit A* to this Indenture. Any Additional Bonds and the Trustee's Certificate of Authentication to be endorsed thereon shall also be in substantially such form, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture or any Supplemental Indenture. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

Each of the Series 2014B Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be printed in accordance with the format required by the Attorney General of the State and shall be substantially in the form required by the Attorney General pursuant to the Notice of Systems of Registration for Kansas Municipal Bonds, 2 Kan. Reg. 921 (1983), in accordance with the Kansas Bond Registration Law, K.S.A. 10-620 *et seq.*

Section 204. Method and Place of Payment of the Bonds. The Trustee is hereby designated as the "Paying Agent" for the payment of principal of and interest on the Bonds. The principal of, or Redemption Price, if any, and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal or Redemption Price of each Bond shall be paid at Maturity to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the corporate trust office of the Trustee.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Trustee to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Trustee in writing by such Owner or (b) in the case of an interest payment to any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Trustee by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account number to which such Owner wishes to have such transfer directed.

Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The PBC shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Trustee) and shall deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment. Following receipt of such funds, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Trustee shall promptly notify the PBC of such Special Record Date and, in the name and at the expense of the PBC, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice at the address of such Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

The Trustee shall keep a record of payment of principal and Redemption Price of and interest on all Bonds and at least annually shall forward a copy or summary of such records to the PBC.

Section 205. Registration, Transfer and Exchange of Bonds. The Trustee is hereby designated as the “Bond Registrar” with respect to the registration, transfer and exchange of Bonds. The Trustee shall cause to be kept at its corporate trust office a register (referred to herein as the “Bond Register”) in which, subject to such reasonable regulations as it may prescribe, the Trustee shall provide for the registration, transfer and exchange of Bonds as provided herein. Each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register.

Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender for transfer or exchange of any Bond at the corporate trust office of the Trustee, the PBC shall execute, and the Trustee authenticate and deliver, in the name of the designated transferee or transferees, a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange.

Bonds presented or surrendered for transfer or exchange shall be duly endorsed, or be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form satisfactory to the Trustee, duly executed by the Owner thereof or by the Owner’s attorney or legal representative duly authorized in writing.

No service charge shall be made for any registration, transfer or exchange of Bonds, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, and such charge shall be paid before any such new Bond shall be delivered. The fees and charges of the Trustee for making any transfer or exchange and the expense of any bond printing necessary to effect any such transfer or exchange shall be paid by the County. In the event any Owner fails to provide a certified taxpayer identification number to the Trustee, the Trustee may impose a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Internal Revenue Code, such amount may be deducted by the Trustee from amounts otherwise payable to such Owner hereunder or under the Bonds.

The PBC and the Trustee shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Trustee pursuant to **Section 303** hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the PBC of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 204** hereof.

The PBC and the Trustee may deem and treat the person in whose name any Bond is registered on the Bond Register as the absolute Owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Owner or upon the Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the PBC nor the Trustee shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Trustee, the Bond Register may be inspected and copied by the Owners of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Owners whose authority is evidenced to the satisfaction of the Trustee.

Section 206. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the PBC by the manual or facsimile signature of the Chair, attested by the manual or facsimile signature of the Secretary and the seal of the PBC shall be affixed thereto or imprinted thereon. The Chair and Secretary are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and to cause the Bonds to be registered in the office of the Secretary, which registration shall be evidenced by the manual or facsimile signature of the Secretary with the seal of the PBC affixed thereto or imprinted thereon. The Bonds shall also be registered in the office of the County Clerk of Johnson County, Kansas, which registration shall be evidenced by the manual or facsimile signature of the County Clerk with the seal of the County affixed thereto or imprinted thereon; and in the office of the Trustee which registration shall be evidenced by the manual or facsimile signature of the State Treasurer with the seal of the State Treasurer affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Bonds shall have endorsed thereon a certificate of authentication substantially in the form attached hereto as **Exhibit A** hereof, which shall be executed by the Trustee. No Bond shall be entitled to any security or benefit under this Indenture or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Trustee. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The certificate of authentication on any Bond shall be deemed to have been duly executed if signed by any authorized officer or employee of the Trustee, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. Upon authentication, the Trustee shall deliver the Bonds to the Purchaser upon instructions of the PBC or its representative.

Section 207. Mutilated, Lost, Stolen or Destroyed Bonds. If (a) any mutilated Bond is

surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the PBC and the Trustee such security or indemnity as may be required by each of them, then, in the absence of notice to the Trustee that such Bond has been acquired by a bona fide purchaser, the PBC shall execute and the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

If such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the PBC, in its discretion, may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this Section, the PBC and the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen Bond, shall constitute a replacement of the prior obligation of the PBC, and shall be entitled to all the security and benefits of this Indenture equally and ratably with all other Outstanding Bonds.

Section 208. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or which the Trustee has purchased or which have otherwise been surrendered to the Trustee under this Indenture, either at or before Maturity, shall be cancelled by the Trustee immediately upon the payment, redemption or purchase of such Bonds and the surrender thereof to the Trustee and subsequently destroyed in accordance with the customary practice of the Trustee. The Trustee shall execute and deliver to the PBC a certificate describing the Bonds so cancelled.

Section 209. Book-Entry Bonds; Securities Depository. Any series of Bonds may be issued as book-entry only Bonds. If so, such series of Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Bonds, except in the event the Trustee issues Replacement Bonds as provided in this Section. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Trustee authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraph.

If (a) the PBC determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, or (b) the Trustee receives written notice from Participants having interests in not less than **50%** of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, then the Trustee shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Trustee shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the PBC,

with the consent of the Trustee, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the PBC, the Trustee or Owners are unable to locate a qualified successor of the Securities Depository in accordance with the following paragraph, then the Trustee shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Trustee may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the PBC.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the PBC may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

Section 210. Authorization of Additional Bonds.

(a) Additional Bonds may be issued under and equally and ratably secured by this Indenture on a parity with the Series 2014B Bonds and any other Additional Bonds Outstanding at any time and from time to time, upon compliance with the conditions hereinafter provided in this Section, for any of the following purposes:

(1) To provide funds to pay the costs of completing the Improvements, the total of such costs to be evidenced by a certificate signed by the Authorized Library Board Representative.

(2) To provide funds to pay all or any part of the costs of repairing, replacing or restoring the Improvements in the event of damage, destruction or condemnation thereto or thereof.

(3) To provide funds to pay all or any part of the costs of acquisition, purchase or construction of such additions, improvements, extensions, alterations, expansions, or modifications of the Facility or any part thereof as the County may deem necessary or desirable and as will not impair the nature of the Facility as a facility within the meaning and purposes of the Act.

(4) To provide funds for refunding all or any part of the Bonds of any series then Outstanding, including the payment of any premium thereon and interest to accrue to the designated redemption date and any expenses in connection with such refunding.

(b) Before any Additional Bonds shall be issued under the provisions of this Section, the PBC shall adopt a resolution (i) authorizing the issuance of such Additional Bonds, fixing the amount and terms thereof and describing the purpose or purposes for which such Additional Bonds are being issued or describing the Bonds to be refunded; (ii) authorizing the PBC to enter into a Supplemental Indenture for the purpose of providing for the issuance of and securing such Additional Bonds and, if required (iii)

authorizing the PBC to enter into a supplemental lease or leases with the County to provide for rental payments at least sufficient to pay the principal of, premium, if any, and interest on the Bonds then to be Outstanding (including the Additional Bonds to be issued) as the same become due, and for such other matters as are appropriate because of the issuance of the Additional Bonds proposed to be issued which, in the judgment of the PBC, is not to the prejudice of the PBC or the Owners of Bonds previously issued.

(c) Such Additional Bonds shall have the same designation as the Series 2014B Bonds, except for an identifying series letter or date and the addition of the word “Refunding” when applicable, shall be dated, shall be stated to mature on Bond Payment Dates in such year or years, shall bear interest at such rate or rates not exceeding the maximum rate then permitted by law, and shall be redeemable at such times and prices (subject to the provisions of *Article III* of this Indenture), all as may be provided by the Supplemental Indenture authorizing the issuance of such Additional Bonds. Except as to any difference in the date, the maturity or maturities, the rate or rates of interest or the provisions for redemption, such Additional Bonds shall be on a parity with and shall be entitled to the same benefit and security of this Indenture as the Series 2014B Bonds and any other Additional Bonds Outstanding at the time of the issuance of such Additional Bonds.

(d) Such Additional Bonds shall be substantially in the form and executed in the manner set forth in this Article and shall be deposited with the Trustee for authentication.

(e) Except as provided in this Section, the PBC will not otherwise issue any obligations ratably secured and on a parity with the Series 2014B Bonds, but the PBC may issue other obligations specifically subordinate and junior to the Series 2014B Bonds with the express written consent of the County.

Section 211. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of principal of, premium, if any, or interest on the Bonds or the date fixed for redemption of any Bonds shall not be a Business Day, then payment of principal, premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 212. Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, at Maturity, if funds sufficient to pay such Bond have been made available to the Trustee, all liability of the PBC to the Owner thereof for the payment of such Bond, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond. If any Bond is not presented for payment within six (6) years following the date when such Bond becomes due, at Maturity, the Trustee upon the request of the PBC shall repay to the PBC the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the PBC, and the Owner thereof shall be entitled to look only to the PBC for payment, and then only to the extent of the amount so repaid, and the PBC shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption.

(a) *Redemption of Bonds Generally.* The Series 2014B Bonds are subject to redemption prior to maturity in accordance with their terms and provisions set forth in this Article. Additional Bonds shall be subject to redemption prior to maturity in accordance with the applicable terms and provisions contained in this Article and as may be specified in such Bonds and the Supplemental Indenture authorizing such Bonds.

(b) *Optional Redemption of Series 2014B Bonds.* At the option of the PBC, upon instructions from the County, Series 2014B Bonds or portions thereof maturing in the years 2023 and thereafter may be called for redemption and payment prior to their Stated Maturity on September 1, 2022, and thereafter as a whole at any time or in part (selection of maturities and the amount of Series 2014B Bonds of each maturity to be redeemed to be determined by the PBC in such equitable manner as it may determine) at any time, at the Redemption Price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.

(c) *Mandatory Sinking Fund Redemption of Series 2014B Bonds.* The Series 2014B Bonds maturing September 1, 20[] (the "Term Bonds") shall be subject to mandatory sinking fund redemption and payment prior to maturity on September 1 in each of the years set forth below, at **100%** of the principal amount thereof, plus accrued interest to the Redemption Date:

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

* Final Maturity

The Trustee shall make timely selection of such Term Bonds or portions thereof to be redeemed pursuant to the terms of this Section in **\$5,000** units of principal amount in such equitable manner as the Trustee determines and shall give notice thereof without further instructions from the PBC. At the option of the PBC, to be exercised on or before the **35th** day next preceding each mandatory redemption date, the Institution may (1) deliver to the Trustee for cancellation Term Bonds in the aggregate principal amount desired, (2) furnish to the Trustee funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds from any Owner thereof in the open market at a price not in excess of **100%** of the principal amount thereof, whereupon the Trustee shall use its best efforts to expend such funds for such purposes, or (3) elect to receive a credit in respect to the mandatory redemption obligation under this subsection for any Term Bonds which prior to such date have been redeemed (other than through the operation of the requirements of this subsection) and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation under this subsection. Each Term Bond so delivered or previously purchased or redeemed shall be credited at **100%** of the principal amount thereof on the obligation to redeem Term Bonds of the same maturity on the next mandatory redemption date applicable to Term Bonds of such maturity that is at least **35** days after receipt by the Trustee of such instructions from the PBC, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same maturity in chronological order or such other order as the Institution may designate, and the principal amount of Term Bonds to be redeemed on such future mandatory redemption dates by operation of the requirements of this subsection shall be reduced accordingly. If the PBC intends to exercise any option granted by the provisions of clauses (1), (2) or (3)

of this subsection, the PBC will, on or before the 35th day next preceding the applicable mandatory redemption date, furnish the Trustee a certificate of an authorized issuer representative indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with in respect to such mandatory redemption payment.

Section 302. Election to Redeem; Selection of Bonds to be Redeemed.

(a) In the event the PBC desires to call the Bonds for redemption prior to maturity, written notice of such intent shall be provided to the Trustee from the PBC, together with the written consent of the County, not less than 35 days prior to the Redemption Date. The Trustee shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Trustee at least 35 days prior to the Redemption Date of written instructions of the PBC specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. The Trustee may in its discretion waive such notice period so long as the notice requirements set forth in *Section 303* are met.

The foregoing provisions of this paragraph shall not apply in the case of any mandatory redemption of Bonds hereunder, and Bonds shall be called by the Trustee for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the PBC and whether or not the Trustee holds moneys available and sufficient to effect the required redemption.

(b) Bonds shall be redeemed only in the minimum authorized denomination of \$5,000 (or other authorized denomination of the Bonds of any series specified in the Supplemental Indenture authorizing such series of Bonds) or any integral multiple thereof. Bonds that are to be redeemed pursuant to optional redemption provisions shall be selected from the maturity or maturities selected by the Institution, unless otherwise provided in a Supplemental Indenture with respect to a particular Series of Bonds. If less than all Bonds of any maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Bond Trustee from the Bonds of such maturity which have not previously been called for redemption, by lot or such other equitable manner as the Bond Trustee may determine and which may provide for the selection for redemption of portions of the principal of Bonds equal to the minimum authorized denomination of the Bonds of a denomination larger than the minimum authorized denomination.

Section 303. Notice and Effect of Call for Redemption. Unless waived by any Owner of Bonds to be redeemed, if the PBC shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the PBC shall give written notice of its intention to call and pay said Bonds to the Purchaser. In addition, the PBC shall cause the Trustee to give written notice of redemption to the Owners of said Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information:

- (a) the Redemption Date;
- (b) the Redemption Price;
- (c) the principal amount (and, in the case of partial redemption, the respective principal amounts, identification numbers and Maturities) of the Bonds to be redeemed;

(d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and

(e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the corporate trust office of the Trustee.

With respect to optional redemptions, such notice may be conditioned upon moneys being on deposit with the Trustee on or prior to the Redemption Date in an amount sufficient to pay the Redemption Price on the Redemption Date. If such notice is conditional and either the Trustee receives written notice from the PBC that moneys sufficient to pay the Redemption Price will not be on deposit on the Redemption Date, or such moneys are not received on the Redemption Date, then such notice shall be of no force and effect, the Trustee shall not redeem such Bonds and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not or will not be so received and that such Bonds will not be redeemed.

The failure of any Owner to receive notice given as provided in this Section, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives such notice.

So long as the Securities Depository is effecting book-entry transfers of the Bonds, the Bond Registrar shall provide the notices specified in this Section to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the PBC defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Trustee. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Trustee as provided herein and shall not be reissued.

In addition to the foregoing notice, the Bond Trustee shall give further notice by first class mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and by facsimile to one or more national information services that disseminate notices of redemption of obligations such as the Bonds. Each further notice of redemption given shall contain the information required above for an official notice of redemption plus (a) the CUSIP numbers of all Bonds being redeemed, (b) the date of issue of the Bonds as originally issued, (c) the rate of interest borne by each Bond being redeemed, (d) the maturity date of each Bond being redeemed, and (e) any other descriptive information needed to identify accurately the Bonds being redeemed. No defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if

notice thereof is given to the Registered Owners of the Bonds as above prescribed.

The Trustee is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

ARTICLE IV

FUNDS AND ACCOUNTS; APPLICATION OF BOND PROCEEDS

Section 401. Creation of Funds and Accounts. There is hereby created and ordered to be established in the custody of the Trustee the following separate funds and accounts:

- (a) Public Building Commission of Johnson County, Kansas Construction Fund for Lease Purchase Revenue Bonds (Library Projects), hereinafter referred to as the “Construction Fund.”
- (b) Public Building Commission of Johnson County, Kansas Costs of Issuance Fund for Lease Purchase Revenue Bonds (Library Projects), hereinafter referred to as the “Costs of Issuance Fund.”
- (c) Public Building Commission of Johnson County, Kansas Principal and Interest Fund for Lease Purchase Revenue Bonds (Library Projects), hereinafter referred to as the “Principal and Interest Fund.”
- (d) Public Building Commission of Johnson County, Kansas Rebate Fund for Lease Purchase Revenue Bonds (Library Projects), hereinafter referred to as the “Rebate Fund.”

The Trustee shall hold said Funds or Accounts in trust pursuant to the terms hereof as long as any of the Bonds remain outstanding and unpaid or until provisions are made for the payment thereof in accordance with the terms of this Indenture.

The Trustee is authorized to establish separate accounts or subaccounts within such funds or otherwise segregate moneys within such funds, on a book-entry basis or in such other manner as the Trustee may deem necessary or convenient, or as the Trustee shall be instructed by the PBC.

Section 402. Disposition of Series 2014B Bond Proceeds. The net proceeds received from the sale of the Series 2014B Bonds shall be deposited simultaneously with the delivery of such Bonds and applied by the Trustee, as follows:

- (a) The sum of \$[_____] shall be deposited in the Costs of Issuance Fund and applied in accordance with *Section 405* hereof.
- (b) The remaining balance of the proceeds derived from the sale of the Series 2014B Bonds in the amount of \$[_____] shall be deposited in the Construction Fund and applied in accordance with *Section 404* hereof.

Section 403. Deposits into the Construction Fund. The following funds shall be paid over to and deposited by the Trustee into the Construction Fund, as and when received:

- (a) The proceeds from the sale of the Series 2014B Bonds to be paid into the Construction Fund pursuant to *Section 402* hereof;
- (b) The earnings accrued on the investment of moneys in the Construction Fund and required to be deposited into the Construction Fund pursuant to *Section 502* hereof;
- (c) The proceeds from the sale of Additional Bonds (except Additional Bonds issued to refund Outstanding Series 2014B Bonds) required to be paid into the Construction Fund pursuant to the Supplemental Indenture authorizing such Additional Bonds;
- (d) All amounts collected under any performance and labor and material payment bond and any and all payments from any contractors or other suppliers by way of breach of contract, refunds or adjustments paid to the PBC, the County or the Library Board in connection with the Improvements;
- (e) The Net Proceeds of casualty insurance, condemnation awards or title insurance required to be deposited into the Construction Fund pursuant to the Lease;
- (f) Any and all payments from any contractors or other suppliers by way of breach of contract, refunds or adjustments required to be deposited into the Construction Fund pursuant to the Lease; and
- (g) Except as otherwise provided herein or in the Lease, any other money received by or to be paid to the Trustee from any other source for the acquisition, construction and equipping of the Improvements, when accompanied by directions from the PBC, the County or the Library Board that such moneys are to be deposited into the Construction Fund.

Section 404. Application of Moneys in the Construction Fund. Moneys in the Construction Fund shall be disbursed by the Trustee for the payment of Improvement Costs in accordance with the provisions of *Article IV* of the Lease, and the Trustee hereby covenants and agrees to disburse such moneys from time to time, upon receipt by the Trustee of a certificate submitted and signed by an Authorized Library Board Representative in the form set forth as *Exhibit A* to the Lease, provided, however, that the Trustee shall not be obligated to make any payments hereunder if (i) an Event of Default hereunder has occurred and is continuing or (ii) the County provides the Trustee with a written objection to the requested expenditures within three Business Days of submittal of the certificate to the Trustee by the Library Board. The Trustee may fully rely on any such certificates and shall not be required to make any investigation in connection therewith.

The Trustee shall keep and maintain adequate records pertaining to the Construction Fund and all disbursements therefrom, and after the Improvements have been completed and the final Certificate of Completion has been provided by the Library Board, as provided in the Lease and the Sublease, the Trustee shall file a statement of receipts and disbursements with respect thereto with the PBC.

The completion of the Improvements and payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee by the Library Board of a Certificate of Completion provided pursuant to the Lease and the Sublease. As soon thereafter as practicable any balance remaining in the Construction Fund (other than amounts required to be transferred to the Rebate Fund) shall without further

authorization be deposited into the Principal and Interest Fund and be applied by the Trustee solely to: (i) the payment of principal and premium, if any, of the Series 2014B Bonds through the payment or redemption thereof at the earliest date permissible under the terms of this Indenture, or (ii) at the option of the PBC, to the purchase of the Series 2014B Bonds at such earlier date or dates as the PBC may elect.

Section 405. Application of Moneys in the Costs of Issuance Fund. All moneys held in the Costs of Issuance Fund shall be applied by the Trustee to pay the Costs of Issuance as directed by the PBC in a written requisition signed by an authorized officer of the PBC specifying the name and address of the payee, the amount to be paid and the purpose for which the obligation was incurred. The requisition shall be accompanied by a bill, invoice or such other evidence of the indebtedness as the Trustee may require. Any moneys remaining in the Costs of Issuance Fund at such time as the Trustee is furnished with a certificate of an authorized officer of the PBC stating that all Costs of Issuance have been paid, but in any case not later than August 1, 2015, the Trustee shall transfer any moneys remaining in the Costs of Issuance Fund to the Construction Fund, or if the Improvements are complete, to the Principal and Interest Fund.

Section 406. Deposits into the Principal and Interest Fund. The Trustee shall deposit into the Principal and Interest Fund, as and when received, the following:

- (a) All accrued interest on the Series 2014B Bonds paid by the Purchaser.
- (b) All Rental Payments paid by or on behalf of the County to the PBC attributable to payments of principal of, redemption premium, if any, or interest on the Series 2014B Bonds.
- (c) Any amount in the Construction Fund to be transferred to the Principal and Interest Fund pursuant to **Section 404** hereof upon completion of the Improvements or upon acceleration of the maturity of the Series 2014B Bonds.
- (d) Any amount in the Costs of Issuance Fund to be transferred to the Principal and Interest Fund pursuant to **Section 405** hereof.
- (e) All interest and other income derived from the investment of moneys held in the Principal and Interest Fund as provided in **Section 502** hereof.
- (f) Any amounts required by a Supplemental Indenture authorizing the issuance of Additional Bonds to be deposited in the Principal and Interest Fund, as specified in such Supplemental Indenture.
- (g) All other moneys received by the Trustee under and pursuant to any of the provisions of this Indenture or the Lease or otherwise, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Principal and Interest Fund.

Section 407. Application of Moneys in Principal and Interest Fund.

Except as otherwise provided herein, moneys in the Principal and Interest Fund shall be expended solely for the payment of the principal of, premium, if any, and interest on the Bonds as the same shall mature and become due or upon the redemption thereof prior to maturity. The PBC hereby authorizes and directs the Trustee to withdraw sufficient funds of the Principal and Interest Fund to pay the principal of, premium, if

any, and interest on the Bonds as the same become due and payable and to make said funds so withdrawn available to the Trustee for the purpose of paying said principal and premium, if any, and interest.

The Trustee, upon written directions from the PBC given pursuant to written direction of the County, shall use any excess moneys in the Principal and Interest Fund to redeem all or part of the Bonds Outstanding in accordance with and to the extent permitted by *Article III* hereof, so long as the County is not in default with respect to any payments under the Lease and to the extent said moneys are in excess of the amount required for payment of Bonds theretofore matured or called for redemption. The County may cause such excess money in the Principal and Interest Fund or such part thereof or other moneys of the County, as the County may direct, to be applied by the Trustee for the purchase of Bonds in the open market for the purpose of cancellation at prices not exceeding the principal amount thereof plus accrued interest thereon to the date of delivery for cancellation.

After payment in full of the principal of, redemption premium, if any, and interest on the Bonds (or after provision has been made for the payment thereof as provided in this Indenture), all rebatable arbitrage to the United States and the fees, charges and expenses of the Trustee and the PBC, and any other amounts required to be paid under this Indenture and the Lease, all amounts remaining in the Principal and Interest Fund shall be paid to the County upon the expiration or sooner termination of the Lease.

Section 408. Deposits into and Application of Moneys in the Rebate Fund. There shall be deposited into the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Compliance Agreement. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to pay rebatable arbitrage to the United States of America, and none of the PBC, the County, the Library Board or the Owner of any Bond shall have any right in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and by the Tax Compliance Agreement.

The Trustee shall remit from moneys in the Rebate Fund all rebate installments and a final rebate payment to the United States required by the Tax Compliance Agreement. Neither the Trustee nor the PBC shall have any obligation to pay any amounts required to be rebated pursuant to this Section and the Tax Compliance Agreement, other than from moneys held in the Rebate Fund created under this Indenture as provided in this Indenture or from other moneys provided to it by the County. Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any rebatable arbitrage, or provision having been made therefor, shall be withdrawn and paid to the County.

The obligation to pay arbitrage rebate to the United States and to comply with all other requirements of this Section and the Tax Compliance Agreement shall survive the defeasance or payment in full of the Bonds until all rebatable arbitrage shall have been paid.

ARTICLE V

SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 501. Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee for the account of any fund or accounts held under this Indenture, and all moneys deposited with or paid to the Trustee under any provision of this Indenture, shall be held by the Trustee in trust and shall be applied only in accordance with the provisions of this Indenture and the Lease and, until used or applied as so provided,

shall (except for moneys in the Rebate Fund which shall be held in trust but are not subject to the lien of this Indenture) constitute part of the Trust Estate and be subject to the lien, terms and provisions hereof and shall not be commingled with any other funds of the PBC, the County or the Library Board except as provided in **Section 502** hereof for investment purposes.

Section 502. Investment of Moneys in Funds. Moneys held in each of the funds and accounts under this Indenture shall be separately invested and reinvested by the Trustee, at the written instruction of the Authorized Library Board Representative, in Investment Securities which mature or are subject to redemption by the owner prior to the date when such moneys will be needed. The Trustee may conclusively rely upon such instructions as to both the suitability and legality of the directed investments. The Trustee is authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account. The Trustee may pool moneys for investment purposes, except moneys held in any fund or account that are required to be yield restricted in accordance with the Tax Compliance Agreement, which shall be invested separately. The Trustee shall make no investments which would violate the provisions of Section 148 of the Code or the Tax Compliance Agreement. Any such Investment Securities shall be held by or under the control of the Trustee and shall be deemed at all times to be a part of the fund or account in which such moneys are originally held, and except as otherwise specifically provided in this Indenture, the interest accruing thereon and any profit realized from such Investment Securities shall be credited to and accumulated in such fund or account, and any loss resulting from such Investment Securities shall be charged to such fund or account. The Trustee shall sell and reduce to cash a sufficient amount of such Investment Securities whenever the cash balance in any fund or account is insufficient for the purposes of such fund or account. The PBC acknowledges that, to the extent regulations of the Comptroller of the Currency or any other applicable regulatory agency grant the PBC the right to receive brokerage confirmations of securities transactions as they occur, the PBC waives the right to receive such confirmations with respect to any transactions relating to the Bonds.

Section 503. Record Keeping. The Trustee shall maintain records with respect to any and all moneys or investment held by the Trustee under the Indenture. Such records shall be designed to show compliance with the provisions of this Article and with the provisions of **Article IV** and shall be maintained at least six years after the payment of all of the Outstanding Bonds.

ARTICLE VI

GENERAL COVENANTS AND PROVISIONS

Section 601. Payment of Principal of, Premium, if any, and Interest on the Bonds. The PBC covenants and agrees that it will, but solely from the rents, revenues and receipts derived from the Facility as described herein, promptly pay or cause to be paid the principal of, premium, if any, and interest on the Bonds as the same become due and payable at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof, and to this end the PBC covenants and agrees that it will use its best efforts to cause the Facility to be continuously leased as a revenue and income producing undertaking, and that, should there be a default under the Lease with the result that the right of possession of the Facility is returned to the PBC, the PBC shall fully cooperate with the Trustee and with the Owners to protect the rights and security of the Owners and shall diligently proceed in good faith and use its best efforts to secure another lawful tenant for the Facility to the end that at all times sufficient rents, revenues and receipts will be derived by PBC from the Facility to provide for payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable. Nothing herein shall be

construed as requiring the PBC to operate the Facility as a business other than as lessor or to use any funds or revenues from any source other than funds and revenues derived from the Facility.

Section 602. Authority to Execute Indenture and Issue Bonds. The PBC represents that it is duly authorized under the constitution and laws of the State of Kansas to execute this Indenture, to issue the Bonds and to pledge and assign the Trust Estate in the manner and to the extent herein set forth; that all action on its part for the execution and delivery of this Indenture and the issuance of the Bonds has been duly and effectively taken; and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable limited obligations of the PBC according to the import thereof.

Section 603. Performance of Covenants. The PBC covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in the Bonds and in all proceedings pertaining thereto.

Section 604. Instruments of Further Assurance. The PBC covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments, financing statements and other documents as the Trustee may reasonably require for the better pledging and assigning unto the Trustee the property and revenues herein described to secure the payment of the principal of, premium, if any, and interest on the Bonds. The PBC covenants and agrees that, except as herein and in the Lease provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Facility or the rents, revenues and receipts derived therefrom or from the Lease, or of its rights under the Lease.

Section 605. Inspection of Books. The PBC covenants and agrees that all books and documents in its possession relating to the Facility and the rents, revenues and receipts derived from the Facility shall at all times be open to inspection by such accountants or other agencies as the Trustee may from time to time designate.

Section 606. Enforcement of Rights Under the Lease. The PBC covenants and agrees that it shall, by and through the Trustee, enforce all of the Trustee's rights and all of the obligations of the County (at the expense of the County) under the Lease to the extent necessary to preserve the Facility in good order and repair, and to protect the rights of the Trustee and the Owners hereunder with respect to the pledge and assignment of the rents, revenues and receipts coming due under the Lease. The PBC agrees that the Trustee as assignee of the Lease in its name or in the name of the PBC may enforce all rights of the PBC and all obligations of the County under and pursuant to the Lease for and on behalf of the Owners, whether or not the PBC is in default hereunder.

Section 607. Possession and Use of Facility. So long as not otherwise provided in this Indenture, the County shall be suffered and permitted to possess, use and enjoy the Facility and appurtenances so as to carry out its obligations under the Lease.

Section 608. Maintenance, Taxes and Insurance. The PBC represents that pursuant to the provisions of the Lease, the County has agreed to cause the Facility to be maintained and kept in good condition, repair and working order, to pay, as the same respectively become due, all taxes, assessments and other governmental charges at any time lawfully levied or assessed upon or against the Facility or any part thereof, and to keep the Facility constantly insured to the extent provided for therein, all at the sole expense of County.

Section 609. Continuing Disclosure. The Lease and the Sublease provide that the County and the Library Board will provide and disseminate certain information described in the Continuing Disclosure

Undertaking for purposes of complying with the SEC Rule. In the event the County or the Library Board fail to comply in a timely manner with their respective covenants in the Continuing Disclosure Undertaking, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the County or the Library Board, as applicable. In the event the County or the Library Board does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement contained in the preceding section or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the County or the Library Board under the Continuing Disclosure Undertaking. The Purchaser or Beneficial Owner shall provide a copy of any such demand or notice to the PBC and the Trustee.

Section 610. Tax Covenants.

The PBC (to the extent within its power or direction) shall not use or permit the use of any proceeds of Series 2014B Bonds or any other funds of the PBC, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would adversely affect the exclusion of the interest on any Bond from gross income for federal income tax purposes. The PBC agrees that so long as any of the Series 2014B Bonds remain Outstanding, it will comply with the provisions of the Tax Compliance Agreement applicable to the PBC.

The Trustee agrees to comply with the provisions of the Tax Compliance Agreement applicable to the Trustee. The Trustee from time to time may cause a firm of attorneys, consultants or independent accountants or an investment banking firm to supply the Trustee, on behalf of the PBC, with such information as the Trustee, on behalf of the PBC, may request in order to determine in a manner reasonably satisfactory to the Trustee, on behalf of the PBC, all matters relating to (a) the actuarial yields on the Series 2014B Bonds as the same may relate to any data or conclusions necessary to verify that the Series 2014B Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code, and (b) compliance with the rebate requirements of Section 148(f) of the Internal Revenue Code. Payment for costs and expenses incurred in connection with supplying the foregoing information shall be paid by the County.

Notwithstanding any provision of this Section, if the County provides to the Trustee and the PBC an opinion of Bond Counsel to the effect that any action required under this Section is no longer required, or to the effect that some further action is required, to maintain the exclusion of interest on the Tax-Exempt Bonds from federal gross income, the Trustee and the PBC may conclusively rely on such opinion in complying with the provisions of this Indenture, and the covenants under this Indenture shall be deemed to be modified to that extent.

The foregoing covenants of this Section shall remain in full force and effect notwithstanding the defeasance of the Series 2014B Bonds pursuant to *Article XI* of this Indenture or any other provision of this Indenture, until the final maturity date of all Series 2014B Bonds Outstanding and payment thereof.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 701. Exercise of Remedies by the Trustee. Upon the occurrence and continuance of any Event of Default under this Indenture, unless the same is waived as provided in this Indenture, the

Trustee shall have the following rights and remedies, in addition to any other rights and remedies provided under this Indenture or by law:

(a) *Right to Bring Suit, Etc.* The Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of, premium, if any, and interest on the Bonds Outstanding, including interest on overdue principal (and premium, if any) and on overdue installments of interest, and any other sums due under this Indenture, to realize on or to foreclose any of its interests or liens under this Indenture, the Base Lease or the Lease, to enforce and compel the performance of the duties and obligations of the PBC as set forth in this Indenture and to enforce or preserve any other rights or interests of the Trustee under this Indenture with respect to any of the Trust Estate or otherwise existing at law or in equity.

(b) *Exercise of Remedies at Direction of Bondowners.* If requested in writing to do so by the Owners of not less than a majority in principal amount of Bonds Outstanding and if indemnified as provided in *Section 802(e)* of this Indenture, the Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by this Article as the Trustee (who may rely upon the advice or opinion of counsel) shall deem most expedient in the interests of the Bondowners.

(c) *Appointment of Receiver.* Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondowners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate, pending such proceedings, with such powers as the court making such appointment shall confer.

(d) *Suits to Protect the Trust Estate.* The Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of this Indenture and to protect its interests and the interests of the Bondowners in the Trust Estate, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security under this Indenture or be prejudicial to the interests of the Bondowners or the Trustee, or to intervene (subject to the approval of a court of competent jurisdiction) on behalf of the Bondowners in any judicial proceeding to which the PBC is a party and which in the judgment of the Trustee has a substantial bearing on the interests of the Bondowners.

(e) *Enforcement Without Possession of Bonds.* All rights of action under this Indenture or any of the Bonds may be enforced and prosecuted by the Trustee without the possession of any of the Bonds or the production thereof in any suit or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and subject to the provisions of *Section 705* hereof, be for the equal and ratable benefit of the Owners of the Bonds in respect of which such judgment has been recovered.

(f) *Restoration of Positions.* If the Trustee or any Bondowner has instituted any proceeding to enforce any right or remedy under this Indenture by suit, foreclosure, the

appointment of a receiver, or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Bondowner, then and in every case the PBC, the Trustee and the Bondowners shall, subject to any determination in such proceeding, be restored to their former positions and rights under this Indenture, and thereafter all rights and remedies of the Trustee and the Bondowners shall continue as though no such proceeding had been instituted.

Section 702. Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the PBC or any other obligor upon the Bonds or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable, as therein expressed or by declaration or otherwise, and irrespective of whether the Trustee shall have made any demand on the PBC for the payment of overdue principal, premium or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

- (a) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Outstanding Bonds and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Bondowners allowed in such judicial proceeding, and
- (b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Bondowner to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Bondowners, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under **Section 704**.

Section 703. Limitation on Suits by Bondowners. No owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, under or with respect to this Indenture, or for the appointment of a receiver or trustee or for any other remedy under this Indenture, unless:

- (a) such Owner has previously given written notice to the Trustee of a continuing event of default;
- (b) the Owners of not less than a majority in principal amount of the Bonds Outstanding shall have made written request to the Trustee to institute proceedings in respect of such event of default in its own name as Trustee under this Indenture;
- (c) such Owner or Owners have offered to the Trustee indemnity as provided in this Indenture against the costs, expenses and liabilities to be incurred in compliance with such request;
- (d) the Trustee for **60** days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

- (e) no direction inconsistent with such written request has been given to the Trustee during such **60**-day period by the Owners of a majority in principal amount of the Outstanding Bonds;

it being understood and intended that no one or more owners of Bonds shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the lien of this Indenture or the rights of any other Owners of Bonds, or to obtain or to seek to obtain priority or preference over any other Owners or to enforce any right under this Indenture, except in the manner herein provided.

Notwithstanding the foregoing or any other provision in this Indenture, however, the Owner of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the respective stated maturities expressed in such Bond (or, in the case of redemption, on the Redemption Date) and nothing contained in this Indenture shall affect or impair the right of any Owner to institute suit for the enforcement of any such payment.

Section 704. Control of Proceedings by Bondowners. The Owners of a majority in principal amount of the Bonds Outstanding shall have the right, during the continuance of an event of default, provided indemnity has been provided to the Trustee in accordance with this Indenture:

- (a) to require the Trustee to proceed to enforce this Indenture, either by judicial proceedings for the enforcement of the payment of the Bonds and the foreclosure of this Indenture, or otherwise; and
- (b) to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture, provided that:
 - (1) such direction shall not be in conflict with any rule of law or this Indenture,
 - (2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and
 - (3) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Owners not taking part in such direction.

Section 705. Application of Moneys Collected. Notwithstanding anything herein to the contrary, any moneys collected by the Trustee pursuant to this Article (after the deductions for payment of reasonable costs and expenses of proceedings resulting in the collection of such moneys) together with any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

- (a) **First:** To the payment of all amounts due the Trustee under **Section 704** of this Indenture;
- (b) **Second:** To the payment to the persons entitled thereto of all installments of interest, if any, then due and payable on the Bonds, in the order in which such installments of interest became due and payable, and, if the amount available shall not be sufficient to

pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

- (c) **Third:** To the payment to the persons entitled thereof of the unpaid principal of any of the Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment, ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and
- (d) **Fourth:** To the payment of the remainder, if any, to the County or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 706. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or to the Bondowners is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy. No delay or omission of the Trustee or of any Owner of any Bond to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Bondowners may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Bondowners, as the case may be.

Section 707. Waiver of Past Defaults. Before any judgment or decree for payment of money due has been obtained by the Trustee as provided in this Article, the Owners of a majority in principal amount of the Bonds Outstanding may, by written notice delivered to the Trustee and the PBC, on behalf of the Owners of all the Bonds waive any past default hereunder and its consequences, except a default (a) in the payment of the principal of (or premium, if any) or interest on any Bond, or (b) in respect of a covenant or provision hereof which under *Article IX* cannot be modified or amended without the consent of the Owner of each Outstanding Bond affected.

Upon any such waiver, such default shall cease to exist, and any event of default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to or affect any subsequent or other default or impair any right or remedy consequent thereon.

ARTICLE VIII

THE TRUSTEE

Section 801. Acceptance of Trusts; Certain Duties and Responsibilities.

The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the following terms and conditions:

- (a) The Trustee, prior to an Event of Default and after the curing of all Events of Default, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and in the absence of bad faith, negligence or willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.
- (b) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.
- (c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, **except** that:
 - (1) this subsection shall not be construed to limit the effect of *subsection (a)* of this Section;
 - (2) the Trustee shall not be liable for any error of judgment made in good faith by an authorized officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;
 - (3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and
 - (4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

- (d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee, whether in its capacity as Trustee, Paying Agent, Bond Registrar or any other capacity, shall be subject to the provisions of this *Article VIII*.

Section 802. Certain Rights of Trustee.

Except as otherwise provided in *Section 801* of this Indenture:

- (a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.
- (b) The Trustee shall be entitled to rely upon a certificate of an authorized representative of the PBC as to the sufficiency of any request or direction of the PBC mentioned herein, the existence or non-existence of any fact or the sufficiency or validity of any instrument, paper or proceeding, or that a resolution in the form therein set forth has been duly adopted by the governing board of the PBC and is in full force and effect.
- (c) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a certificate of any authorized representative of the PBC.
- (d) The Trustee may consult with counsel, and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon.
- (e) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Bondowners pursuant to this Indenture or otherwise, unless such Bondowners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities (except as may result from the Trustee's own negligence or willful misconduct) which might be incurred by it in compliance with such request or direction; *provided that* the Trustee may not require indemnity as a condition to making any payment of principal, purchase price, premium or interest on the Bonds.
- (f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the PBC, personally or by agent or attorney.
- (g) The Trustee assumes no responsibility for the correctness of the recitals contained in this

Indenture and in the Bonds, except the certificate of authentication on the Bonds. The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the title thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the PBC of any of the Bonds or the proceeds thereof or of any money paid to or upon the order of the PBC under any provision of this Indenture.

- (h) The Trustee, in its individual or any other capacity, may become the Owner or pledgee of Bonds and may otherwise deal with the PBC with the same rights it would have if it were not Trustee.
- (i) All money received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law or by this Indenture. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise provided in this Indenture.
- (j) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.
- (k) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.
- (l) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that (1) the PBC, subsequent to such transmission of written instructions, shall provide the originally executed instructions or directions to the Trustee in a timely manner, (2) such originally executed instructions or directions shall be signed by a person as may be designated and authorized to sign for the PBC or in the name of the PBC, by an authorized representative of the PBC, and (3) the PBC shall provide to the Trustee an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the PBC elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The PBC agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 803. Notice of Defaults. The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except a default in any of the payments to the Trustee required to be made by *Article IV* of this Indenture, unless the Trustee shall be specifically notified in writing of such default by the PBC or the Owners of at least **25%** in principal amount of all Bonds Outstanding, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid. Within **30** days after the occurrence of any default hereunder of which the Trustee is required to take notice or has received notice as provided in this Section, the Trustee shall give written notice of such default to the PBC and all Owners of Bonds as shown on the Bond Register maintained by the Trustee, unless such default shall have been cured or waived. For the purpose of this Section, the term “*default*” means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 804. Compensation and Reimbursement. The Trustee shall be entitled to payment or reimbursement, as follows:

- (a) from time to time for reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);
- (b) except as otherwise expressly provided herein, upon its request, for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee’s negligence, willful misconduct or bad faith; and
- (c) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

Pursuant to the provisions of the Lease, the County has agreed to pay to the Trustee all reasonable fees, charges, advances and expenses of the Trustee, and the Trustee agrees to look only to the County for the payment of all reasonable fees, charges, advances and expenses of the Trustee as provided in the Lease. The Trustee agrees that the PBC shall have no liability for any fees, charges and expenses of the Trustee.

The indemnifications set forth herein shall survive the termination of this Indenture and/or the resignation or removal of the Trustee. The Trustee shall promptly notify the County in writing of any claim or action brought against the Trustee in respect of which indemnity may be sought against the County, setting forth the particulars of such claim or action, and the County will assume the defense thereof, including the employment of counsel satisfactory to the Trustee and the payment of all expenses. The Trustee may employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall not be payable by the County unless (i) such employment has been specifically authorized by the County, (ii) in the opinion of the Trustee the County has failed to actively and competently pursue the defense of such claim or action, or (iii) the County’s counsel is precluded, by the rules governing conflicts of interest, from representing the Trustee.

Section 805. Corporate Trustee Required; Eligibility. There shall at all times be a Trustee

hereunder which shall be a commercial bank or trust company organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authority, having a corporate trust office located in the State of Missouri. The Trustee must have a combined capital and surplus or consolidated net worth of at least **\$50,000,000**, or must provide a guaranty of the full and prompt performance by the Trustee of its obligations under this Indenture and any other agreements made in connection with the Bonds, on terms satisfactory to the PBC, by a guarantor with such combined capital and surplus or consolidated net worth. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect specified in this Article.

Section 806. Resignation and Removal of Trustee.

(a) The Trustee may resign at any time by giving written notice thereof to the PBC, the County and each Owner of Bonds Outstanding as shown by the Bond Register required by this Indenture to be kept by the Trustee. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within **30** days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(b) If the Trustee has or shall acquire any conflicting interest (within the meaning of the Trust Indenture Act of 1939, as amended), it shall, within **90** days after ascertaining that it has a conflicting interest, or within **30** days after receiving written notice from the PBC that it has a conflicting interest, either eliminate such conflicting interest or resign in the manner and with the effect specified in *subsection (a)*.

(c) The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the PBC and the Trustee signed by the Owners of a majority in principal amount of the Outstanding Bonds. The PBC or any Bondowner may at any time petition any court of competent jurisdiction for the removal for cause of the Trustee.

(d) If at any time:

- (1) the Trustee shall fail to comply with *subsection (b)* after written request therefor by the PBC or any Bondowner, or
- (2) the Trustee shall cease to be eligible under *Section 805* and shall fail to resign after written request therefor by the PBC or by any such Bondowner, or
- (3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, the PBC may remove the Trustee, or any Bondowner may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

The Trustee shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee to the Registered Owners of Bonds as their names and addresses appear in the Bond Register maintained by the Trustee. Each notice shall include the name of the successor Trustee and the address of its corporate trust office.

No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under *Section 808*.

Section 807. Appointment of Successor Trustee. If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the PBC (which consent shall not be unreasonably withheld) (so long as no Event of Default hereunder has occurred and is continuing), or the Owners of a majority in principal amount of Bonds Outstanding (if an Event of Default hereunder has occurred and is continuing), by an instrument or concurrent instruments in writing delivered to the PBC and the retiring Trustee, shall promptly appoint a successor Trustee. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a temporary successor to fill such vacancy until a new Trustee shall be so appointed by the PBC or the Bondowners. If, within **30** days after such resignation, removal or incapability or the occurrence of such vacancy, a successor Trustee shall be appointed in the manner herein provided, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the retiring Trustee and any temporary successor Trustee appointed by such receiver or trustee. If no successor Trustee shall have been so appointed and accepted appointment in the manner herein provided, the Trustee or any Bondowner may petition any court of competent jurisdiction for the appointment of a successor Trustee, until a successor shall have been appointed as above provided. The successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as above provided. Every such successor Trustee appointed pursuant to the provisions of this Section shall be a bank with trust powers or trust company in good standing under the law of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements of this Article.

Section 808. Acceptance of Appointment by Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the PBC and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee; but, on request of the PBC or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder. Upon request of any such successor Trustee, the PBC shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

Section 809. Merger, Consolidation and Succession to Business. Any corporation or association into which the Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Trustee shall be a

party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation or association shall be otherwise qualified and eligible under this Article, and shall be vested with all of the title to the whole property or Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

Section 810. Co-Trustees and Separate Trustees. At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any of the Trust Estate may at the time be located, or in the enforcement of any default or the exercise any of the powers, rights or remedies herein granted to the Trustee, or any other action which may be desirable or necessary in connection therewith, the Trustee shall have power to appoint, and, upon the written request of the Trustee or of the Owners of at least **25%** in principal amount of the Bonds Outstanding, the PBC shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Trustee either to act as co-trustee, jointly with the Trustee, of all or any part of the Trust Estate, or to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such person or persons in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section. If the PBC does not join in such appointment within **15** days after the receipt by it of a request so to do, or in case an Event of Default has occurred and is continuing, the Trustee alone shall have power to make such appointment.

Should any written instrument from the PBC be required by any co-trustee or separate trustee so appointed for more fully confirming to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the PBC.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

- (a) The Bonds shall be authenticated and delivered, and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder, shall be exercised solely, by the Trustee.
- (b) The rights, powers, duties and obligations hereby conferred or imposed upon the Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Trustee or by the Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.
- (c) The Trustee at any time, by an instrument in writing executed by it, with the written concurrence of the PBC, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, in case an Event of Default has

occurred and is continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the PBC. Upon the written request of the Trustee, the PBC shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section.

- (d) No co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Trustee, or any other such trustee hereunder.
- (e) Any request, demand, authorization, direction, notice, consent, waiver or other act of Bondowners delivered to the Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

Section 811. Paying Agents.

The Trustee is hereby designated and agrees to act as principal paying agent for and in respect to the Bonds. The PBC may, in its discretion, cause the necessary arrangements to be made through the Trustee for the designation of alternate paying agents, if any, and for the making available of funds hereunder for the payment of the principal of, premium, if any, and interest on the Bonds of any series at the principal corporate trust office or other designated payment office of said alternate paying agents. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be trustee of any funds provided hereunder and paying agent for principal of, premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee and paying agent unless a separate paying agent or agents are appointed by the PBC in connection with the appointment of any successor Trustee.

Section 812. Performance of Duties under the Lease. The Trustee hereby accepts and agrees to perform all duties and obligations assigned to it under the Lease.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 901. Supplemental Indentures Not Requiring Consent of Owners. The PBC and the Trustee may from time to time, without the consent of or notice to any of the Owners, amend this Indenture or enter into such Supplemental Indentures as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Indenture, to correct or supplement any provision in this Indenture that may be inconsistent with any other provision herein or to make any other change that does not materially adversely affect the rights of the Owners under this Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Owners, any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners or the Trustee or either of them;

- (c) To more precisely identify the facilities financed or refinanced with proceeds of the Bonds, or to substitute or add additional property thereto, or to correct or amplify the description of any property at any time subject of the lien of this Indenture, or to subject to the lien of this Indenture additional property;
- (d) to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Bonds or of any series of Bonds, as herein set forth, additional conditions, limitations and restrictions thereafter to be observed;
- (e) To issue Additional Bonds as provided in *Section 210* hereof; and
- (f) To conform the provisions of this Indenture to the provisions of the Code as the same now exists or may be hereafter amended.

Section 902. Supplemental Indentures Requiring Consent of Owners.

With the written consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding affected by such Supplemental Indenture, the PBC and the Trustee may enter into one or more Supplemental Indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Owners of the Bonds under this Indenture; provided, however, that no such Supplemental Indenture shall, without the consent of the Owner of each Outstanding Bond affected thereby, carry out any of the following:

- (a) change the stated maturity of the principal of, or any mandatory sinking fund payment with respect to, or any installment of interest on, any Bond, or change any optional redemption date thereof, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which any Bond or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date);
- (b) reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners is required for any such Supplemental Indenture, or the consent of whose Owners is required for any waiver provided for in this Indenture of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences;
- (c) modify the obligation of the PBC to make payment on or provide funds for the payment of any Bond;
- (d) modify any of the provisions of this Section or *Section 707*, except to increase any percentage provided thereby or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Owner of each Bond affected thereby; or
- (e) permit the creation of any lien ranking prior to or on a parity with the lien of this Indenture with respect to any of the Trust Estate or terminate the lien of this Indenture on any property at any time subject hereto or deprive the Owner of any Bond of the security afforded by the lien of this Indenture.

The Trustee may in its discretion (and has the right to rely upon the advice or opinion of counsel) determine whether or not any Bonds would be affected by any Supplemental Indenture and any such determination shall be conclusive upon the Owners of all Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

It shall not be necessary for the required percentage of Owners of Bonds under this Section to approve the particular form of any proposed Supplemental Bond Indenture, but it shall be sufficient if such act shall approve the substance thereof.

Section 903. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and, subject to *Article VIII*, shall be fully protected in relying upon, an opinion of counsel stating that the execution of such Supplemental Indenture is authorized and permitted by and in compliance with the terms of this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 904. Effect of Supplemental Indentures. Upon the execution of any Supplemental Indenture under this Article, this Indenture shall be modified in accordance therewith and such Supplemental Indenture shall form a part of this Indenture for all purposes; and every Owner of Bonds theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 905. County's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, an amendment or Supplemental Indenture under this Article which affects the rights of the County shall not become effective unless the County shall have consented in writing to the execution and delivery of such Supplemental Indenture, provided that receipt by the Trustee of an amendment to the Lease executed by the County in connection with the issuance of Additional Bonds under *Section 210* hereof shall be deemed to constitute consent of the County to the execution of a Supplemental Indenture pursuant to *Section 210* hereof.

ARTICLE X

LEASE AMENDMENTS

Section 1001. Lease Amendments. The provisions of the Lease may be amended to the extent and upon the terms and conditions provided therein.

ARTICLE XI

SATISFACTION AND DISCHARGE

Section 1101. Payment, Discharge and Defeasance of Bonds. Bonds will be deemed to be paid and discharged and no longer Outstanding under this Indenture and will cease to be entitled to any lien, benefit or security of this Indenture if the PBC shall pay or provide for the payment of such Bonds in any one or more of the following ways:

- (a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on such Bonds, as and when the same become due and payable;

- (b) by delivering such Bonds to the Trustee for cancellation; or
- (c) by depositing in trust with the Trustee Defeasance Obligations in an amount, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds at or before their respective maturity or Redemption Dates (including the payment of the principal of, premium, if any, and interest payable on such Bonds to the maturity or Redemption Date thereof); provided that, if any such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption is given in accordance with the requirements of this Indenture or provision satisfactory to the Trustee is made for the giving of such notice.

The Bonds may be defeased in advance of their maturity or Redemption Dates only with Defeasance Obligations pursuant to subsection (c) above, subject to receipt by the Trustee of a verification report prepared by independent certified public accountants, or other verification agent, addressed to and satisfactory to the Trustee and the PBC, to the effect that such Defeasance Obligations are sufficient for the payment in full of the principal of and redemption premium, if any, and interest on such Bonds at their maturity or Redemption Dates.

The foregoing notwithstanding, the liability of the PBC in respect of such Bonds shall continue, but the Owners thereof shall thereafter be entitled to payment only out of the moneys and Defeasance Obligations deposited with the Trustee as aforesaid.

Moneys and Defeasance Obligations so deposited with the Trustee pursuant to this Section shall not be a part of the Trust Estate but shall constitute a separate trust fund for the benefit of the persons entitled thereto. Such moneys and Defeasance Obligations shall be applied by the Trustee to the payment (either directly or through any paying agent, as the Trustee may determine) to the persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such moneys and Defeasance Obligations have been deposited with the Trustee.

Section 1102. Satisfaction and Discharge of Indenture. This Indenture and the lien, rights and interests created by this Indenture shall cease, determine and become null and void (except as to any surviving rights of transfer or exchange of Bonds herein provided for) if the following conditions are met:

- (a) the principal of, premium, if any, and interest on all Bonds has been paid or is deemed to be paid and discharged by meeting the conditions of *Section 1101*; and
- (b) all other sums payable under this Indenture with respect to the Bonds are paid or provision satisfactory to the Trustee is made for such payment.

Thereupon, the Trustee shall execute and deliver to the PBC such instruments of satisfaction and discharge of this Indenture as may be necessary and shall pay, assign, transfer and deliver to the PBC, or other persons entitled thereto, all moneys, securities and other property then held by it under this Indenture as a part of the Trust Estate, other than moneys or Defeasance Obligations held in trust by the Trustee as herein provided for the payment of the principal of, premium, if any, and interest on the Bonds.

Section 1103. Rights Retained After Discharge. Notwithstanding the satisfaction and discharge of this Indenture, the rights of the Trustee under *Section 704* shall survive, and the Trustee

shall retain such rights, powers and duties under this Indenture as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer and exchange of Bonds as provided herein. Nevertheless, any moneys held by the Trustee or any Paying Agent for the payment of the principal of or interest on any Bond remaining unclaimed for two years after the principal of all Bonds has become due and payable, whether at maturity or upon proceedings for redemption or by declaration as provided herein, shall then be paid as provided in *Section 212* and all liability of the Trustee or any Paying Agent or the Issuer with respect to such moneys shall thereupon cease.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 1201. Acts of Bondowners.

Any notice, request, demand, authorization, direction, consent, waiver or other action provided by this Indenture to be given or taken by the Owners may be embodied in and evidenced by one or more substantially concurrent instruments of similar tenor signed by such Bondowners in person or by agent duly appointed in writing. A copy of any notice received by the PBC pursuant to the provisions hereof shall be forwarded to the County and the Library Board. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

- (a) The fact and date of the execution by any person of any such instrument or writing may be proved by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof, or by the affidavit of a witness of such execution. Whenever such execution is by an officer of a corporation or a member of a partnership on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority.
- (b) The fact and date of execution of any such instrument or writing and the authority of any person executing the same may also be proved in any other manner which the Bond Trustee deems sufficient; and the Trustee may in any instance require further proof with respect to any of the matters referred to in this Section.
- (c) The ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same, shall be proved by the Bond Register maintained by the Trustee.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds registered in the name of the PBC or the County shall be disregarded and deemed not to be Outstanding under this Indenture, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded.

Any notice, request, demand, authorization, direction, consent, waiver or other action by the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued

upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the PBC in reliance thereon, whether or not notation of such action is made upon such Bond.

Section 1202. Limitation of Rights Under the Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be inferred from this Indenture or the Bonds is intended or shall be construed to give any person other than the parties hereto and the Owners of the Bonds, any right, remedy or claim under or with respect to this Indenture, and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the County, the Library Board and the Owners of the Bonds as herein provided.

Section 1203. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Indenture shall be in writing and shall be deemed duly given or filed if the same shall be duly mailed by registered or certified mail, postage prepaid, to the Notice Representative at the Notice Address.

All notices given by certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed. A duplicate copy of each notice, certificate or other communication given hereunder by the PBC, the County or the Library Board shall also be given to the Trustee. The PBC, the County, the Library Board and the Trustee may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

Section 1204. Immunity of Officers, Employees and Members of the PBC.

This Indenture shall be governed exclusively by and construed in accordance with the applicable laws of the State. No recourse shall be had for the payment of the principal of, redemption premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained against any past, present or future officer, director, member, employee or agent of the PBC, or of any successor municipal corporation, as such, either directly or through the PBC or any successor municipal corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of the Bonds.

Section 1205. Severability. If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

Section 1206. Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1207. Electronic Transactions. The issuance of the Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

Section 1208. Governing Law. This Indenture shall be governed exclusively by and construed in accordance with the applicable laws of the State.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the PBC has caused this Indenture to be signed in its name and behalf by the Chair and its corporate seal to be hereunto affixed and attested by its Secretary, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this Indenture to be signed in its name and behalf and its official seal to be hereunto affixed and attested by its duly authorized officers, all as of the date first above written.

**PUBLIC BUILDING COMMISSION OF
JOHNSON COUNTY, KANSAS**
as PBC

(Seal)

By: _____
Ed Eilert, Chair

ATTEST:

By: _____
_____, Secretary

SECURITY BANK OF KANSAS CITY,
as Trustee

(Seal)

By: _____
_____, Vice President

ATTEST:

_____, _____

EXHIBIT A
FORM OF BONDS

No.

\$

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation (“DTC”), to the PBC or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF JOHNSON
PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS
LEASE PURCHASE REVENUE BOND
(LIBRARY PROJECTS)
SERIES 2014B**

Interest Rate:

Maturity Date:

Dated Date:

CUSIP:

November 25, 2014

Registered Owner: **CEDE & CO.**

Principal Amount: _____ Dollars

KNOW ALL PERSONS BY THESE PRESENTS: That the Public Building Commission of Johnson County, Kansas, a municipal corporation in the County of Johnson, State of Kansas (the “PBC”), for value received, hereby acknowledges itself to be indebted and promises to pay, but solely from the sources hereinafter referred to, to the registered owner identified above (the “Owner”), or registered assigns, the Principal Amount shown above on the Maturity Date shown unless called for redemption prior to said Maturity Date, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months), from the Dated Date shown above or from the most recent date to which interest has been paid or duly provided for, payable semiannually on March 1 and September 1 of each year, commencing September 1, 2015 (the “Interest Payment Dates”), until the Principal Amount has been paid.

Method and Place of Payment. The principal or redemption price of this Bond shall be paid at maturity or upon earlier redemption to the person in whose name this Bond is registered at the maturity or redemption date thereof, upon presentation and surrender of this Bond at the corporate trust office of

Security Bank of Kansas City, Kansas City, Kansas (the "Trustee"). The interest payable on this Bond on any Interest Payment Date shall be paid to the person in whose name this Bond is registered on the registration books maintained by the Trustee at the close of business on the Record Date(s) for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding the Interest Payment Date. Such interest shall be payable (a) by check or draft mailed by the Trustee to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Trustee in writing by such Owner or, (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Trustee by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account number to which such Owner wishes to have such transfer directed. The principal or redemption price of and interest on the Bonds shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

Authorization of Bonds. This Bond is one of a duly authorized series of Bonds of the PBC designated "Public Building Commission of Johnson County, Kansas Lease Purchase Revenue Bonds (Library Projects), Series 2014B," in the aggregate principal amount of \$[4,290,000] (the "Series 2014B Bonds"), issued for the purpose of providing funds to pay a portion of the costs of (a) constructing, expanding, reconstructing, furnishing and equipping an expansion to the Central Resource Library located in Johnson County, Kansas (the "County") and owned by the Board of Directors of the Johnson County Library (the "Library Board"), and (b) constructing, furnishing and equipping an approximately 288 square foot building for use as the initial phase of the Monticello Library on land located in the County and owned by the Library Board (collectively, the "Improvements"). The PBC and the Library Board will enter into a Base Lease dated as of November 1, 2014, wherein the Library Board will lease the site on which the Improvements will be located, together with the existing improvements located thereon (collectively, the "Land") and the Improvements to the PBC for a term ending September 1, 2031. The PBC and the County will then enter into a Lease dated as of November 1, 2014 (said Lease, as amended from time to time in accordance with the provisions thereof, being herein called the "Lease"), wherein the PBC will lease the Land and the Improvements (collectively, the "Facility") to the County for Basic Rent payments sufficient to provide funds to the PBC to payment of the principal of, premium, if any, and interest on the Bonds as the same become due. The County and the Library Board will further enter into a Sublease dated as of November 1, 2014, wherein the County will sublease the Facility to the Library Board for sublease payments sufficient to provide funds to the County to pay the County's payments of Basic Rent under the Lease.

The Series 2014B Bonds are issued pursuant to the authority of and in full compliance with the provisions, restrictions and limitations of the constitution and laws of the State of Kansas, including K.S.A. 12-1757 *et seq.*, as amended.

The Bonds are issued under and are equally and ratably secured and entitled to the protection of the Trust Indenture, dated as of November 1, 2014 (said Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the "Indenture"), between the PBC and the Trustee. Subject to the terms and conditions set forth therein, the Indenture permits the PBC to issue Additional Bonds (as defined therein) secured by the Indenture ratably and on a parity with the Series 2014B Bonds. Reference is hereby made to the Indenture for a description of the provisions, among others,

with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the PBC, the Trustee and the Owners, and the terms upon which the Bonds are issued and secured.

The Bonds and the interest thereon are limited obligations of the PBC payable exclusively out of the Trust Estate under the Indenture, including but not limited to the rents, and certain revenues and receipts under the Lease, and are secured by a pledge of the Facility as described in the Lease and a pledge and assignment of the Trust Estate, including all rentals and certain other amounts to be received by the PBC under and pursuant to the Lease, all as provided in the Indenture. The Bonds and the interest thereon do not constitute a debt or general obligation of the PBC, the County, the Library Board, the State of Kansas or any municipal corporation thereof, and are payable from taxation only to the extent that the County generates the rentals payable under the Lease from taxation. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Redemption Prior to Maturity. The Series 2014B Bonds are subject to redemption prior to maturity as follows:

Optional Redemption. At the option of the PBC, upon instructions from the County, Series 2014B Bonds or portions thereof maturing in the years 2023 and thereafter may be called for redemption and payment prior to their Stated Maturity on September 1, 2022, and thereafter as a whole at any time or in part (selection of maturities and the amount of Series 2014B Bonds of each maturity to be redeemed to be determined by the PBC in such equitable manner as it may determine) at any time, at the Redemption Price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.

Mandatory Sinking Fund Redemption. The Series 2014B Bonds maturing September 1, 20[___] shall be subject to mandatory sinking fund redemption and payment prior to maturity on September 1 in each of the years set forth below, at **100%** of the principal amount thereof, plus accrued interest to the Redemption Date:

<u>Year</u>	<u>Principal Amount</u>
-------------	-----------------------------

* Final Maturity

Notice of Redemption. Notice of redemption, unless waived, shall be given by the PBC to the Trustee in accordance with the Bond Indenture. The PBC shall cause the Trustee to notify each Bondowner at the address maintained on the Bond Register, such notice to be given by mailing an official notice of redemption by first class mail at least **20** days prior to the Redemption Date. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer defaults in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest.

Book-Entry System. The Series 2014B Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. One certificate with respect to each date on which the Series 2014B Bonds are stated to mature or with respect to each form of Series 2014B Bonds, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Series 2014B Bonds by the Securities Depository's participants, beneficial ownership of the Series 2014B Bonds in authorized denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The PBC and the Trustee will recognize the Securities Depository nominee, while the Owner of this Series 2014B Bond, as the owner of this Series 2014B Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Series 2014B Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The PBC and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the Owner of this Series 2014B Bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Series 2014B Bond shall be made in accordance with existing arrangements among the PBC, the Trustee and the Securities Depository.

Limitation on Rights. The Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then Outstanding may become or may be declared due and payable prior to the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of this Bond or the Indenture may be made only to the extent and under the circumstances permitted by the Indenture.

Transfer and Exchange. **EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.** This Bond may be transferred or exchanged, as provided in the Indenture, only upon the Bond Register maintained by the Trustee and kept for that purpose at the corporate trust office of the Trustee, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or such Owner's duly authorized agent, and thereupon a new Bond or Bonds and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The PBC and the Trustee may deem and treat the person in whose name this Bond is registered on the Bond Register as the absolute Owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

Definitions. Capitalized terms not defined herein, shall have the same meaning as set forth in the hereinafter defined Indenture and Lease.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the PBC has caused this Bond to be executed in its name by the manual or facsimile signature of its Chair and attested by the manual or facsimile signature of its Secretary and its official seal to be affixed hereto or imprinted hereon, and has caused this Bond to be dated as of November ____, 2014.

**PUBLIC BUILDING COMMISSION
OF JOHNSON COUNTY, KANSAS**

(Facsimile Seal)

By: _____ (facsimile) _____, Chair

ATTEST:

_____ (facsimile) _____, Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of a series of Public Building Commission of Johnson County, Kansas Lease Purchase Revenue Bonds (Library Projects) Series 2014B, described in the within-mentioned Indenture. The effective date of registration of this Bond is _____.

SECURITY BANK OF KANSAS CITY,
Kansas City, Kansas,
as Trustee

By: _____

State Registration No. _____

BOND ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer to

(Name and Address)

(Social Security or Taxpayer Identification No.)

the Bond to which this assignment is affixed in the outstanding principal amount of \$_____, standing in the name of the undersigned on the books of the Trustee. The undersigned do(es) hereby irrevocably constitute and appoint _____ as agent to transfer said Bond on the books of said Trustee with full power of substitution in the premises. Dated _____.

Name

Social Security or
Taxpayer Identification No.

Signature

(Sign here exactly as name(s)
appear on the face of Certificate)

Signature guarantee:

By

BASE LEASE

THIS BASE LEASE (the “Base Lease”) dated as of November 1, 2014, between the Board of Directors of the Johnson County Library (the “Library Board”), a body corporate and politic duly created under the laws of the state of Kansas, as lessor, and the Public Building Commission of Johnson County, Kansas, a municipal corporation of the State of Kansas, as lessee (the “PBC”).

RECITALS

1. Pursuant to the authority of K.S.A. 12-1757, *et seq.* (the “Act”), the PBC is authorized to acquire land and other facilities by lease in order to (a) construct, expand, reconstruct, furnish and equip an expansion to the Central Resource Library (the “Central Resource Improvements”) located in Johnson County, Kansas (the “County”) and (b) construct, furnish and equip an approximately 288 square foot building for use as the initial phase of the Monticello Library (the “Monticello Improvements, together with the Central Resource Improvements, the “Improvements”), on land located in the County.

2. The Library Board is the fee owner of the real estate legally described in *Schedule I* hereto (together with the existing improvements thereon, the “Land”), on which it desires to construct the Improvements.

3. The Library Board and the PBC propose that the PBC shall issue its Lease Purchase Revenue Bonds (Library Projects), Series 2014B in the aggregate principal amount of \$[4,290,000] (the “Series 2014B Bonds”) and shall use the proceeds thereof to provide consideration to the Library Board in order to acquire a leasehold interest in the Land and the Improvements, as constructed (collectively, the “Facility”).

4. The PBC has offered to lease the Facility to the County, pursuant to a Lease dated as of November 1, 2014 (the “Lease”) between the PBC, as lessor, and the County, as lessee; and the County has further offered to sublease the Facility to the Library Board, pursuant to a Sublease dated as of the date hereof (the “Sublease”) between the County, as lessor, and the Library Board, as lessee.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the Library Board and the PBC do hereby covenant and agree as follows:

SECTION 1. Representations by the Library Board. The Library Board represents, covenants and agrees as follows:

(a) The lease of the Facility by the Library Board to the PBC as provided in this Base Lease, the lease of the Facility by the PBC to the County as provided in the Lease, and the sublease of the Facility by the County to the Library Board as provided in the Sublease, are necessary, desirable and in the public interest, and the Library Board hereby declares its current need for the Facility.

(b) The Library Board, pursuant to Resolution No. [____], has full power and authority to enter into the transactions contemplated by this Base Lease and the Sublease and to carry out its

obligations hereunder and thereunder, and by proper action has authorized the execution and delivery of this Base Lease and the Sublease.

(c) Neither the execution and delivery of this Base Lease or the Sublease, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Library Board is now a party or by which the Library Board is bound.

(d) The Library Board has marketable record fee simple title to the Land.

(e) The Land is not subject to any dedication, easement, right-of-way, reservation, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the construction of the Improvements on the Land or the use and operation of the Facility, as contemplated by the Lease and Sublease.

(f) All taxes, assessments or impositions of any kind with respect to the Land, except current taxes, if any, have been paid in full.

(g) The Land is properly zoned for the purpose of constructing the Improvements and using the Facility.

(h) The Library Board has not made, done, executed or suffered, and warrants that it will not make, do, execute or suffer, any act or thing whereby the Library Board's interests in any property now or hereafter included in the Facility shall be or may be impaired, changed or encumbered in any manner, except as permitted by this Base Lease, the Lease and the Sublease.

SECTION 2. Representation of the PBC. The PBC represents, covenants and agrees as follows:

(a) To enter into the Lease simultaneously with the delivery of this Base Lease.

(b) To provide funds exclusively from the proceeds of its Series 2014B Bonds to pay a portion of the costs of constructing and equipping the Improvements on the Land, as authorized pursuant to a resolution of the PBC and the Trust Indenture dated as of November 1, 2014 (the "Indenture") between the PBC and Security Bank of Kansas City, as trustee (the "Trustee").

(c) To surrender and deliver the Facility to the Library Board upon the expiration of this Base Lease.

SECTION 3. Grant of Leasehold. The Library Board hereby rents, leases and lets to the PBC, and the PBC hereby rents, leases and hires the Library Board, for the rentals and upon and subject to the terms and conditions hereinafter set forth, the Facility.

SECTION 4. Term; Termination.

(a) The term of this Base Lease shall commence on November 25, 2014 and end on September 1, 2031, subject to prior termination and extension on the conditions hereinafter provided. In no event shall this Base Lease end until all of the principal of, redemption premium, if any, and interest on the Series 2014B Bonds and any Additional Bonds (as defined in the Indenture) issued pursuant to the

Indenture (collectively, the “Bonds”) shall have been paid in full or provision made for their payment in accordance with the provisions of the Indenture.

- (b) This Base Lease shall terminate upon the occurrence of the following:
 - (1) the payment in full of the Bonds or provision is made therefore in accordance with the Indenture; *and*
 - (2) (A) the County, for the benefit of the Library Board, exercises its option to purchase the PBC’s interest in the Facility for the benefit of the Library Board as provided in *Article XVI* of the Lease, or (B) the Library Board, as assignee of the County’s rights under *Article XVI* of the Lease, exercises its option to purchase the PBC’s interest in the Facility as provided in *Article XVI* of the Sublease, in either case whereupon this Base Lease shall be considered assigned to the Library Board and terminated through merger of the leasehold interest with the fee interest.

SECTION 5. Assignments and Subleases.

(a) The PBC may assign its rights under this Base Lease without the consent of the Library Board: (1) in connection with any assignment of its rights under the Lease; (2) if the Lease is terminated for any reason; or (3) if an “Event of Default” as defined in the Lease has occurred.

The Library Board hereby consents to the assignment by the PBC of its rights under this Base Lease to the Trustee in accordance with the terms of the Indenture.

If an “Event of Default” under the Lease occurs, the PBC shall have the right to possession of the Facility for the remainder of the term of this Base Lease and shall have the right to sublease the Facility or sell its interest in the Facility and this Base Lease upon whatever terms and conditions it deems prudent and in the interest of the Owners of the Bonds.

(b) The Library Board may assign its rights and obligations under this Base Lease and may sublet the Facility on the conditions set forth in the Lease and the Act.

SECTION 6. Taxes and Assessments. The Library Board covenants and agrees to pay any and all assessments of any kind or character and all taxes levied or assessed upon the Facility.

SECTION 7. Title and Consideration. Title to the Land shall remain in the Library Board at all times. The leasing of the Facility to the Library Board under the Sublease shall be deemed the Library Board’s entire consideration for this Base Lease.

SECTION 8. Severability. If any one or more of the terms, provisions, covenants or conditions of this Base Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Base Lease shall be affected thereby, and each provision of this Base Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 9. Amendments, Changes and Modifications. This Base Lease may not be effectively amended, changed, modified, altered or supplemented except with the written consent of both the PBC and the Library Board. Any waiver of any provision of this Base Lease or any right or remedy

hereunder must be affirmatively and expressly made in writing and shall not be implied from inaction, course of dealing or otherwise.

SECTION 10. Applicable Law. This Base Lease shall be governed by and construed in accordance with the laws of the state of Kansas.

SECTION 11. Execution in Counterparts. Separate counterparts of this Base Lease may be executed by the PBC and the Library Board with the same force and effect as though the same counterpart had been executed by both the PBC and the Library Board.

SECTION 12. Successors. This Base Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 13. Third Party Beneficiary. The County is an intended third-party beneficiary of this Base Lease and shall have enforceable rights and remedies with respect thereto.

SECTION 14. Electronic Transactions. This Base Lease and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

SECTION 15. Complete Agreement. This written agreement, together with the Lease, the Sublease and the Indenture, constitute a final expression of the agreements between the parties hereto and such agreements may not be contradicted by evidence of any prior or contemporaneous oral agreement. No unwritten oral agreement between the parties exists.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the PBC and the Library Board have caused this Base Lease to be executed by their respective authorized officials and officers, all as of the day and year first above written.

**BOARD OF DIRECTORS
OF THE JOHNSON COUNTY LIBRARY**

Chair

ATTEST:

Secretary

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF JOHNSON)

This instrument was acknowledged before me on November ____, 2014, by _____, Chair of the Board of Directors of the Johnson County Library.

(SEAL)

Notary Public

My Commission Expires: _____

**PUBLIC BUILDING COMMISSION OF
JOHNSON COUNTY, KANSAS**

(SEAL)

ATTEST:

Chair

Secretary

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF JOHNSON)

This instrument was acknowledged before me on November ____, 2014, by _____, Chair of the Public Building Commission of Johnson County, Kansas, a municipal corporation organized under the laws of the State of Kansas.

(Seal)

Notary Public

My Commission Expires: _____

SCHEDULE 1

PROPERTY DESCRIPTION

The following described real estate located in Johnson County, Kansas:

[__To be inserted__]

LEASE

BY AND BETWEEN

**PUBLIC BUILDING COMMISSION
OF JOHNSON COUNTY, KANSAS**

AND

JOHNSON COUNTY, KANSAS

DATED AS OF NOVEMBER 1, 2014

LEASE

TABLE OF CONTENTS

		<u>Page</u>
Parties.....		1
Recitals.....		1
ARTICLE I		
Section 1.1.	Definitions.....	2
Section 1.2	Rules of Interpretation.....	5
Section 1.3	Representations and Covenants by the County.....	5
Section 1.4	Representations and Covenants by the PBC.....	7
Section 1.5	Continuing Disclosure.....	8
ARTICLE II		
Section 2.1	Granting of Leasehold.....	8
Section 2.2	Termination of Lease.....	8
ARTICLE III		
Section 3.1	Basic Rent.....	9
Section 3.2	Additional Rent.....	9
Section 3.3	Rent Payable Without Abatement or Setoff.....	9
Section 3.4	Prepayment of Basic Rent.....	9
Section 3.5	Deposit of Rental Payments.....	9
ARTICLE IV		
Section 4.1	Disposition of Bond Proceeds.....	9
Section 4.2	Construction Contracts.....	9
Section 4.3	Payment of Improvement Costs.....	10
Section 4.4	Completion of the Improvements.....	10
Section 4.5	Right of Entry by the PBC.....	10
Section 4.6	Furnishings and Equipment Purchased by the County.....	11
Section 4.7	Facility Property of the PBC.....	11
Section 4.8	Kansas Retailers' Sales Tax.....	11
ARTICLE V		
Section 5.1	Environmental Matters.....	11
ARTICLE VI		
Section 6.1	Insurance.....	12
Section 6.2	General Insurance Provisions.....	12
Section 6.3	Title Insurance.....	13

ARTICLE VII

Section 7.1 Impositions 13
Section 7.2 Receipted Statements..... 13
Section 7.3 PBC May Not Sell..... 13
Section 7.4 Contest of Impositions..... 13

ARTICLE VIII

Section 8.1 Use of Facility 14

ARTICLE IX

Section 9.1 Sublease by the County 14
Section 9.2 Assignment by the County..... 14
Section 9.3 Release of the County..... 15
Section 9.4 Covenant Against Other Assignments 15

ARTICLE X

Section 10.1 Repairs and Maintenance..... 15
Section 10.2 Removal, Disposition and Substitution of Equipment, Fixtures or Furnishings 15

ARTICLE XI

Section 11.1 Alteration of Facility 16

ARTICLE XII

Section 12.1 Additional Improvements 16

ARTICLE XIII

Section 13.1 Securing of Permits and Authorizations..... 16
Section 13.2 Mechanics' Liens 16
Section 13.3 Contest of Liens..... 17
Section 13.4 Utilities..... 17

ARTICLE XIV

Section 14.1 Indemnity 17
Section 14.2 Liability..... 18

ARTICLE XV

Section 15.1 Access to Facility 18
Section 15.2 Quiet Enjoyment and Possession 18

ARTICLE XVI

Section 16.1 Option to Purchase Facility..... 18
Section 16.2 Quality of Title and Purchase Price..... 18

Section 16.3	Closing of Purchase.....	19
Section 16.4	Effect of Failure to Complete Purchase	19
Section 16.5	Application of Condemnation Awards if the County Purchases the Facility.....	19
Section 16.6	Assignment of Rights to the Library Board	20

ARTICLE XVII

Section 17.1	Damage and Destruction.....	20
Section 17.2	Condemnation	20
Section 17.3	Effect of the County’s Default.....	21

ARTICLE XVIII

Section 18.1	Remedies on Default	21
Section 18.2	Survival of Obligations.....	22
Section 18.3	No Remedy Exclusive	22

ARTICLE XIX

Section 19.1	Performance of the County’s Obligations by the PBC	23
--------------	--	----

ARTICLE XX

Section 20.1	Surrender of Possession.....	23
--------------	------------------------------	----

ARTICLE XXI

Section 21.1	Notices	23
--------------	---------------	----

ARTICLE XXII

Section 22.1	Net Lease.....	24
--------------	----------------	----

ARTICLE XXIII

Section 23.1	Rights and Remedies	24
Section 23.2	Waiver of Breach.....	24
Section 23.3	The PBC Shall Not Unreasonably Withhold Consents and Approvals.....	24

ARTICLE XXIV

Section 24.1	Funds Held by the PBC After Payment of All Bonds	24
--------------	--	----

ARTICLE XXV

Section 25.1	Amendments	25
Section 25.2	Granting of Easements.....	25
Section 25.3	Security Interests	25
Section 25.4	Rights and Remedies	26
Section 25.5	Construction and Enforcement	26
Section 25.6	Invalidity of Provisions of Lease	26
Section 25.7	Covenants Binding on Successors and Assigns	26

Section 25.8 Execution of Counterparts 26
Section 25.9 Electronic Transactions 26

Signatures, Seals and Acknowledgements.....S-1

Schedule 1 - Property Description
Schedule 2 – Permitted Encumbrances

Exhibit A - Form of Certificate for Payment of Improvement Costs

LEASE

THIS LEASE is made and entered into as of November 1, 2014, by and between the Public Building Commission of Johnson County, Kansas, a municipal corporation duly organized under the laws of the State of Kansas (the “PBC”), and Johnson County, Kansas, a political subdivision organized under the laws of the State of Kansas (the “County”).

RECITALS

1. The PBC is a duly organized municipal corporation created by the County pursuant to K.S.A. 12-1757 *et seq.* (the “Act”), with full lawful power and authority to enter into this Lease.

2. The County is a political subdivision duly organized and existing under the constitution and laws of the State of Kansas with full lawful power and authority to enter into this Lease.

3. The Board of Directors of the Johnson County Library (the “Library Board”) is the fee owner of the real estate legally described in *Schedule 1* hereto (together with the existing improvements thereon, the “Land”), on which it desires to (a) construct, expand, reconstruct, furnish and equip an expansion to the Central Resource Library (the “Central Resource Improvements”) and (b) construct, furnish and equip an approximately 288 square foot building for use as the initial phase of the Monticello Library (the “Monticello Improvements, together with the Central Resource Improvements, the “Improvements”).

4. The Library Board and the PBC have entered into a Base Lease dated as of November 1, 2014 (the “Base Lease”), whereby the Library Board has leased the Land and the Improvements, as constructed (collectively, the “Facility”), to the PBC upon the terms and conditions set forth therein.

5. The PBC, in furtherance of the purposes and pursuant to the provisions of the Act, and in order to construct and equip the Improvements for the Library Board, has proposed and hereby proposes that it shall:

- (a) Lease the Facility to the County for the rentals and upon the terms and conditions hereinafter set forth; and
- (b) Issue, for the purpose of paying the costs of the Improvements, its Lease Purchase Revenue Bonds (Library Projects), Series 2014B, in the aggregate principal amount of \$[4,290,000] (the “Series 2014B Bonds”), under and pursuant to and subject to the provisions of the Act and a Trust Indenture dated as of November 1, 2014 (the “Indenture”) between the PBC and Security Bank of Kansas City, as trustee (the “Trustee”).

6. The County shall sublease the Facility to the Library Board pursuant to a Sublease dated as of November 1, 2014 (the “Sublease”) between the County, as lessor, and the Library Board, as lessee.

7. The County, pursuant to the foregoing proposals of the PBC, desires to lease the Facility from the PBC, with an option to purchase the PBC’s interest in the Facility (*i.e.*, the PBC’s rights in the Base Lease), for the rentals and upon the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the PBC and the County do hereby covenant and agree as follows:

ARTICLE I

Section 1.1 Definitions. Capitalized terms not otherwise defined in this Lease shall have the meanings set forth in the Indenture. In addition to the words, terms and phrases elsewhere defined in this Lease and in the Indenture, the following words, terms and phrases as used herein shall have the following meanings unless the context or use indicates another or different meaning or intent:

“**Act**” means K.S.A. 12-1757 *et seq.*, as amended from time to time.

“**Additional Rent**” means all fees, charges and expenses of the Trustee, all Impositions, all amounts required to be rebated to the United States pursuant to this Indenture, all other payments of whatever nature (other than Basic Rent) payable or to become payable pursuant to this Indenture or which County has agreed to pay or assume under the provisions of the Lease and any and all expenses (including reasonable attorney’s fees) incurred by PBC in connection with the issuance of the Bonds or the administration or enforcement of any rights under this Lease or the Indenture.

“**Additional Term**” means the additional term of this Lease commencing on the last day of the Basic Term and terminating upon the payment or provision for payment of the principal of, redemption premium, if any, and interest on all Outstanding Bonds.

“**Bankruptcy Code**” means Title 11 of the United States Code, as amended.

“**Base Lease**” means the Base Lease, dated as of November 1, 2014, between the Library Board, as lessor, and the PBC, as lessee.

“**Basic Rent**” means the semi-annual amount which, when added to Basic Rent Credits, will be sufficient to pay, on any Bond Payment Date, all principal of, redemption premium, if any, and interest on the Bonds which is due and payable on such Bond Payment Date.

“**Basic Rent Credits**” means all funds on deposit in the Principal and Interest Fund and available for the payment of principal of, redemption premium, if any, and interest on the Bonds on the Business Day prior to each Bond Payment Date.

“**Basic Rent Payment Date**” means the Business Day prior to each Bond Payment Date until the principal of, redemption premium, if any, and interest on the Bonds have been fully paid or provision made for their payment in accordance with the provisions of the Indenture.

“**Basic Term**” means that term commencing as of the date of this Lease and ending on September 1, 2024, subject to prior termination as specified in *Section 2.2* of this Lease.

“**CERCLA**” means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, *et seq.*

“**Code**” means the Internal Revenue Code of 1986, as amended, together with the regulations promulgated thereunder by the United States Department of the Treasury.

“Construction Contracts” means any contracts with respect to the design, acquisition and/or construction of the Improvements entered into by the County or the Library Board.

“County” means Johnson County, Kansas, and its successors and assigns.

“Default” means any event or condition the occurrence of which, with the lapse of time or the giving of notice or both, constitutes an Event of Default with respect to this Lease.

“Environmental Assessment” means an environmental assessment with respect to the Improvements conducted by an independent consultant satisfactory to the PBC that reflects the results of such inspections, records reviews, soil tests, groundwater tests and other tests requested, which assessment and results shall be satisfactory in scope, form and substance to the PBC and the County.

“Environmental Law” means CERCLA, SARA, and any other federal, state or local environmental statute, regulation or ordinance presently in effect or coming into effect during the term of this Lease.

“Event of Bankruptcy” means an event whereby the County shall: (a) admit in writing its inability to pay its debts as they become due; or (b) file a petition in bankruptcy or for reorganization or for the adoption of an arrangement under the Bankruptcy Code as now or in the future amended, or file a pleading asking for such relief; or (c) make an assignment for the benefit of creditors; or (d) consent to the appointment of a trustee or receiver for all or a major portion of its property; or (e) be finally adjudicated as bankrupt or insolvent under any federal or state law; or (f) suffer the entry of a final and nonappealable court order under any federal or state law appointing a receiver or trustee for all or a major part of its property or ordering the winding-up or liquidation of its affairs, or approving a petition filed against it under the Bankruptcy Code, which order, if the County has not consented thereto, shall not be vacated, denied, set aside or stayed within 60 days after the day of entry; or (g) suffer a writ or warrant of attachment or any similar process to be issued by any court against all or any substantial portion of its property, and such writ or warrant of attachment or any similar process is not contested, stayed, or is not released within 60 days after the final entry, or levy or after any contest is finally adjudicated or any stay is vacated or set aside.

“Event of Default” means, with respect to this Lease, any one of the following events:

(a) Failure of the County to make any payment of Basic Rent at the time and in the amounts required hereunder; or

(b) Failure of the County to make any payment of Additional Rent at the times and in the amounts required hereunder, or failure to observe or perform any other covenant, agreement, obligation or provision of this Lease on the County’s part to be observed or performed (other than covenants relating to continuing disclosure contained in *Section 1.5*), and the same is not remedied within thirty (30) days after the PBC has given the County written notice specifying such failure (or such longer period as shall be reasonably required to correct such default; provided that (1) the County has commenced such correction within said 30-day period and (2) the County diligently prosecutes such correction to completion); or

(c) An Event of Bankruptcy; or

(d) Abandonment of the Facility by the County.

“Facility” means the Land and the Improvements acquired, constructed or installed with the proceeds of the Series 2014B Bonds, together with any Facility Additions.

“Facility Additions” means any additions to the Facility acquired, constructed or installed from proceeds of any series of Additional Bonds authorized and issued pursuant to the Indenture. It also includes any alterations or additions made to the Facility to the extent provided in *Articles XI* and *XII* hereof.

“Full Insurable Value” means the full actual replacement cost less physical depreciation.

“Hazardous Substances” shall mean “hazardous substances” as defined in CERCLA.

“Impositions” means all taxes and assessments, general and special, which may be lawfully taxed, charged, levied, assessed or imposed upon or against or payable for or in respect of the Facility or any part thereof, or any improvements at any time thereon or the County’s interest therein, including any new lawful taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and further including all water and sewer charges, assessments and other governmental charges and impositions whatsoever, foreseen or unforeseen.

“Improvements” means, collectively, (a) the expansion to the Central Resource Library located in the County and (b) the approximately 288 square foot building to be constructed for use as the initial phase of the Monticello Library on land located in the County, the construction, reconstruction, furnishing and equipping of each of which is funded from the proceeds of the Series 2014B Bonds.

“Indenture” means the Trust Indenture dated as of November 1, 2014 between the PBC and the Trustee, as from time to time amended and supplemented by Supplemental Indentures in accordance with the provisions thereof.

“Kansas Tort Claims Act” means K.S.A. 75-6101 *et seq.*, and amendments thereto.

“Land” means the real property (or interests therein) described in *Schedule 1* attached hereto, including the existing improvements located thereon.

“Lease” means this Lease by and between the PBC and the County, as from time to time supplemented and amended in accordance with the provisions hereof and of the Indenture.

“Library Board” means the Board of Directors of the Johnson County Library, a body corporate and politic organized and existing under the laws of the State, and its successors and assigns.

“PBC” means the Public Building Commission of Johnson County, Kansas, a municipal corporation organized and existing under the laws of the State, and its successors and assigns.

“Permitted Encumbrances” means any mortgages, liens or other encumbrances specifically described in *Schedule 2*; easements and rights-of-way of record at the time of lease of the Land to the PBC, and any other title exceptions not affecting marketability or the usefulness of the Facility to the County.

“Rental Payments” means the aggregate of the Basic Rent and Additional Rent payments provided for pursuant to *Article III* of this Lease.

“**SARA**” means the Superfund Amendments and Reauthorization Act of 1986, as now in effect and as hereafter amended.

“**SEC Rule**” means Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

“**Series 2014B Bonds**” means the Public Building Commission of Johnson County, Kansas Lease Purchase Revenue Bonds (Library Projects), Series 2014B, dated November 25, 2014, in the aggregate principal amount of \$[4,290,000].

“**Sublease**” means the Sublease dated as of the November 1, 2014 between the County, as lessor, and the Library Board, as lessee.

“**Term**” means collectively the Basic Term and any Additional Term of this Lease.

“**Trustee**” means Security Bank of Kansas City, Kansas City, Kansas, a state banking corporation organized under the laws of the State of Kansas, in its capacity as trustee, bond registrar and paying agent, and its successor or successors, and any other corporation or association with at the time may be substituted in its place pursuant to and at the time serving as Trustee under the Indenture.

Section 1.2 Rules of Interpretation.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine gender. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

(b) Wherever in this Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(c) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or subdivision.

(d) The Table of Contents and the Article and Section headings of this Lease shall not be treated as a part of this Lease or as affecting the true meaning of the provisions hereof.

Section 1.3 Representations and Covenants by the County. The County makes the following covenants and representations as the basis for the undertakings on its part herein contained.

(a) Representations and Covenants Relating to the Code.

(i) The County will not make, or cause or permit to be made, any use of the Bond proceeds which would cause any Tax-Exempt Bonds to be “private activity bonds” within the meaning of Section 141(b) of the Code or to cause the interest on the any Tax-Exempt Bonds to become subject to federal income taxation pursuant to the provisions of the Code. The County will comply with, and will take all action reasonably required by the PBC in order to comply

with, all other applicable requirements of the Code until all of the Tax-Exempt Bonds, including interest thereon and any applicable redemption premium, have been paid.

(ii) The County covenants and agrees that so long as any of the Bonds remain Outstanding, the County will not enter into or renew any long-term management contract or service contract with any person or entity other than a state or local government unit with respect to the management or operation of all or any portion of the facilities financed or refinanced with Bond proceeds (or any part thereof) without first obtaining and delivering to the PBC and the Trustee an opinion of Bond Counsel addressed to the PBC and the Trustee that such management contract will not adversely affect the tax-exempt status of interest on the Tax-Exempt Bonds.

(iii) The County will not use or cause or allow over 10% of the proceeds of any series of Tax-Exempt Bonds to be used for any private business use as contemplated by Section 141(b) of the Code.

(iv) The County will not cause or allow payment of the principal of, or interest on, more than 10% of the proceeds of any series of Tax-Exempt Bonds to be secured by interest in property used or to be used for a private business use, or payments in respect of such property.

(v) The County will not make, or cause or permit to be made, any use of the proceeds (as defined in the Code) of the Bonds which would cause the Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. The County further covenants and agrees that it will comply with all applicable requirements of said Section 148 and Treasury Regulations promulgated thereunder until all of the Tax-Exempt Bonds, including interest thereon and any applicable redemption premium, have been paid.

(vi) The County has reviewed the PBC’s IRS Forms 8038-G prepared for filing in connection with the issuance of the Series 2014B Bonds, and represents that the information set forth therein is true and accurate.

(vii) The County will comply with the Tax Compliance Agreement and will pay to the United States all rebate payments required under Section 148(f) of the Code.

(viii) So long as any Tax-Exempt Bonds remain Outstanding, the County will not enter into or renew a sublease of the Facility (or any part thereof) with any tenant that is not a state or local government unit without first obtaining and delivering to the PBC and the Trustee an opinion of Bond Counsel addressed to the PBC and the Trustee that such lease will not adversely affect the tax-exempt status of the interest on the Tax-Exempt Bonds.

Additionally, in the Sublease, the County shall cause the Library Board to agree to comply with the provisions of this subsection (a).

(b) General Representation and Covenants.

(i) The County is a political subdivision of the State of Kansas with lawful power and authority to enter into this Lease, acting by and through its duly authorized officers.

(ii) The County shall (A) maintain and preserve its existence and organization as a county under the laws of the State and (B) will not initiate any proceedings to dissolve without making provision for the payment in full of the principal of and interest and redemption premium, if any, on the Bonds.

(iii) Neither the execution or delivery of this Lease, the consummation of the transactions contemplated hereby or by the Indenture or the Sublease, nor the fulfillment of or compliance with the terms and conditions of this Lease contravenes in any material respect any provisions of its governing law or resolutions, or conflicts in any material respect with or results in a material breach of the terms, conditions or provisions of any agreement, indenture or instrument to which the County is a party or by which it is bound, or to which it or any of its properties is subject, or would constitute a material default (without regard to any required notice or the passage of any period of time) under any of the foregoing, or violates any existing law, administrative regulation or court order or consent decree to which the County is subject.

(iv) This Lease constitutes a legal, valid and binding obligation of the County enforceable in accordance with its terms. This Lease and the County's obligations under it are not subject to the limitations imposed by the Kansas Cash Basis Law, as codified in K.S.A. 10-1001 to 10-1122, and amendments thereto. Pursuant to the Act, the obligations of the County for rentals payable under this Lease for its entire term are **not** subject to annual appropriation, early cancellation or termination. The County covenants to make all the Rental Payments required under this Lease from whatever source of revenues is legally available, and will levy ad valorem taxes without limit if necessary to make such Rental Payments.

(v) Either the PBC, the County or the Library Board has obtained or will obtain any and all permits, authorizations, licenses and franchises necessary to construct the Improvements and to enable it to operate and utilize the Facility for the purposes for which it was leased by the County under this Lease.

(vi) The estimated total cost of the Improvements to be financed by the Series 2014B Bonds, plus interest thereon during construction and installation of the Improvements, and Costs of Issuance of the Series 2014B Bonds, will not be less than the face amount of such Series 2014B Bonds.

(vii) The County hereby covenants and agrees that all of its interests under the Sublease are hereby assigned to the PBC as security for its obligation to make Rental Payments under this Lease.

Section 1.4 Representations and Covenants by the PBC. The PBC makes the following representations and covenants as the basis for the undertakings on its party herein contained:

(a) The PBC is a municipal corporation existing under the Constitution and laws of the State. Under the provisions of the Act, the PBC has the power to enter into and perform the transactions contemplated by this Lease and the Indenture and to carry out its obligations hereunder and thereunder.

(b) The PBC will submit to the Internal Revenue Service in accordance with Section 149 of the Code a completed Internal Revenue Service Form 8038-G, or other similar form provided by the Internal Revenue Service, with respect to each series of Tax-Exempt Bonds.

(c) The PBC has not, in whole or in part, assigned, leased, hypothecated or otherwise created any other interest in, or disposed of, or caused or permitted any lien, claim or encumbrance to be placed against, the Facility, except as provided for in this Lease and the Indenture.

(d) Except as otherwise provided herein or in the Indenture, the PBC will not, during the Term, in whole or in part, assign, lease, hypothecate or otherwise create any other interest in, or dispose

of, or cause or permit any lien, claim or encumbrance (other than Permitted Encumbrances) to be placed against, the Facility, except as is provided for in this Lease and the Indenture.

(e) The PBC has duly authorized the execution and delivery of this Lease and the Indenture and the issuance, execution and delivery of the Series 2014B Bonds.

(f) The PBC will not make, or cause or permit to be made, any use of the Series 2014B Bond proceeds which would cause the Series 2014B Bonds to be “arbitrage bonds” within the meaning of the Code. The PBC will comply with, and will take all actions reasonably required to insure that the County complies with, all other applicable requirements of the Code with respect to the Tax-Exempt Bonds until all of the Tax-Exempt Bonds, including interest thereon and any applicable redemption premium, have been paid.

Section 1.5 Continuing Disclosure. The parties acknowledge that the County and the Library Board have certain obligations to comply with the provisions of the SEC Rule, as more fully set forth in the Continuing Disclosure Undertaking. The County hereby covenants with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Continuing Disclosure Undertaking. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners. In the event the County fails to comply in a timely manner with the covenants contained in this section, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the County and the Trustee. In the event the County does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement contained in this section or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the County under this section. Notwithstanding any other provision of this Lease, failure of the County to comply with its covenants contained in this section shall not be considered an Event of Default under this Lease.

ARTICLE II

Section 2.1 Granting of Leasehold. The PBC hereby rents, leases and lets to the County, and the County hereby rents, leases and hires from PBC, for the rentals and upon and subject to the terms and conditions hereinafter set forth, the Facility for the Basic Term.

Section 2.2 Termination of Lease. This Lease will terminate upon the occurrence of the following:

- (a) all Rental Payments that the County is obligated under this Lease to pay during the Basic Term and any Additional Term have been paid to the PBC in full;
- (b) the County has made arrangements which, in the opinion of the PBC, are adequate to comply with the PBC’s obligations to pay any arbitrage rebate to the United States;
- (c) all of the principal of, redemption premium, if any, and interest on all Outstanding Bonds shall have been paid in full or provision made for their payment in accordance with the provisions of the Indenture; and

- (d) the County (or the Library Board, as assignee of the County) has exercised its option to purchase the PBC's interest in the Facility pursuant to *Article XVI* hereof.

ARTICLE III

Section 3.1 Basic Rent. The County covenants and agrees to pay Basic Rent in immediately available funds, less Basic Rent Credits, on each Basic Rent Payment Date. Such payments shall be made directly to the Trustee for deposit in accordance with the provisions of the Indenture into the Principal and Interest Fund, to be applied by the Trustee in the manner and for the purposes set forth in the Indenture.

Section 3.2 Additional Rent. In addition to Basic Rent, the County shall pay any Additional Rent required to be paid pursuant to this Lease, or, if such payment cannot be made from legally available funds, as soon thereafter as funds can be made legally available after receipt of written notice thereof given to the County by the PBC.

Section 3.3 Rent Payable Without Abatement or Setoff. The County covenants and agrees with and for the express benefit of the PBC and the Owners that all payments of Basic Rent and Additional Rent shall be made by the County as the same become due, and that the County shall perform all of its obligations, covenants and agreements hereunder without notice or demand and without abatement, deduction, setoff, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising. Nothing in this Lease shall be construed as a waiver by the County of any rights or claims the County may have against PBC under this Lease or otherwise, but any recovery upon such rights and claims shall be had from PBC separately, it being the intent of this Lease that the County shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Lease (including the obligation to pay Basic Rent and Additional Rent) for the benefit of the Owners.

Section 3.4 Prepayment of Basic Rent. The County may at any time prepay all or any part of the Rental Payments, which prepayment shall be accompanied by an explanatory written statement of the Authorized County Representative and written instructions as to application of the prepayment towards the early redemption of Bonds.

Section 3.5 Deposit of Rental Payments. The PBC shall deposit, use and apply all payments of Basic Rent and Additional Rent in accordance with the provisions of this Lease and the Indenture.

ARTICLE IV

Section 4.1 Disposition of Bond Proceeds. The proceeds of the Series 2014B Bonds shall be deposited in the funds and accounts established under the Indenture and shall be applied in the manner set forth in the Indenture and this Article, without further order or authorization.

Section 4.2 Construction Contracts. Prior to the delivery of this Sublease, the County or the Library Board may have entered into a contract or contracts with respect to the design, acquisition and/or construction of the Improvements. Those contracts, and any such contracts entered into by the County or the Library Board after delivery of this Sublease, are hereinafter referred to as the "Construction Contracts." Prior to the execution hereof, certain work has or may have been performed on the Improvements pursuant to the Construction Contracts. The County hereby covenants with the PBC to cause the Construction

Contracts to be performed for the benefit of the PBC as well as its own benefit. After the execution hereof, the County shall cause the Construction Contracts to be fully performed by the contractor(s), subcontractor(s) and supplier(s) thereunder in accordance with the terms thereof, and the County covenants to cause the Improvements to be acquired, constructed and installed in accordance with the Construction Contracts. The County warrants that the construction and/or acquisition of the Improvements constituting part thereof in accordance with said Construction Contracts will result in the Facility being suitable for use by the County and the Library Board for its intended purposes. Any and all amounts received by the County from any of the contractors or other suppliers by way of breach of contract, refunds or adjustments will become a part of and be deposited in the Construction Fund.

The County may make, authorize or permit such changes or amendments to the Construction Contracts as it may reasonably determine to be necessary or desirable; provided, however, that no such change or amendment may be made to the Construction Contracts that would cause a material change in the cost, scope, nature or function of the Facility, unless the County shall file with the PBC a certificate of the Authority County Representative to the effect that the Facility will, after such change or amendment, continue to comply with the Act, and such change or amendment will not result in the Facility being used for any purpose prohibited by this Lease or otherwise result in the County failing to comply with any provisions of this Lease, or adversely affect the Basic Rent available for payment of principal of, premium, if any, and interest on the Bonds, or violate or conflict with the terms of any applicable approvals of the County.

The parties hereto acknowledge that the Library Board will be a party to some or all of the Construction Contracts, and the Library Board has agreed in the Sublease to comply with the provisions of this *Section 4.2*.

Section 4.3 Payment of Improvement Costs.

(a) The PBC hereby agrees to pay for the acquisition, construction and equipping of the Improvements, or any repairs or replacements to be made pursuant to *Article XVII* of this Lease, but solely from the Construction Fund, from time to time in accordance with the provisions of *Section 404* of the Indenture, upon receipt by the Trustee of a certificate signed by the Authorized Library Board Representative in the form set forth in *Exhibit A* hereto.

(b) The County agrees to cause the acquisition and construction of the Improvements to be diligently and continuously prosecuted and to be completed with reasonable dispatch substantially in accordance with the Construction Contracts and the plans and specifications therefor.

(c) In the event the moneys on deposit in the Construction Fund, together with other funds, if any, made available for the Improvement Costs, are at any time insufficient to pay for the completion of the Improvements, the County agrees to pay or cause to be paid the amount of such deficiency, from other lawfully available funds, for deposit in the Construction Fund.

Section 4.4 Completion of the Improvements. Upon completion of the Improvements, the County shall cause the Library Board to deliver a Certificate of Completion signed by the Authorized Library Board Representative to the Trustee. In the event funds remain on hand in the Construction Fund on the date the Certificate of Completion is received by the Trustee, such remaining funds shall be transferred by the Trustee to the Principal and Interest Fund and shall be applied in accordance with the provisions of the Indenture.

Section 4.5 Right of Entry by the PBC. The duly authorized agents of the PBC shall have the right at any reasonable time prior to the completion of the Improvements to have access to the Facility

or any parts thereof for the purpose of inspecting and supervising the acquisition, installation or construction of the Improvements.

Section 4.6 Furnishings and Equipment Purchased by the County. If no part of the purchase price of an item of personal property is paid from funds deposited in the Construction Fund pursuant to the terms of this Lease, then such item of machinery, equipment or personal property shall not be deemed a part of the Facility.

Section 4.7 Facility Property of the PBC. All Improvements to or constituting part of the Facility, all work and materials on such Improvements as such work progresses, any Facility Additions, anything under this Lease which becomes, is deemed to be, or constitutes a part of the Facility, and the Facility as repaired, rebuilt, rearranged, restored or replaced by the County under the provisions of this Lease, except as otherwise specifically provided herein, will immediately when erected or installed become the property of the PBC, subject to the Base Lease.

Section 4.8 Kansas Retailers' Sales Tax. The parties have entered into this Lease in contemplation that, under the existing provisions of K.S.A. 79-3606 and other applicable laws, sales of tangible personal property or services purchased directly by the PBC in connection with construction of the Improvements are entitled to exemption from the tax imposed by the Kansas Retailers' Sales Tax Act.

ARTICLE V

Section 5.1 Environmental Matters. The County acknowledges that is it responsible for maintaining the Facility in compliance with all applicable Environmental Laws. In the event that the County does not expeditiously proceed with any compliance action with respect to the Facility lawfully required by any local, state or federal authority under applicable Environmental Law, the PBC, immediately after notice to the County, may elect (but may not be required) to undertake such compliance. Any moneys expended by the PBC in efforts to comply with any applicable Environmental Law (including the cost of hiring consultants, undertaking sampling and testing, performing any cleanup necessary or useful in the compliance process and attorneys' fees) shall be due and payable as Additional Rent hereunder, with interest thereon at the average rate of interest per annum on the Series 2014B Bonds, plus two (2) percentage points, from the date such cost is incurred. There will be unlimited recourse to the County to the extent of any liability incurred by the PBC with respect to any breaches of the provisions of this section.

To the extent permitted by law, the County shall and does hereby indemnify the PBC and the Owners and agrees to defend and hold them harmless from and against all loss, cost, damage and expense (including, without limitation, attorneys' fees and costs associated with or incurred in the investigation, defense and settlement of claims) that they may incur, directly or indirectly, as a result of or in connection with the assertion against them or any of them of any claim relating to the presence on, escape or removal from the Facility of any Hazardous Substance or other material regulated by any applicable Environmental Law, or compliance with any applicable Environmental Law, whether before, during or after the term of this Lease, including claims relating to personal injury or damage to property.

The County agrees to give immediate written notice to the PBC and the Trustee of any violation of any Environmental Law of which violation the County has actual knowledge.

ARTICLE VI

Section 6.1 Insurance. The Sublease provides that the Library Board shall be required to maintain in full force and effect the following policies of insurance; provided, however, that to the extent that such insurance is not provided by the Library Board, the County shall be required to provide such insurance policies:

(a) Commercial general liability insurance insuring against claims for bodily injury, personal injury and property damage occurring in or about the Facility, under which the Library Board will be named as insured and the County, the PBC and the Trustee will be named as additional insureds, in an amount not less than the then maximum liability of a governmental entity for claims arising out of a single occurrence as provided by the Kansas tort claims act or other similar future law (currently \$500,000 per occurrence); which policy must provide that such insurance may not be cancelled by the issuer thereof without at least 30 days' advance written notice to the PBC, the Trustee and the County, such insurance to be maintained throughout the Term of this Lease;

(b) Workers' compensation insurance in accordance with statutory law;

(c) Property insurance insuring the Facility for perils covered by a special causes of loss form in an amount equal to the Full Insurable Value of the Facility. Such insurance coverage shall name the Library Board, the County, the PBC and the Trustee as loss payees, as their interests appear, and all Net Proceeds received under such policy or policies by the Library Board, the County or the PBC shall be paid over to the Trustee and be applied as set forth in *Article XVII* hereof; and

(d) With regard to new buildings and improvements constituting a part of the Facility, performance and labor and material payment bonds and statutory bonds (with sureties approved by the PBC) with respect to the applicable Construction Contracts in the full amount of such Construction Contracts. Said bonds shall name the PBC, the Trustee, the County and the Library Board as obligees. All payments received by the PBC, the Trustee, the County and the Library Board under said bonds shall become a part of and be deposited in the Construction Fund. With regard to materials and/or labor furnished to the Facility at the order of the County without formal contract, or by subcontract with the County acting as general contractor, with respect to materials or labor which could form the basis of a statutory mechanic's lien, if the amount of the transaction does not exceed \$10,000, the Trustee may disburse payments therefor upon receipt of releases or waivers of statutory mechanic's or subcontractor's liens by all vendors or subcontractors receiving payment or furnishing labor or materials as a subcontractor of the vendor or subcontractor receiving payment.

Section 6.2 General Insurance Provisions.

(a) Prior to the expiration dates of the expiring policies or within 30 days of renewal, originals or certificates or acceptable binders of the policies provided for in this Article, each bearing notations evidencing payment of the premiums or other evidence of such payment satisfactory to the PBC, shall be delivered by the County to the PBC. All policies of such insurance and all renewals thereof shall name the Library Board (or the County) as insured and the PBC, the Trustee, and the County (or the Library Board) as additional insureds, must contain a provision that such insurance may not be cancelled or amended by the issuer thereof without at least thirty (30) days' written notice to the PBC, the Trustee and the County, and shall be payable to the PBC, the Trustee, the County and the Library Board as their respective interests appear. The PBC and the County each hereby agree to do anything necessary, be it the endorsement of checks or otherwise, to cause any such payment, as long as such payment is required by this Lease.

(b) Each policy of insurance hereinabove referred to shall be issued by a nationally recognized responsible insurance company qualified under the laws of the State to assume the risks

covered therein except that the Library Board (or the County) may be self-insured as to any required insurance coverages under a program of self-insurance approved by the State Commissioner of Insurance or other applicable State regulatory authority to the extent required by law, and with the consent of the PBC, which consent will not be unreasonably withheld.

(c) Certificates of insurance evidencing the insurance coverages herein required shall be filed with the PBC continuously during the term of this Lease.

(d) Each policy of insurance hereinabove referred to may be subject to a reasonable deductible in an amount approved by the PBC.

(e) Each policy of insurance required herein may be provided through blanket policies maintained by the County or the Library Board.

(f) Anything in this Lease to the contrary notwithstanding, subject to the limitations of the Kansas Tort Claims Act, the County shall be liable to the PBC pursuant to the provisions of this Lease or otherwise, as to any loss or damage which may have been occasioned by the negligence of the County, its agents, licensees, contractors, invitees or employees.

Section 6.3 Title Insurance. The County shall purchase, or cause the Library Board to purchase, from the Construction Fund or from the County's or the Library Board's own funds, a policy of owner's title insurance, insuring fee simple title to the Facility in the Library Board, subject to the Base Lease, this Lease, the Sublease and Permitted Encumbrances, in an amount not less than \$[4,290,000]. The PBC and the County agree that any and all proceeds from such insurance during the Basic Term (a) if received before the completion of the Improvements shall be paid into and become a part of the Construction Fund, (b) if received thereafter but before the Bonds and interest thereon have been paid in full, shall be paid into and become a part of the Principal and Interest Payment Fund and (c) if received after the Bonds, redemption premium, if any, and interest thereon have been paid in full, shall belong and be paid to the Library Board.

ARTICLE VII

Section 7.1 Impositions. The County shall, during the Term of this Lease, bear, pay and discharge, before the delinquency thereof, any and all Impositions. In the event any Impositions may be lawfully paid in installments, the County shall be required to pay only such installments thereof as become due and payable during the Term of this Lease as and when the same become due and payable.

Section 7.2 Receipted Statements. Unless the County exercises its right to contest any Impositions in accordance with *Section 7.4* hereof, the County shall, within 30 days after the last day for payment, without penalty or interest, of an Imposition which the County is required to bear, pay and discharge the same pursuant to the terms hereof, and deliver to the Trustee a copy of the statement issued therefor duly receipted to show the payment thereof.

Section 7.3 PBC May Not Sell. The PBC covenants that, unless the County is in Default under this Lease it will not, without County's written consent, unless required by law, sell or otherwise part with or encumber its leasehold interest in the Facility at any time during the Term of this Lease.

Section 7.4 Contest of Impositions. The County shall have the right, in its own or the PBC's name or both, to contest the validity or amount of any Imposition by appropriate legal proceedings instituted at least 10 days before the Imposition complained of becomes delinquent if, and provided, the

County: (a) before instituting any such contest, shall give PBC written notice of its intention to do so and, if requested in writing by the PBC, shall deposit with the PBC a surety bond of a surety company acceptable to the PBC as surety, in favor of the PBC, or cash, in a sum of at least the amount of the Imposition so contested, assuring the payment of such contested Impositions together with all interest and penalties to accrue thereon and court costs; (b) diligently prosecutes any such contest and at all times effectively stays or prevents any official or judicial sale therefor, under execution or otherwise; and (c) promptly pays any final judgment enforcing the Imposition so contested and thereafter promptly procures record release or satisfaction thereof. The County shall hold the PBC whole and harmless from any costs and expenses the PBC may incur related to any such contest.

ARTICLE VIII

Section 8.1 Use of Facility. Subject to the provisions of this Lease, the County shall have the right to use the Facility for any and all purposes allowed by law and contemplated by the constitution of the State and the Act, as long as they are consistent with the Code limitations on use of property purchased with original proceeds of the Tax-Exempt Bonds. The County shall comply with all statutes, laws, ordinances, resolutions, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Facility or to any adjoining public ways, as to the manner of use or the condition of the Facility or of adjoining public ways. The County shall comply with the mandatory requirements, rules and regulations of all insurers under the policies required to be carried under the provisions of this Lease. The County shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the County to comply with the provisions of this Article.

ARTICLE IX

Section 9.1 Sublease by the County. The County intends to enter into the Sublease of the Facility to the Library Board in exchange for Sublease payments sufficient to provide funds to the County to pay the County's payments of Basic Rent hereunder, and the PBC hereby consents to the execution and delivery of the Sublease. The Library Board will pay operation and maintenance expenses of the Facility, and will use and operate the Facility.

Other than the Sublease, the County may not sublease the Facility to a single party or entity, without the prior written consent of the PBC. The County or the Library Board may sublease portions of the Facility for use by others in the normal course of its business without the PBC's prior consent or approval provided such sublease does not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds. Any such subtenant must be an entity permitted to be a County under the provisions of the Act. In the event of any such subleasing, the County shall remain fully liable for the performance of its duties and obligations hereunder, and no such subleasing and no dealings or transactions between the PBC and any such subtenant shall relieve the County of any of its duties and obligations hereunder. Any such sublease shall be subject and subordinate in all respects to the provisions of this Lease.

Section 9.2 Assignment by the County. The County may not assign its interest in this Lease without the prior written consent of the PBC. Any such assignment must in furtherance of the purposes set forth in the Act and must be to an entity authorized to be a tenant in accordance with the Act, and such assignment shall not adversely affect the tax-exempt status of interest on the Tax-Exempt Bonds. In the event of any such assignment, the County shall remain fully liable for the performance of its duties and obligations hereunder, except to the extent hereinafter provided, and no such assignment

and no dealings or transactions between the PBC and any such assignee shall relieve the County of any of its duties and obligations hereunder, except as may be otherwise provided in the following section.

Section 9.3 Release of the County. If, in connection with an assignment by the County of its interest in this Lease: (a) the PBC and the Owners of ninety percent (90%) in aggregate principal amount of the Outstanding Bonds (including any Additional Bonds) shall file with the PBC their prior written consent to such assignment; and (b) the proposed assignee shall expressly assume and agree to perform all of the obligations of the County under this Lease; then the County shall be fully released from all obligations accruing hereunder after the date of such assignment.

Section 9.4 Covenant Against Other Assignments. The County will not assign or in any manner transfer its interests under this Lease, nor will it suffer or permit any assignment thereof by operation of law, except in accordance with the limitations, conditions and requirements herein set forth.

ARTICLE X

Section 10.1 Repairs and Maintenance. The County covenants and agrees that it will, during the Term of this Lease, keep and maintain the Facility and all parts thereof in good condition and repair, including but not limited to the furnishing of all parts, mechanisms and devices required to keep the furnishings, equipment and personal property constituting a part of the Facility in good mechanical and working order, and that during said period of time it will keep the Facility and all parts thereof free from nuisance or conditions unreasonably increasing the danger of fire.

Section 10.2 Removal, Disposition and Substitution of Equipment, Fixtures or Furnishings. The County shall have the right, provided the County is not in default in the payment of Basic Rent and Additional Rent, to remove and sell (at not less than fair market value) or otherwise dispose of any equipment, fixtures or furnishings that constitute a part of the Facility and are no longer used by the County or the Library Board or, in the opinion of the County, are no longer useful to the County or the Library Board in its operations of the Facility (whether by reason of obsolescence, depreciation or otherwise), subject, however, to the condition that the County shall either (a) promptly replace any such equipment, fixtures or furnishings so removed with fixtures or furnishings of the same or a different kind but which performs the same function as the equipment, fixtures or furnishings so removed, and the equipment, fixtures or furnishings so acquired by the County to replace such equipment, fixtures or furnishings thereafter shall be deemed a part of the Facility, or (b) deposit the proceeds from such sale in the Principal and Interest Fund; and provided further that such equipment, furnishings and fixtures shall only be disposed of without a sale if, in the reasonable opinion of the County, such item or items has a resell value of less than \$5,000. The County shall maintain accurate records of such replacements and upon request shall prepare a certificate of the Authorized County Representative setting forth a complete description of the equipment, fixtures or furnishings which the County has acquired to replace the equipment, fixtures or furnishings so removed by the County, stating the cost thereof and the respective acquisition dates.

All equipment, fixtures or furnishings constituting a part of the Facility and removed by the County pursuant to this section shall become the absolute property of the County, shall no longer be subject to the Base Lease or this Lease, and may be sold or otherwise disposed of by the County subject to the requirements of this section. In all cases, the County shall pay all the costs and expenses of any such removal and shall immediately repair at its expense all damage caused thereby. The County's rights under this section to remove equipment, fixtures or furnishings constituting a part of the Facility is intended only to permit the County and the Library Board to maintain an efficient operation by the removal of such furnishings or equipment no longer suitable to the County's or the Library Board's use for any of the reasons set forth in this section, and such right is not to be construed to permit a removal

under any other circumstances and shall not be construed to permit the wholesale removal of such equipment, fixtures or furnishings by the County.

ARTICLE XI

Section 11.1 Alteration of Facility. The County shall have and is hereby given the right, at its sole cost and expense, to make such changes and alterations in and to any part of the Facility as the County from time to time may deem necessary or advisable without the consent of the PBC; provided, however, the County shall not make any major change or alteration which will adversely affect the intended use or structural strength of any part of the Facility. All changes and alterations made by the County pursuant to the authority of this Article shall (a) be made in a workmanlike manner and in strict compliance with all laws, regulations and ordinances applicable thereto, (b) when commenced, be prosecuted to completion with due diligence, and (c) when completed, shall be deemed a part of the Facility and subject to the Base Lease; provided, however, that additions of fixtures, furnishings or personal property of the County, not purchased or acquired from proceeds of the Bonds and not constituting a part of the Facility shall remain the separate property of the County and may be removed by the County at any time.

ARTICLE XII

Section 12.1 Additional Improvements. The County shall have and is hereby given the right, at its sole cost and expense, to construct on the Land or within areas occupied by the Facility, or in airspace above the Facility, such additional buildings and improvements as the County from time to time may deem necessary or advisable. All additional buildings and improvements constructed by the County pursuant to the authority of this Article shall, during the Term, remain the property of the County and may be added to, altered or razed and removed by the County at any time during the Term hereof. The County covenants and agrees (a) to make all repairs and restorations, if any, required to be made to the Facility because of the construction of, addition to, alteration or removal of, said additional buildings or improvements, (b) to keep and maintain said additional buildings and improvements in good condition and repair, ordinary wear and tear excepted, and (c) to promptly and with due diligence either raze and remove from the Land, in a good, workmanlike manner, or repair, replace or restore such of said additional buildings or improvements as may from time to time be damaged by fire or other casualty.

ARTICLE XIII

Section 13.1 Securing of Permits and Authorizations. The County shall not do or permit others under its control to do any work in or in connection with the Facility or related to any repair, rebuilding, restoration, replacement, alteration of or addition to the Facility, or any part thereof, unless all requisite municipal and other governmental permits and authorizations shall have first been procured and paid for. All such work shall be done in a good and workmanlike manner and in compliance with all applicable building, zoning and other laws, resolutions, governmental regulations and requirements and in accordance with the requirements, rules and regulations of all insurers under the policies required to be carried under the provisions of this Lease.

Section 13.2 Mechanics' Liens. The County shall not do or suffer anything to be done whereby the Facility, or any part thereof, may be encumbered by any mechanic's or other similar lien and if any mechanic's or other similar lien is filed against the Facility, or any part thereof, the County shall discharge the same of record within 30 days after the date of filing. Notice is hereby given that the PBC

does not authorize or consent to and shall not be liable for any labor or materials furnished to the County or the Library Board or anyone claiming by, through or under the County or the Library Board upon credit, and that no mechanic's or similar liens for any such labor, services or materials shall attach to or affect the estate of the PBC in and to the Facility, or any part thereof.

Section 13.3 Contest of Liens. The County, notwithstanding the above, shall have the right to contest any such mechanic's or other similar lien if within said 30 day period stated in *Section 13.2* it: (a) notifies the PBC and the Trustee in writing of its intention so to do; (b) diligently prosecutes such contest, at all times effectively staying or preventing any official or judicial sale of the Facility or any part thereof or interest therein, under execution or otherwise; and (c) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim and thereafter promptly procures a recorded release or satisfaction thereof.

Section 13.4 Utilities. All utilities and utility services used by the County and the Library Board in, on or about the Facility shall be contracted for by the County or the Library Board in the County's or Library Board's own name and the County shall, at its sole cost and expense, procure any and all permits, licenses or authorizations necessary in connection therewith.

ARTICLE XIV

Section 14.1 Indemnity. Subject to the provisions of the Kansas Tort Claims Act and other applicable law, the County covenants and agrees, at its expense, to pay, and to indemnify and save the PBC and all agents, members, directors, officers and employees thereof harmless against and from any and all claims by or on behalf of any person, firm, corporation, or governmental authority, arising from the acquisition, construction, equipping, occupation, use, operation, maintenance, possession, conduct or management of, or from any work done in or about the Facility, or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, or regulations affecting the Facility or the occupancy or use thereof. Subject to the provisions of the Kansas Tort Claims Act and other applicable law, the County also covenants and agrees, at its expense, to pay and to indemnify and save the PBC and all agents, members, directors, officers and employees thereof harmless against and from, any and all claims arising from (i) any condition of the Facility and the adjoining sidewalks and passageways, (ii) any breach or default on the part of the County in the performance of any covenant or agreement to be performed by the County pursuant to this Lease, (iii) any act or negligence of the County or, any of its agents, contractors, servants, employees or licensees in connection with their use, occupancy or operation of the Facility, or (iv) any accident, injury or damage whatsoever caused to any person, firm or corporation, in or about the Facility or upon or under the sidewalks and from and against all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any claim referred to in this section. In the event that any action or proceeding is brought against the PBC or any agent, member, director, officer or employee thereof by reason of any such claim, the County, upon notice from the PBC, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to the PBC.

Notwithstanding the fact that it is the intention of the parties that the PBC and all agents, members, directors, officers and employees thereof shall not incur any pecuniary liability whatsoever by reason of the terms of this Lease, or the undertakings required of the PBC hereunder or any agent, member, director, officer or employee thereof, by reason of the issuance of Bonds, by reason of the execution or authorization of any documents or certification in connection with the Bonds including, but not limited to, the Indenture, this Lease, or any preliminary or final official statement, by reason of the performance, or nonperformance, of any act required of it by this Lease or the Indenture, or by reason of the performance, or nonperformance, of any act requested of it by the County, including all claims,

liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing; nevertheless, if the PBC or any agent, member, employee, officer or director thereof should incur any such pecuniary liability then in such event the County, subject to the provisions of the Kansas Tort Claims Act and other applicable law, shall indemnify and hold harmless the PBC and all agents, members, directors, officers and employees thereof, against all claims, fees, including attorney fees, and expenses by or on behalf of any person, firm, corporation, or governmental authority, arising out of the same, and all costs, fees and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the PBC, the County shall defend and hold harmless the PBC in any such action or proceeding. This section shall survive the termination of this Lease for any claim, proceeding or action arising from any event or omission occurring during the Term and after the termination, due to an Event of Default, for any period the County or assignee occupies the Facility.

Section 14.2 Liability. Subject to *Article IV* hereof, the provisions of the Kansas Tort Claims Act and other applicable law, the County hereby accepts all responsibility relating to the operation, maintenance and repair of the Facility during the Lease Term and agrees that the PBC shall not have any liability therefor.

ARTICLE XV

Section 15.1 Access to Facility. The PBC, for itself and its duly authorized representatives and agents, reserves the right to enter the Facility at all reasonable times during usual business hours throughout the Term for the purpose of: (a) examining and inspecting the same, (b) performing any work made necessary by reason of an Event of Default by the County under any of the provisions of this Lease, and (c) while an Event of Default is continuing hereunder, for the purpose of exhibiting the Facility to prospective purchasers or lessees. The PBC may, during the progress of said work mentioned in (b) above, keep and store on the Facility all necessary materials, supplies and equipment and shall not be liable for inconvenience, annoyances, disturbances, loss of business or other damage suffered by reason of the performance of any such work or the storage of such materials, supplies and equipment.

Section 15.2 Quiet Enjoyment and Possession. So long as no Event of Default has occurred and is continuing under this Lease, the County shall and may peaceably and quietly have, hold and enjoy the Facility.

ARTICLE XVI

Section 16.1 Option to Purchase Facility. Subject to the provisions of this Article, the County shall have the option to purchase the PBC's interest in the Facility (*i.e.*, the PBC's rights in the Base Lease), for the benefit of the Library Board, at any time during the Term hereof and for 120 days thereafter. The County shall exercise its option by giving the PBC written notice of the County's election to exercise its option specifying the date, time and place of closing, which date (the "Closing Date") shall not be earlier than 30 days or later than 180 days after the notice is given.

Section 16.2 Quality of Title and Purchase Price. If notice of election to purchase is given, the PBC shall sell its interest in and to the Facility to the County, for the benefit of the Library Board, and shall convey its interest in and to the Facility to the Library Board, on the Closing Date, free and clear of all liens and encumbrances except: (a) those to which the title was subject on the date of execution of the Base Lease, or to which title became subject with the County's written consent, or which resulted from

any failure of the County to perform any of its covenants or obligations under this Lease; (b) taxes and assessments, general and special, if any; and (c) the rights of any party having condemned or who is attempting to condemn title to, or the use for a limited period of, all or any part of the Facility, for the price and sum as follows (which the County shall pay in cash at the time of delivery of PBC's deed or other instrument or instruments of transfer to the Facility to the County as hereinafter provided):

(1) The full amount which is required to provide the PBC with funds sufficient, in accordance with the provisions of the Indenture, to pay at maturity or to redeem and pay in full (A) the principal of all of the Outstanding Bonds, (B) all interest due thereon to date of maturity or redemption, whichever first occurs, and (C) all costs, expenses and premiums incident to the redemption and payment of said Bonds in full, plus

(2) \$100.00.

Nothing in this Article shall release or discharge the County from its duty or obligation under this Lease to make any payment of Basic Rent or Additional Rent which, in accordance with the terms of this Lease, becomes due and payable prior to the Closing Date, or its duty and obligation to fully perform and observe all covenants and conditions herein stated to be performed and observed by the County prior to the Closing Date.

Section 16.3 Closing of Purchase. On the Closing Date the PBC shall deliver to the County its quit claim deed or other appropriate instrument or instruments of conveyance or assignment, properly executed and conveying its interest in the Facility to the County free and clear of all liens and encumbrances of the PBC or the Owners, the County shall pay the full purchase price for the Facility as follows: (a) the amount specified in clause (1) of **Section 16.2** shall be deposited in the Principal and Interest Fund and shall use the same to pay or redeem the Bonds and the interest thereon as provided in the Indenture, and (b) the amount specified in clause (2) of said **Section 16.2** shall be paid to the PBC; provided, however, nothing herein shall require the PBC to deliver its said quit claim deed or other appropriate instrument or instruments of assignment or conveyance to the County until after all duties and obligations of the County under this Lease to the date of such delivery have been fully performed and satisfied. Upon the delivery to the County of the PBC's said quit claim deed or other appropriate instrument or instruments of assignment or conveyance and payment of the purchase price by the County, all rights of the County under this Lease shall, *ipso facto*, terminate.

Section 16.4 Effect of Failure to Complete Purchase. If, for any reason, the purchase of the Facility by the County pursuant to valid notice of election to purchase given as aforesaid is not effected on the Closing Date, this Lease shall be and remain in full force and effect according to its terms the same as though no notice of election to purchase had been given, except that if such purchase is not effected on the Closing Date because the PBC does not have or is unable to convey to the County such title to the Facility as the County is required to accept, the PBC shall use its best efforts to cure any such defect in its title. In the event the PBC is unable to cure such defect in its title, the County shall have the right to cancel this Lease forthwith if, but only if, the principal of and interest on the Bonds and all costs incident to the redemption and payment of the Bonds have been paid in full. The County shall also have the right to exercise any legal or equitable remedies, in its own name or in the name of the PBC, to obtain its own name or in the name of the PBC, to obtain acceptable title to the Facility.

Section 16.5 Application of Condemnation Awards if the County Purchases the Facility. The right of the County to exercise its option to purchase the Facility under the provisions of this Article shall remain unimpaired notwithstanding any condemnation of title to, or the use for a limited period of, all or any part of the Facility. If the County shall exercise its said option and pay the purchase price as provided in this Article, all of the condemnation awards received by the PBC after the payment of said

purchase price, less all attorneys' fees and other expenses and costs incurred by the PBC in connection with such condemnation, shall belong and be paid to the Library Board.

Section 16.6 Assignment of Rights to the Library Board. The County intends to assign all of its rights under this *Article XVI* to the Library Board pursuant to the Sublease, and the PBC hereby acknowledges and consents to such assignment. In the event that the Library Board, as assignee of the County, exercises the option to purchase the PBC's interest in the Facility pursuant to this *Article XVI*, the Base Lease shall be considered assigned to the Library Board and terminated through merger of the leasehold interest with the fee interest.

ARTICLE XVII

Section 17.1 Damage and Destruction.

(a) If, during the Term, the Facility is damaged or destroyed, in whole or in part, by fire or other casualty, the County shall promptly notify the PBC and the Trustee in writing as to the nature and extent of such damage or loss and whether it is practicable and desirable to rebuild, repair, restore or replace such damage or loss.

(b) If the County determines that rebuilding, repairing, restoring or replacing the Facility is practicable and desirable, the County shall forthwith proceed with and complete with reasonable dispatch such rebuilding, repairing, restoring or replacing. In such case, any Net Proceeds of property and/or casualty insurance required by this Lease and received with respect to any such damage or loss to the Facility shall be deposited in the Construction Fund and shall be used and applied for the purpose of paying the cost of such rebuilding, repairing, restoring or replacing such damage or loss. Any amount remaining in the Construction Fund after such rebuilding, repairing, restoring or replacing shall be deposited into the Principal and Interest Fund and used to pay or redeem the Bonds and the interest thereon as provided in the Indenture.

(c) If the County determines that rebuilding, repairing, restoring or replacing the Facility is not practicable and desirable, any Net Proceeds of casualty insurance required by this Lease and received with respect to any such damage or loss to the Facility shall be paid into the Principal and Interest Fund. The County agrees that it shall be reasonable in exercising its judgment pursuant to this subsection (c).

(d) The County shall not, by reason of its inability to use all or any part of the Facility during any period in which the Facility is damaged or destroyed, or is being repaired, rebuilt, restored or replaced nor by reason of the payment of the costs of such rebuilding, repairing, restoring or replacing, be entitled to any reimbursement or any abatement or diminution of the Basic Rent or Additional Rent payable by the County under this Lease nor of any other obligations of the County under this Lease except as expressly provided in this Section.

Section 17.2 Condemnation.

(a) If, during the Term title to, or the temporary use of, all or any part of the Facility shall be condemned by any authority exercising the power of eminent domain, the County shall, within 90 days after the date of entry of a final order in any eminent domain proceedings granting condemnation, notify the PBC and the Trustee in writing as to the nature and extent of such condemnation and whether it is practicable and desirable to acquire or construct facilities to substitute for the Facility, or portion thereof.

(b) If the County determines that such substitution is practicable and desirable, the County shall forthwith proceed with and complete with reasonable dispatch the acquisition or construction of such substitute facilities. In such case, any Net Proceeds received from any award or awards with respect to the Facility or any part thereof made in such condemnation or eminent domain proceeds shall be deposited in the Construction Fund and shall be used and applied for the purpose of paying the cost of such substitution. Any amount remaining in the Construction Fund after such acquisition or construction shall be deposited into the Principal and Interest Fund and used to pay or redeem the Bonds and the interest thereon as provided in the Indenture.

(c) If the County determines that it is not practicable and desirable to acquire or construct substitute facilities, any Net Proceeds of condemnation awards received by the County shall be paid into the Principal and Interest Fund. The County agrees that it shall be reasonable in exercising its judgment pursuant to this subsection (c).

(d) The County shall not, by reason of its inability to use all or any part of the Facility during any such period of restoration or acquisition nor by reason of the payment of the costs of such restoration or acquisition, be entitled to any reimbursement or any abatement or diminution of the Basic Rent or Additional Rent payable by the County under this Lease nor of any other obligations hereunder except as expressly provided in this Section.

(e) The PBC shall cooperate fully with the County in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Facility or any part thereof. In no event will the PBC voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Facility or any part thereof without the written consent of the County.

Section 17.3 Effect of the County's Default. Anything in this Article to the contrary notwithstanding, the PBC and the Trustee shall have the right at any time and from time to time to withhold payment of all or any part of the Net Proceeds from the Construction Fund attributable to damage, destruction or condemnation of the Facility to the County or any third party if an Event of Default has occurred and is continuing, or the Trustee has given notice to the County of an Event of Default which, with the passage of time, will become an Event of Default. In the event the County cures any Default specified herein, the Trustee may make payments from the Net Proceeds to the County in accordance with the provisions of this Article. However, if this Lease is terminated or the PBC or the Trustee otherwise re-enters and takes possession of the Facility without terminating this Lease, the PBC and the Trustee shall pay all the Net Proceeds held by them into the Principal and Interest Fund and all rights of the County in and to such Net Proceeds shall cease.

ARTICLE XVIII

Section 18.1 Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Trustee (acting on behalf of the PBC) may take any one or more of the following remedial actions:

(a) Give the County written notice of intention to terminate this Lease on a date specified therein, which date shall not be earlier than 30 days after such notice is given and, if all Events of Default have not then been cured on the date so specified, the County's rights to possession of the Facility shall cease, and this Lease shall thereupon be deemed terminated, and the PBC may re-enter and take possession of the Facility; or

(b) Without terminating the Term hereof, or this Lease, conduct inspections or an Environmental Assessment of the Facility, and re-enter the Facility or take possession thereof pursuant to legal proceedings or any notice provided for by law and this Lease. The PBC may refuse to re-enter or take possession of the Facility if it has reasonable cause for such refusal. "Reasonable cause" shall include the presence on the Facility of conditions which are in violation of any Environmental Law or the existence or threat of a remedial action against the County under any Environmental Law resulting from conditions on the Facility.

Having elected to re-enter or take possession of the Facility without terminating the Term or this Lease, the PBC shall use reasonable diligence to relet the Facility, or parts thereof, subject to the Base Lease, for such term or terms and at such rental and upon such other terms and conditions as are deemed advisable, with the right to make alterations and repairs to the Facility, and no such re-entry or taking of possession of the Facility shall be construed as an election to terminate this Lease, and no such re-entry or taking of possession shall relieve the County of its obligation to pay Basic Rent or Additional Rent (at the time or times provided herein), or of any of its other obligations under this Lease, all of which shall survive such re-entry or taking of possession. The County shall continue to pay the Basic Rent and Additional Rent provided for in this Lease until the end of the Term, whether or not the Facility shall have been relet, less the net proceeds, if any, of reletting the Facility.

Having elected to re-enter or take possession of the Facility pursuant to subsection (b) above, the PBC may (subject, however, to any restrictions against termination of this Lease in the Indenture or the Base Lease), by notice to the County given at any time thereafter while the County is in default in the payment of Basic Rent or Additional Rent or in the performance of any other obligation under this Lease, elect to terminate this Lease in accordance with subsection (a) above and thereafter proceed to sell its interest in the Facility subject to the Base Lease.

If, in accordance with any of the foregoing provisions of this Article, the PBC shall have the right to elect to re-enter and take possession of the Facility, the PBC may enter and expel the County and those claiming through or under the County and remove the property and effects of both or either by all lawful means without being guilty of any manner of trespass and without prejudice to any remedies for arrears of Basic Rent or Additional Rent or preceding breach of covenant.

All Basic Rent recovered from the County and the net proceeds of any re-letting or sale of the Facility shall be deposited in the Principal and Interest Fund and applied by the PBC as set forth in the Indenture. For purposes of this paragraph, "net proceeds" means the receipts obtained from reletting or sale after deducting all expenses incurred in connection with such reletting or sale, including without limitation, all repossession costs, brokerage commissions, legal fees and expenses, expenses of employees, alteration costs and expenses of preparation of the Facility for reletting or sale.

Section 18.2 Survival of Obligations. The County covenants and agrees with the PBC and the Owners that until all the Bonds and the interest thereon and redemption premium, if any, are paid in full or provision made for the payment thereof in accordance with the Indenture, its obligations under this Lease shall survive the cancellation and termination of this Lease, for any cause, and that the County shall continue to be obligated to pay Basic Rent and Additional Rent (reduced by any net income the PBC may receive from the Facility after such termination) and perform all other obligations provided for in this Lease, all at the time or times provided in this Lease. Notwithstanding any provision of this Lease or the Indenture, the County's obligations under *Section 14.1* hereof shall survive any termination, release or assignment of this Lease and payment or provision for payment of the Bonds.

Section 18.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the PBC is intended to be exclusive of any other available remedy or remedies, but each and every such

remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute, subject to the provisions of the Indenture. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the PBC to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice required herein.

ARTICLE XIX

Section 19.1 Performance of the County's Obligations by the PBC. If the County shall fail to keep or perform any of its obligations as provided in this Lease, then the PBC may (but shall not be obligated to do so) upon the continuance of such failure on the County's part for 90 days after notice of such failure is given the County by the PBC or the Trustee and without waiving or releasing the County from any obligation hereunder, as an additional but not exclusive remedy, make any such payment or perform any such obligation, and the County shall reimburse the PBC for all sums so paid by the PBC and all necessary or incidental costs and expenses incurred by the PBC in performing such obligations through payment of Additional Rent. If such Additional Rent is not so paid by the County within ten (10) days of demand, the PBC shall have the same rights and remedies provided for in *Article XVIII* in the case of default by the County in the payment of Basic Rent.

ARTICLE XX

Section 20.1 Surrender of Possession. Upon accrual of the PBC's right of re-entry as the result of an Event of Default by the County hereunder or upon the cancellation or termination of this Lease by lapse of time or otherwise (other than as a result of the County's purchase of the Facility), the County shall peacefully surrender possession of the Facility to the PBC in good condition and repair, ordinary wear and tear excepted; provided, however, the County shall have the right, prior to or within 120 days after the termination of this Lease, to remove from or about the Facility any buildings, improvements, personal property, furniture and fixtures that are not a part of the Facility under the terms of this Lease. All repairs to and restorations of the Facility required to be made because of such removal shall be made by and at the sole cost and expense of the County. All buildings, improvements, personal property, furniture and fixtures owned by the County and which are not so removed from or about the Facility prior to or within 120 days after such termination of this Lease shall become subject to the Base Lease.

ARTICLE XXI

Section 21.1 Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Lease shall be in writing and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via facsimile, with electronic or telephonic confirmation of receipt, or (c) communicated via electronic mail with electronic or telephonic confirmation of receipt to the Notice Representative at the Notice Address. The PBC and the County may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent. All notices given by: (1) certified or registered mail shall be deemed duly given as of the date they are so mailed, however, notice to the Trustee shall be deemed duly given upon actual receipt; (b) facsimile or electronic mail shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or

for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the other party shall constitute a sufficient notice.

ARTICLE XXII

Section 22.1 Net Lease. The parties hereto agree that: (a) this Lease is intended to be a net lease; (b) the payments of Basic Rent and Additional Rent are designed to provide the PBC with funds adequate in amount to pay all principal of and interest on all Bonds as the same become due and payable and to pay and discharge all of the other duties and requirements set forth herein; and (c) to the extent that the payments of Basic Rent and Additional Rent are not adequate to provide the PBC with funds sufficient for the purposes aforesaid, the County shall be obligated to pay, and it does hereby covenant and agree to pay, upon demand therefor, as Additional Rent, such further sums of money as may from time to time be required for such purposes.

ARTICLE XXIII

Section 23.1 Rights and Remedies. The rights and remedies reserved by the PBC and the County hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. The PBC and the County shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Lease, and each party hereby waives the right to raise such defense in any proceeding in equity.

Section 23.2 Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the nondefaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults which were in existence at the time such payment or payments or performance were accepted by it.

Section 23.3 The PBC Shall Not Unreasonably Withhold Consents and Approvals. Wherever in this Lease it is provided that the PBC shall, may or must give its approval or consent, or execute supplemental agreements, exhibits or schedules, the PBC shall not unreasonably, arbitrarily or unnecessarily withhold or refuse to give such approvals or consents or refuse to execute such supplemental agreements, exhibits or schedules.

ARTICLE XXIV

Section 24.1 Funds Held by the PBC After Payment of All Bonds. If, after the principal of and interest on all of the Bonds and all costs incident to the payment of the Bonds have been paid in full, the PBC holds unexpended funds received in accordance with the terms hereof, such unexpended funds shall, except as otherwise provided in this Lease and the Indenture and after payment therefrom to the PBC of any sums of money then due and owing by the County under the terms of this Lease, be the absolute property of and be paid over forthwith to the County.

ARTICLE XXV

Section 25.1 Amendments. This Lease may be amended, changed or modified in the following manner:

(a) With respect to an amendment, change or modification which reduces the Basic Rent or Additional Rent, or any amendment which reduces the percentage of Owners whose consent is required for any such amendment, change or modification, by an agreement in writing executed by the PBC and the County and consented to in writing by the Owners of 100% of the aggregate principal amount of the Bonds then Outstanding.

(b) With respect to any other amendment, change or modification which will materially adversely affect the security or rights of the Owners, by an agreement in writing executed by the PBC and the County and consented to in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding; provided that a modification to *Schedule 1* hereto to conform to actual legal descriptions of the components of the Land may be accomplished with an addendum executed by the PBC and the County without the consent of the Owners.

(c) With respect to all other amendments, changes, or modifications, by an agreement in writing executed by the PBC and the County.

At least 30 days prior to the execution of any agreement pursuant to (c) above, the PBC and the County shall furnish the Original Purchaser of the Bonds with a copy of the amendment, change or modification proposed to be made.

Section 25.2 Granting of Easements. If no Event of Default under this Lease shall have happened and be continuing, the County may, at any time or times, (a) grant easements, licenses and other rights or privileges in the nature of easements with respect to any property included in the Facility, free from any rights of the PBC or the Owners, or (b) release existing easements, licenses, rights-of-way and other rights or privileges, all with or without consideration and upon such terms and conditions as the County shall determine, and the PBC agrees, to the extent that it may legally do so, that it will execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege or any such agreement or other arrangement, upon receipt by the PBC and the Trustee of: (i) a copy of the instrument of grant or release or of the agreement or other arrangement, (ii) a written application signed by the Authorized County Representative requesting such instrument, and (iii) a certificate executed by the County stating (A) that such grant or release is not detrimental to the proper conduct of the business of the County, and (B) that such grant or release will not impair the effective use or interfere with the efficient and economical operation of the Facility and will not materially adversely affect the security of the Owners. If the instrument of grant shall so provide, any such easement or right and the rights of such other parties thereunder shall be superior to the rights of the PBC and the Bondowners and shall not be affected by any termination of this Lease or default on the part of the County hereunder. If no Event of Default shall have happened and be continuing, any payments or other consideration received by the County for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of the County, but, in the event of the termination of this Lease because of an Event of Default, all rights then existing of the County with respect to or under such grant shall inure to the benefit of and be exercisable by the PBC.

Section 25.3 Security Interests. The County agrees to execute and deliver all instruments (including financing statements and continuation statements) necessary for perfection of and continuation of the security interest of the PBC in and to the Facility. The PBC is authorized by the County to file or

cause to be filed all such original instruments and shall continue or cause to be continued the liens of such instruments for so long as the Bonds shall be Outstanding.

Section 25.4 Rights and Remedies. The rights and remedies reserved by the PBC and the County hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. In addition thereto, the PBC and the County shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Lease, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity.

Section 25.5 Construction and Enforcement. This Lease shall be construed and enforced in accordance with the laws of the State. The provisions of this Lease shall be applied and interpreted in accordance with the rules of interpretation set forth in the Indenture. Wherever in this Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

Section 25.6 Invalidity of Provisions of Lease. If, for any reason, any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

Section 25.7 Covenants Binding on Successors and Assigns. The covenants, agreements and conditions herein contained shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 25.8 Execution of Counterparts. This Lease may be executed simultaneously in multiple counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

Section 25.9 Electronic Transactions. This Lease and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be signed and delivered by duly authorized officials as of the day and year first above written.

**PUBLIC BUILDING COMMISSION OF
JOHNSON COUNTY, KANSAS**

(SEAL)

ATTEST:

Ed Eilert, Chair

_____, Secretary

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF JOHNSON)

This instrument was acknowledged before me on November ____, 2014, by Ed Eilert, Chair of the Public Building Commission of Johnson County, Kansas, a municipal corporation organized under the laws of the State of Kansas.

(Seal)

Notary Public

My Commission Expires: _____

JOHNSON COUNTY, KANSAS

(SEAL)

ATTEST:

Ed Eilert, Chairman

_____, County Clerk

APPROVED AS TO FORM ONLY:

_____, County Counselor

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF JOHNSON)

This instrument was acknowledged before me on November ____, 2014, by Ed Eilert, Chairman of the Board of County Commissioners of Johnson County, Kansas, a political subdivision duly organized and existing under the constitution and laws of the state of Kansas.

(SEAL)

Notary Public

My Commission Expires: _____

SCHEDULE 1

PROPERTY DESCRIPTION

The following described real estate located in Johnson County, Kansas:

[__To be inserted__]

SCHEDULE 2

PERMITTED ENCUMBRANCES

[To be inserted]

EXHIBIT A

FORM OF CERTIFICATE FOR PAYMENT OF IMPROVEMENT COSTS

**PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS
LEASE PURCHASE REVENUE BONDS
(LIBRARY PROJECTS)**

CONSTRUCTION FUND

Payment Order No. _____

Security Bank of Kansas City
Kansas City, Kansas

Authorization is hereby given by the undersigned, the Authorized Library Board Representative, acting on behalf of the Board of Directors of the Johnson County Library ("Library Board), to disburse funds held in the Construction Fund for the purposes and in the amounts set forth in the Payment Schedules attached hereto and incorporated herein by reference (the "Payment Schedules").

I hereby certify that the amounts requested in the attached Payment Schedules have either been advanced by the Library Board or are justly due to contractors, subcontractors, suppliers, vendors, materialmen, engineers, architects or other persons named in the Payment Schedules who have performed necessary and appropriate work in connection with any installation of furnishings, equipment or personal property, or have furnished necessary and appropriate materials in the construction or acquisition of land, buildings and improvements constituting a part of the Improvements. I further certify that the fair value of such work or materials, furnishings and equipment, is not exceeded by the amount requested, and such cost is one which may be capitalized for federal income tax purposes.

I further certify that, except for the amounts set forth in the Payment Schedules, there are no outstanding debts now due and payable for labor, wages, materials, supplies or services in connection with the construction of said buildings and improvements or the purchase and/or installation of furnishings, equipment and personal property which, if unpaid, might become the basis of a vendor's, mechanic's, laborer's or materialmen's statutory or other similar lien upon the Improvements or any part thereof.

I further certify that no part of the amounts set forth in the Payment Schedules have been the basis for any previous withdrawal of any moneys from the Construction Fund.

I further certify that each of the representations and covenants on the part of the Library Board contained in the Sublease dated as of November 1, 2014 by and between the Public Building Commission of Johnson County, Kansas, and the County were, on the date of said Sublease, and are, on the date hereof, true and correct in all respects and are being complied with in every respect.

I further certify that the amounts set forth in the Payment Schedules constitute Improvement Costs, and that all insurance policies which are required to be in force pursuant to the provisions of **Section 6.1** of the Lease and **Section 6.1** of the Sublease are in full force and effect.

Capitalized terms used but not defined herein shall have the meaning given such terms in the Trust Indenture dated as of November 1, 2014 between the Public Building Commission of Johnson County, Kansas and Security Bank of Kansas City, as trustee.

EXECUTED this __ day of _____, 20__.

BOARD OF DIRECTORS OF THE JOHNSON
COUNTY LIBRARY

Authorized Library Board Representative

EXHIBIT A - Payment Order No. _____

PAYMENT SCHEDULE
FOR BUILDINGS AND IMPROVEMENTS

I hereby request payment of the amounts specified below to the payees whose names and addresses are stated below, and I certify that the description of the purchase or nature of each payment is reasonable, accurate and complete:

PAYMENT SCHEDULE

<u>Payee Name</u>	<u>Payee Address</u>	<u>Purpose of Nature of Payment</u>	<u>Amount</u>
-------------------	----------------------	-------------------------------------	---------------

Initials

EXHIBIT B - Payment Order No.

PAYMENT SCHEDULE
FOR FURNISHINGS AND EQUIPMENT

I hereby request payment of the amounts specified below to the payees whose names and addresses are stated below, and I certify that the description of the purchase or nature of each payment is reasonable, accurate and complete:

PAYMENT SCHEDULE

<u>Payee's Name</u>	<u>Description of Equipment</u>	<u>Amount</u>
	(include name and address of manufacturer, descriptive name, technical description, capacity, serial number or model number as appropriate)	

Initials

SUBLEASE

BY AND BETWEEN

JOHNSON COUNTY, KANSAS

AND

**BOARD OF DIRECTORS
OF THE JOHNSON COUNTY LIBRARY**

DATED AS OF NOVEMBER 1, 2014

SUBLEASE

TABLE OF CONTENTS

Page

Parties..... 1
Recitals..... 1

ARTICLE I

Section 1.1. Definitions..... 2
Section 1.2 Rules of Interpretation 5
Section 1.3 Representations and Covenants by the Library Board..... 5
Section 1.4 Representations and Covenants by the County 7
Section 1.5 Continuing Disclosure 8

ARTICLE II

Section 2.1 Granting of Leasehold 8
Section 2.2 Term..... 8
Section 2.3 Termination of Sublease 9
Section 2.4 Nonappropriation..... 9

ARTICLE III

Section 3.1 Basic Rent 9
Section 3.2 Additional Rent 9
Section 3.3 Rental Payments Constitute Current Expenses 9
Section 3.4 Rent Payable Without Abatement or Setoff 10
Section 3.5 Prepayment of Basic Rent 10
Section 3.6 Deposit of Rental Payments..... 10

ARTICLE IV

Section 4.1 Disposition of Bond Proceeds..... 10
Section 4.2 Construction Contracts 10
Section 4.3 Payment of Improvement Costs..... 11
Section 4.4 Completion of the Improvements 11
Section 4.5 Right of Entry by the County or the PBC 11
Section 4.6 Furnishings and Equipment Purchased by the Library Board 11
Section 4.7 Facility Property of the County..... 11
Section 4.8 Kansas Retailers' Sales Tax..... 12

ARTICLE V

Section 5.1 Environmental Matters 12

ARTICLE VI

Section 6.1	Insurance	12
Section 6.2	General Insurance Provisions	13
Section 6.3	Title Insurance	14

ARTICLE VII

Section 7.1	Impositions	14
Section 7.2	Receipted Statements.....	14
Section 7.3	County May Not Sell.....	14
Section 7.4	Contest of Impositions.....	14

ARTICLE VIII

Section 8.1	Use of Facility	15
-------------	-----------------------	----

ARTICLE IX

Section 9.1	Sublease by the Library Board.....	15
Section 9.2	Assignment by the Library Board.....	15
Section 9.3	Release of the Library Board.....	15
Section 9.4	Covenant Against Other Assignments	16

ARTICLE X

Section 10.1	Repairs and Maintenance.....	16
Section 10.2	Removal, Disposition and Substitution of Equipment, Fixtures or Furnishings	16

ARTICLE XI

Section 11.1	Alteration of Facility	16
--------------	------------------------------	----

ARTICLE XII

Section 12.1	Additional Improvements	17
--------------	-------------------------------	----

ARTICLE XIII

Section 13.1	Securing of Permits and Authorizations.....	17
Section 13.2	Mechanics' Liens	17
Section 13.3	Contest of Liens.....	17
Section 13.4	Utilities.....	18

ARTICLE XIV

Section 14.1	Indemnity	18
Section 14.2	Liability	19

ARTICLE XV

Section 15.1	Access to Facility	19
Section 15.2	Quiet Enjoyment and Possession	19

ARTICLE XVI

Section 16.1 Assignment of Option to Purchase..... 19

ARTICLE XVII

Section 17.1 Damage and Destruction..... 19
Section 17.2 Condemnation 20
Section 17.3 Effect of the Library Board’s Default 21

ARTICLE XVIII

Section 18.1 Remedies on Default 21
Section 18.2 Survival of Obligations..... 22
Section 18.3 No Remedy Exclusive 22

ARTICLE XIX

Section 19.1 Performance of the Library Board’s Obligations by the County 22

ARTICLE XX

Section 20.1 Surrender of Possession..... 23

ARTICLE XXI

Section 21.1 Notices 23

ARTICLE XXII

Section 22.1 Net Lease..... 23

ARTICLE XXIII

Section 23.1 Rights and Remedies 24
Section 23.2 Waiver of Breach..... 24
Section 23.3 The County Shall Not Unreasonably Withhold Consents and Approvals 24

ARTICLE XXIV

Section 24.1 Funds Held by the County After Payment of All Bonds 24

ARTICLE XXV

Section 25.1 Amendments 24
Section 25.2 Granting of Easements..... 25
Section 25.3 Security Interests 25
Section 25.4 Rights and Remedies 25
Section 25.5 Construction and Enforcement 26
Section 25.6 Invalidity of Provisions of Lease 26
Section 25.7 Covenants Binding on Successors and Assigns 26
Section 25.8 Execution of Counterparts 26

Section 25.9 Electronic Transactions 26

Signatures, Seals and Acknowledgements.....S-1

Schedule 1 - Property Description

SUBLEASE

THIS SUBLEASE is made and entered into as of November 1, 2014, by and between Johnson County, Kansas, a political subdivision organized under the laws of the State of Kansas (the “County”) and the Board of Directors of the Johnson County Library, a body corporate and politic organized and existing under the laws of the State of Kansas (the “Library Board”).

RECITALS

1. The County and the Library board are each political subdivisions duly organized and existing under the constitution and laws of the State of Kansas with full lawful power and authority to enter into this Sublease.

2. The Board of Directors of the Johnson County Library (the “Library Board”) is the fee owner of the real estate legally described in *Schedule 1* hereto (together with the existing improvements thereon, the “Land”), on which it desires to (a) construct, expand, reconstruct, furnish and equip an expansion to the Central Resource Library (the “Central Resource Improvements”) and (b) construct, furnish and equip an approximately 288 square foot building for use as the initial phase of the Monticello Library (the “Monticello Improvements, together with the Central Resource Improvements, the “Improvements”).

3. The Library Board and the Public Building Commission of Johnson County, Kansas (the “PBC”) have proposed that the PBC issue its Lease Purchase Revenue Bonds (Library Projects), Series 2014B, in the aggregate principal amount of \$[4,290,000] (the “Series 2014B Bonds”), under and pursuant to and subject to the provisions of K.S.A. 12-1757 *et seq.*, as amended (the “Act”) and a Trust Indenture dated as of November 1, 2014 (the “Indenture”) between the PBC and Security Bank of Kansas City, as trustee (the “Trustee”), for the purpose of financing the costs of the Improvements.

4. The Library Board and the Public Building Commission of Johnson County, Kansas (the “PBC”) have entered into a Base Lease dated as of November 1, 2014 (the “Base Lease”), whereby the Library Board, as lessor, has leased the Land and the Improvements, as constructed (collectively, the “Facility”), to the PBC, as lessee, upon the terms and conditions set forth therein.

5. The PBC and the County have entered into a Lease dated as of November 1, 2014 (the “Lease”), whereby the PBC, as lessor, has leased the Facility to the County, as lessee, for the rentals and upon the terms and conditions set forth therein.

6. The County, in furtherance of the purposes of the Act, does hereby propose to sublease the Facility to the Library Board, and the Library Board desires to sublease the Facility from the County, for the rentals and upon the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the County and the Library Board do hereby covenant and agree as follows:

ARTICLE I

Section 1.1 Definitions. Capitalized terms not otherwise defined in this Sublease shall have the meanings set forth in the Indenture and the Lease. In addition to the words, terms and phrases elsewhere defined in this Sublease and in the Indenture and the Lease, the following words, terms and phrases as used herein shall have the following meanings unless the context or use indicates another or different meaning or intent:

“Additional Rent” means all fees, charges and expenses of the Trustee, all Impositions, all amounts required to be rebated to the United States pursuant to this Indenture, all other payments of whatever nature (other than Basic Rent) payable or to become payable pursuant to this Indenture or which County has agreed to pay or assume under the provisions of the Lease, any and all expenses (including reasonable attorney’s fees) incurred by the PBC in connection with the issuance of the Bonds and any and all expenses (including reasonable attorney’s fees) incurred by the County in connection with the issuance of the Bonds or the administration or enforcement of any rights under the Lease or the Indenture.

“Bankruptcy Code” means Title 11 of the United States Code, as amended.

“Base Lease” means the Base Lease, dated as of November 1, 2014, between the Library Board, as lessor, and the PBC, as lessee.

“Basic Rent” means the semi-annual amount which, when added to Basic Rent Credits, will be sufficient to pay, on any Bond Payment Date, all principal of, redemption premium, if any, and interest on the Bonds which is due and payable on such Bond Payment Date.

“Basic Rent Credits” means all funds on deposit in the Principal and Interest Fund and available for the payment of principal of, redemption premium, if any, and interest on the Bonds on the Business Day prior to each Bond Payment Date.

“Basic Rent Payment Date” means the Business Day prior to each Bond Payment Date until the principal of, redemption premium, if any, and interest on the Bonds have been fully paid or provision made for their payment in accordance with the provisions of the Indenture.

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, *et seq.*

“Code” means the Internal Revenue Code of 1986, as amended, together with the regulations promulgated thereunder by the United States Department of the Treasury.

“Construction Contracts” means any contracts with respect to the design, acquisition and/or construction of the Improvements entered into by the County or the Library Board.

“County” means Johnson County, Kansas, and its successors and assigns.

“Default” means any event or condition the occurrence of which, with the lapse of time or the giving of notice or both, constitutes an Event of Default with respect to this Sublease.

“Environmental Assessment” means an environmental assessment with respect to the Improvements conducted by an independent consultant satisfactory to the PBC and the County that reflects the results of such inspections, records reviews, soil tests, groundwater tests and other tests requested, which assessment and results shall be satisfactory in scope, form and substance to the PBC, the County and the Library Board.

“Environmental Law” means CERCLA, SARA, and any other federal, state or local environmental statute, regulation or ordinance presently in effect or coming into effect during the term of this Sublease.

“Event of Bankruptcy” means an event whereby the Library Board shall: (a) admit in writing its inability to pay its debts as they become due; or (b) file a petition in bankruptcy or for reorganization or for the adoption of an arrangement under the Bankruptcy Code as now or in the future amended, or file a pleading asking for such relief; or (c) make an assignment for the benefit of creditors; or (d) consent to the appointment of a trustee or receiver for all or a major portion of its property; or (e) be finally adjudicated as bankrupt or insolvent under any federal or state law; or (f) suffer the entry of a final and nonappealable court order under any federal or state law appointing a receiver or trustee for all or a major part of its property or ordering the winding-up or liquidation of its affairs, or approving a petition filed against it under the Bankruptcy Code, which order, if the Library Board has not consented thereto, shall not be vacated, denied, set aside or stayed within 60 days after the day of entry; or (g) suffer a writ or warrant of attachment or any similar process to be issued by any court against all or any substantial portion of its property, and such writ or warrant of attachment or any similar process is not contested, stayed, or is not released within 60 days after the final entry, or levy or after any contest is finally adjudicated or any stay is vacated or set aside.

“Event of Default” means, with respect to this Sublease, subject to the provisions of *Section 2.4*, any one of the following events:

(a) Failure of the Library Board to make any payment of Basic Rent at the time and in the amounts required hereunder; or

(b) Failure of the Library Board to make any payment of Additional Rent at the times and in the amounts required hereunder, or failure to observe or perform any other covenant, agreement, obligation or provision of this Sublease on the Library Board’s part to be observed or performed (other than covenants relating to continuing disclosure contained in *Section 1.5*), and the same is not remedied within thirty (30) days after the County has given the Library Board written notice specifying such failure (or such longer period as shall be reasonably required to correct such default; provided that (1) the Library Board has commenced such correction within said 30-day period and (2) the Library Board diligently prosecutes such correction to completion); or

(c) An Event of Bankruptcy; or

(d) Abandonment of the Facility by the Library Board.

“Facility” means the Land and the Improvements acquired, constructed or installed with the proceeds of the Series 2014B Bonds, together with any Facility Additions.

“Facility Additions” means any additions to the Facility acquired, constructed or installed from proceeds of any series of Additional Bonds authorized and issued pursuant to the Indenture. It also includes any alterations or additions made to the Facility to the extent provided in *Articles XI* and *XII* hereof.

“Full Insurable Value” means the full actual replacement cost less physical depreciation.

“Hazardous Substances” shall mean “hazardous substances” as defined in CERCLA.

“Impositions” means all taxes and assessments, general and special, which may be lawfully taxed, charged, levied, assessed or imposed upon or against or payable for or in respect of the Facility or any part thereof, or any improvements at any time thereon or the County’s or the Library Board’s interest therein, including any new lawful taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and further including all water and sewer charges, assessments and other governmental charges and impositions whatsoever, foreseen or unforeseen.

“Improvements” means, collectively, (a) the expansion to the Central Resource Library located in the County and (b) the approximately 288 square foot building to be constructed for use as the initial phase of the Monticello Library on land located in the County, the construction, reconstruction, furnishing and equipping of each of which is funded from the proceeds of the Series 2014B Bonds.

“Indenture” means the Trust Indenture dated as of November 1, 2014 between the PBC and the Trustee, as from time to time amended and supplemented by Supplemental Indentures in accordance with the provisions thereof.

“Kansas Tort Claims Act” means K.S.A. 75-6101 *et seq.*, and amendments thereto.

“Land” means the real property (or interests therein) described in *Schedule 1* attached hereto, including the existing improvements located thereon.

“Lease” means the Lease by and between the PBC, as lessor, and the County, as lessee, as from time to time supplemented and amended in accordance with the provisions thereof.

“Library Board” means the Board of Directors of the Johnson County Library, a body corporate and politic corporation organized and existing under the laws of the State, and its successors and assigns.

“Maximum Term” means the Original Term and all Renewal Terms through the later of (a) September 1, 2024 or (b) the date on which payment or provision for payment of the principal of, redemption premium, if any, and interest on all Outstanding Bonds is made.

“PBC” means the Public Building Commission of Johnson County, Kansas, a municipal corporation organized and existing under the laws of the State, and its successors and assigns.

“Original Term” means the initial term of this Sublease beginning on the date of this Sublease and ending on the last day of the Library Board’s current fiscal year.

“Permitted Encumbrances” means any mortgages, liens or other encumbrances specifically described in *Schedule 2* attached to the Lease; easements and rights-of-way of record at the time of lease of the Land to the PBC, and any other title exceptions not affecting marketability or the usefulness of the Facility to the County.

“Renewal Terms” means the renewal terms of this Sublease during which the Term is extended in accordance with *Section 2.2*, each having a duration of one year and a term coextensive with the Library Board’s fiscal year except as otherwise provided in *Section 2.2*.

“Rental Payments” means the aggregate of the Basic Rent and Additional Rent payments provided for pursuant to *Article III* of this Sublease.

“**SARA**” means the Superfund Amendments and Reauthorization Act of 1986, as now in effect and as hereafter amended.

“**SEC Rule**” means Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

“**Series 2014B Bonds**” means the Public Building Commission of Johnson County, Kansas Lease Purchase Revenue Bonds (Library Projects), Series 2014B, dated November 25, 2014, in the aggregate principal amount of \$[4,290,000].

“**Sublease**” means this Sublease dated as of the November 1, 2014 between the County and the Library Board, as from time to time supplemented and amended in accordance with the provisions hereof.

“**Term**” means collectively the Original Term and any Renewal Terms.

“**Trustee**” means Security Bank of Kansas City, Kansas City, Kansas, a state banking corporation organized under the laws of the State of Kansas, in its capacity as trustee, bond registrar and paying agent, and its successor or successors, and any other corporation or association with at the time may be substituted in its place pursuant to and at the time serving as Trustee under the Indenture.

Section 1.2 Rules of Interpretation.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine gender. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

(b) Wherever in this Sublease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(c) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Sublease as a whole and not to any particular Article, Section or subdivision.

(d) The Table of Contents and the Article and Section headings of this Sublease shall not be treated as a part of this Sublease or as affecting the true meaning of the provisions hereof.

Section 1.3 Representations and Covenants by the Library Board. The Library Board makes the following covenants and representations as the basis for the undertakings on its part herein contained.

(a) Representations and Covenants Relating to the Code.

(i) The Library Board will not make, or cause or permit to be made, any use of the Bond proceeds which would cause any Tax-Exempt Bonds to be “private activity bonds” within the meaning of Section 141(b) of the Code or to cause the interest on the any Tax-Exempt Bonds to become subject to federal income taxation pursuant to the provisions of the Code. The Library Board will comply with, and will take all action reasonably required by the PBC or the County in

order to comply with, all other applicable requirements of the Code until all of the Tax-Exempt Bonds, including interest thereon and any applicable redemption premium, have been paid.

(ii) The Library Board covenants and agrees that so long as any of the Bonds remain Outstanding, the Library Board will not enter into or renew any long-term management contract or service contract with any person or entity other than a state or local government unit with respect to the management or operation of all or any portion of the facilities financed or refinanced with Bond proceeds (or any part thereof) without first obtaining and delivering to the PBC, the Trustee and the County an opinion of Bond Counsel addressed to the PBC and the Trustee that such management contract will not adversely affect the tax-exempt status of interest on the Tax-Exempt Bonds.

(iii) The Library Board will not use or cause or allow over 10% of the proceeds of any series of Tax-Exempt Bonds to be used for any private business use as contemplated by Section 141(b) of the Code.

(iv) The Library Board will not cause or allow payment of the principal of, or interest on, more than 10% of the proceeds of any series of Tax-Exempt Bonds to be secured by interest in property used or to be used for a private business use, or payments in respect of such property.

(v) The Library Board will not make, or cause or permit to be made, any use of the proceeds (as defined in the Code) of the Bonds which would cause the Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. The Library Board further covenants and agrees that it will comply with all applicable requirements of said Section 148 and Treasury Regulations promulgated thereunder until all of the Tax-Exempt Bonds, including interest thereon and any applicable redemption premium, have been paid.

(vi) The Library Board has reviewed the PBC’s IRS Forms 8038-G prepared for filing in connection with the issuance of the Series 2014B Bonds, and represents that the information set forth therein is true and accurate.

(vii) The Library Board will comply with the Tax Compliance Agreement and will pay to the United States all rebate payments required under Section 148(f) of the Code.

(viii) So long as any Tax-Exempt Bonds remain Outstanding, the Library Board will not enter into or renew a sublease of the Facility (or any part thereof) with any tenant that is not a state or local government unit without first obtaining and delivering to the PBC, the Trustee and the County an opinion of Bond Counsel addressed to the PBC and the Trustee that such lease will not adversely affect the tax-exempt status of the interest on the Tax-Exempt Bonds.

(b) General Representation and Covenants.

(i) The Library Board is a body corporate and politic duly organized under the laws of the State of Kansas with lawful power and authority to enter into this Sublease, acting by and through its duly authorized officers.

(ii) The Library Board shall (A) maintain and preserve its existence and organization as body corporate and politic under the laws of the State and (B) will not initiate any proceedings to dissolve without making provision for the payment in full of the principal of and interest and redemption premium, if any, on the Bonds.

(iii) Neither the execution or delivery of this Sublease, the consummation of the transactions contemplated hereby or by the Indenture or the Lease, nor the fulfillment of or compliance with the terms and conditions of this Sublease contravenes in any material respect any provisions of its governing law or resolutions, or conflicts in any material respect with or results in a material breach of the terms, conditions or provisions of any agreement, indenture or instrument to which the Library Board is a party or by which it is bound, or to which it or any of its properties is subject, or would constitute a material default (without regard to any required notice or the passage of any period of time) under any of the foregoing, or violates any existing law, administrative regulation or court order or consent decree to which the Library Board is subject.

(iv) This Sublease constitutes a legal, valid and binding obligation of the Library Board enforceable in accordance with its terms.

(v) Either the PBC, the County or the Library Board has obtained or will obtain any and all permits, authorizations, licenses and franchises necessary to construct the Improvements and to enable it to operate and utilize the Facility for the purposes for which it is subleased by the Library Board under this Sublease.

(vi) The estimated total cost of the Improvements to be financed by the Series 2014B Bonds, plus interest thereon during construction and installation of the Improvements, and Costs of Issuance of the Series 2014B Bonds, will not be less than the face amount of such Series 2014B Bonds.

(vii) The Library Board and the County have, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current fiscal year for the Library Board to make the Rental Payments scheduled to come due during the Original Term, and to meet its other obligations for the Original Term, and such funds have not been expended for other purposes.

Section 1.4 Representations and Covenants by the County. The County makes the following representations and covenants as the basis for the undertakings on its party herein contained:

(a) The County is a political subdivision of the State of Kansas with lawful power and authority to enter into this Sublease, acting by and through its duly authorized officers.

(b) The County has not, in whole or in part, assigned, leased, hypothecated or otherwise created any other interest in, or disposed of, or caused or permitted any lien, claim or encumbrance to be placed against, the Facility, except as provided for in this Sublease, the Lease and the Indenture.

(c) Except as otherwise provided herein or in the Lease, the County will not, during the Term, in whole or in part, assign, lease, hypothecate or otherwise create any other interest in, or dispose of, or cause or permit any lien, claim or encumbrance (other than Permitted Encumbrances) to be placed against, the Facility, except as is provided for in this Sublease, the Lease and the Indenture.

(d) The County has duly authorized the execution and delivery of this Sublease and the Lease and the issuance, execution and delivery of the Series 2014B Bonds.

(f) The County will not make, or cause or permit to be made, any use of the Series 2014B Bond proceeds which would cause the Series 2014B Bonds to be "arbitrage bonds" within the meaning of the Code. The County will comply with, and will take all actions reasonably required to insure that the County complies with, all other applicable requirements of the Code with respect to the Tax-Exempt

Bonds until all of the Tax-Exempt Bonds, including interest thereon and any applicable redemption premium, have been paid.

Section 1.5 Continuing Disclosure. The parties acknowledge that the County and the Library Board have certain obligations to comply with the provisions of the SEC Rule, as more fully set forth in the Continuing Disclosure Undertaking. The Library Board hereby covenants with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Continuing Disclosure Undertaking. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners. In the event the Library Board fails to comply in a timely manner with the covenants contained in this section, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Library Board and the Trustee. In the event the Library Board does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement contained in this section or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Library Board under this section. Notwithstanding any other provision of this Sublease, failure of the Library Board to comply with its covenants contained in this section shall not be considered an Event of Default under this Sublease.

ARTICLE II

Section 2.1 Granting of Leasehold. The County hereby rents, leases and lets to the Library Board, and the Library Board hereby rents, leases and hires from County, for the rentals and upon and subject to the terms and conditions hereinafter set forth, the Facility for the Term.

Section 2.2 Term. The Original Term will commence as of the date of this Sublease and will terminate on the last day of the Library Board's current fiscal year. The Term may be continued, at the option of the Library Board, at the end of the Original Term or any Renewal Term for an additional one year Renewal Term up to the Maximum Term. At the end of the Original Term and at the end of each Renewal Term until the Maximum Term has been completed, the Library Board will be deemed to have exercised its option to continue this Sublease for the next Renewal Term unless the Library Board has terminated this Sublease pursuant to **Section 2.3**. The terms and conditions during any Renewal Term will be the same as the terms and conditions during the Original Term.

The Library Board currently intends, subject to the provisions of **Section 2.4**, to continue this Sublease through the Maximum Term and to pay the Rental Payments due hereunder. The Library Board reasonably believes that legally available funds in an amount sufficient to pay all Rental Payments during the Original Term and each of the Renewal Terms through the Maximum Term can be obtained. The responsible financial officer of the Library Board will do all things lawfully within his power to obtain and maintain funds from which the Rental Payments may be made, including making provision for such Rental Payments to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of the Library Board and the County and to exhaust all available reviews and appeals in the event such portion of the budget is not approved. Notwithstanding the foregoing, the decision to budget and appropriate funds or to extend this Sublease for any Renewal Term is to be made in accordance with the Library Board and County's normal procedures for such decisions, and the then current governing bodies of the Library Board and the County will have the final responsibility for that decision.

Section 2.3 Termination of Sublease. This Sublease will terminate upon the occurrence of the following:

- (a) the expiration of the Original Term or any Renewal Term of this Sublease and the nonrenewal of this Sublease in the event of nonappropriation of funds pursuant to *Section 2.4*; or
- (b)
 - (i) all Rental Payments that the Library Board is obligated under this Sublease to pay during the Term have been paid to the County in full;
 - (ii) the Library Board has made arrangements which, in the opinion of the County, are adequate to comply with the PBC's obligations to pay any arbitrage rebate to the United States;
 - (iii) all of the principal of, redemption premium, if any, and interest on all Outstanding Bonds shall have been paid in full or provision made for their payment in accordance with the provisions of the Indenture; *and*
 - (iv) the Library Board has exercised its option to purchase the Facility pursuant to *Article XVI* hereof.

Section 2.4 Nonappropriation. The Library Board is obligated only to pay such Rental Payments under this Sublease as may lawfully be made from funds budgeted and appropriated for that purpose during the Library Board's then current fiscal year. Should the Library Board and the County fail to budget, appropriate or otherwise make available funds of the Library Board sufficient to pay Rental Payments following the then current Original Term or Renewal Term, this Sublease will be deemed terminated at the end of the then current Original Term or Renewal Term. The Library Board agrees to deliver notice to the County, the PBC and the Trustee of such termination at least 90 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice will not extend the term beyond such Original Term or Renewal Term. If this Sublease is terminated in accordance with this section, the Library Board agrees to transfer possession of the Facility to the County.

ARTICLE III

Section 3.1 Basic Rent. The Library Board covenants and agrees to pay Basic Rent in immediately available funds, less Basic Rent Credits, on each Basic Rent Payment Date. Unless otherwise directed by the County, such payments shall be made directly to the Trustee for deposit in accordance with the provisions of the Indenture into the Principal and Interest Fund, to be applied by the Trustee in the manner and for the purposes set forth in the Indenture.

Section 3.2 Additional Rent. In addition to Basic Rent, the Library Board shall pay, subject to the provisions of *Section 2.4*, any Additional Rent required to be paid pursuant to this Sublease, or, if such payment cannot be made from legally available funds, as soon thereafter as funds can be made legally available after receipt of written notice thereof given to the Library Board by the County.

Section 3.3 Rental Payments Constitute Current Expenses. The obligation of the Library Board to pay Rental Payments is subject to the provisions of *Section 2.4*, constitute a current expenses of the Library Board and does not constitute a general obligation or indebtedness of the Library Board for which the Library Board is obligated to levy or pledge any form of taxation or for which the Library Board has levied or pledged any form of taxation; such obligation will not be construed to be a debt of the Library Board in contravention of any applicable constitutional or statutory limitation or requirement, but in each

fiscal year will be payable solely from the amounts budgeted or appropriated therefor out of the income and revenue provided for such fiscal year, any proceeds of the Facility and the Net Proceeds of any insurance or condemnation awards.

Section 3.4 Rent Payable Without Abatement or Setoff. Subject to the provisions of *Section 2.4*, the Library Board covenants and agrees with and for the express benefit of the County, the PBC and the Owners that all payments of Basic Rent and Additional Rent shall be made by the Library Board as the same become due, and that the Library Board shall perform all of its obligations, covenants and agreements hereunder without notice or demand and without abatement, deduction, setoff, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising. Nothing in this Sublease shall be construed as a waiver by the Library Board of any rights or claims the Library Board may have against the County under this Sublease or otherwise, but any recovery upon such rights and claims shall be had from the County separately, it being the intent of this Sublease that, subject to the provisions of *Section 2.4*, the Library Board shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Sublease (including the obligation to pay Basic Rent and Additional Rent) for the benefit of the Owners.

Section 3.5 Prepayment of Basic Rent. The Library Board may at any time prepay all or any part of the Rental Payments, which prepayment shall be accompanied by an explanatory written statement of the Authorized Library Board Representative and written instructions as to application of the prepayment towards the early redemption of Bonds. The County shall submit such prepayment moneys to the PBC for deposit in the Principal and Interest Fund and shall provide written instructions to the PBC with respect to the early redemption of Bonds in accordance with the instructions of the Library Board.

Section 3.6 Deposit of Rental Payments. The County shall deposit, use and apply all payments of Basic Rent and Additional Rent received in accordance with the provisions of this Sublease, the Lease and the Indenture.

ARTICLE IV

Section 4.1 Disposition of Bond Proceeds. The proceeds of the Series 2014B Bonds shall be deposited in the funds and accounts established under the Indenture and shall be applied in the manner set forth in the Indenture and the Lease, without further order or authorization.

Section 4.2 Construction Contracts. Prior to the delivery of this Sublease, the County or the Library Board may have entered into a contract or contracts with respect to the design, acquisition and/or construction of the Improvements. Those contracts, and any such contracts entered into by the County or the Library Board after delivery of this Sublease, are hereinafter referred to as the "Construction Contracts." Prior to the execution hereof, certain work has or may have been performed on the Improvements pursuant to the Construction Contracts. The Library Board hereby covenants with the County to cause the Construction Contracts to be performed for the benefit of the PBC and the County as well as its own benefit. After the execution hereof, the Library Board shall cause the Construction Contracts to be fully performed by the contractor(s), subcontractor(s) and supplier(s) thereunder in accordance with the terms thereof, and the Library Board covenants to cause the Improvements to be acquired, constructed and installed in accordance with the Construction Contracts. The Library Board warrants that the construction and/or acquisition of the Improvements constituting part thereof in accordance with said Construction Contracts will result in the Facility being suitable for use by the Library Board for its intended purposes. Any and all amounts received by the Library Board from any of the contractors or other suppliers by way of breach of contract, refunds or adjustments will become a part of and be deposited in the Construction Fund.

The Library Board may make, authorize or permit such changes or amendments to the Construction Contracts as it may reasonably determine to be necessary or desirable; provided, however, that no such change or amendment may be made to the Construction Contracts that would cause a material change in the cost, scope, nature or function of the Facility, unless the Library Board shall file with the County and the PBC a certificate of the Authority Library Board Representative to the effect that the Facility will, after such change or amendment, continue to comply with the Act, and such change or amendment will not result in the Facility being used for any purpose prohibited by this Sublease or otherwise result in the Library Board failing to comply with any provisions of this Sublease, or adversely affect the Basic Rent available for payment of principal of, premium, if any, and interest on the Bonds, or violate or conflict with the terms of any applicable approvals of the Library Board.

Section 4.3 Payment of Improvement Costs.

(a) The PBC has agreed in the Lease to pay for the acquisition, construction and equipping of the Improvements, or any repairs or replacements to be made pursuant to *Article XVII* of the Lease, but solely from the Construction Fund, from time to time in accordance with the provisions of *Section 404* of the Indenture, upon receipt by the Trustee of a certificate signed by the Authorized Library Board Representative in the form set forth in *Exhibit A* attached to the Lease.

(b) The Library Board agrees to cause the acquisition and construction of the Improvements to be diligently and continuously prosecuted and to be completed with reasonable dispatch substantially in accordance with the Construction Contracts and the plans and specifications therefor.

(c) In the event the moneys on deposit in the Construction Fund, together with other funds, if any, made available for the Improvement Costs, are at any time insufficient to pay for the completion of the Improvements, the Library Board agrees to pay or cause to be paid the amount of such deficiency, from other lawfully available funds, for deposit in the Construction Fund.

Section 4.4 Completion of the Improvements. Upon completion of the Improvements, the Library Board shall deliver a Certificate of Completion signed by the Authorized Library Board Representative to the Trustee. In the event funds remain on hand in the Construction Fund on the date the Certificate of Completion is received by the Trustee, such remaining funds shall be transferred by the Trustee to the Principal and Interest Fund and shall be applied in accordance with the provisions of the Indenture.

Section 4.5 Right of Entry by the County or the PBC. The duly authorized agents of the County or the PBC shall have the right at any reasonable time prior to the completion of the Improvements to have access to the Facility or any parts thereof for the purpose of inspecting and supervising the acquisition, installation or construction of the Improvements.

Section 4.6 Furnishings and Equipment Purchased by the Library Board. If no part of the purchase price of an item of personal property is paid from funds deposited in the Construction Fund pursuant to the terms of this Sublease, then such item of machinery, equipment or personal property shall not be deemed a part of the Facility.

Section 4.7 Facility Property of the PBC. All Improvements to or constituting part of the Facility, all work and materials on such Improvements as such work progresses, any Facility Additions, anything under this Sublease which becomes, is deemed to be, or constitutes a part of the Facility, and the Facility as repaired, rebuilt, rearranged, restored or replaced by the County or the Library Board under the

provisions of the Lease or this Sublease, except as otherwise specifically provided herein, will immediately when erected or installed become the property of the PBC, subject to the Base Lease.

Section 4.8 Kansas Retailers' Sales Tax. The parties have entered into this Sublease in contemplation that, under the existing provisions of K.S.A. 79-3606 and other applicable laws, sales of tangible personal property or services purchased directly by the PBC in connection with construction of the Improvements are entitled to exemption from the tax imposed by the Kansas Retailers' Sales Tax Act.

ARTICLE V

Section 5.1 Environmental Matters. The Library Board acknowledges that is it responsible for maintaining the Facility in compliance with all applicable Environmental Laws. In the event that the Library Board does not expeditiously proceed with any compliance action with respect to the Facility lawfully required by any local, state or federal authority under applicable Environmental Law, the County or the PBC, immediately after notice to the Library Board, may elect (but may not be required) to undertake such compliance. Any moneys expended by the County or the PBC in efforts to comply with any applicable Environmental Law (including the cost of hiring consultants, undertaking sampling and testing, performing any cleanup necessary or useful in the compliance process and attorneys' fees) shall be due and payable as Additional Rent hereunder, with interest thereon at the average rate of interest per annum on the Series 2014B Bonds, plus two (2) percentage points, from the date such cost is incurred. There will be unlimited recourse to the Library Board to the extent of any liability incurred by the County or the PBC with respect to any breaches of the provisions of this section.

To the extent permitted by law, the Library Board shall and does hereby indemnify the County, the PBC and the Owners and agrees to defend and hold them harmless from and against all loss, cost, damage and expense (including, without limitation, attorneys' fees and costs associated with or incurred in the investigation, defense and settlement of claims) that they may incur, directly or indirectly, as a result of or in connection with the assertion against them or any of them of any claim relating to the presence on, escape or removal from the Facility of any Hazardous Substance or other material regulated by any applicable Environmental Law, or compliance with any applicable Environmental Law, whether before, during or after the term of this Sublease, including claims relating to personal injury or damage to property.

The Library Board agrees to give immediate written notice to the County, the PBC and the Trustee of any violation of any Environmental Law of which violation the Library Board has actual knowledge.

ARTICLE VI

Section 6.1 Insurance. The Library Board shall be required to maintain in full force and effect the following policies of insurance:

(a) Commercial general liability insurance providing coverage against claims for bodily injury, personal injury and property damage occurring in or about the Facility, under which the Library Board will be named as insured and the County, the PBC and the Trustee will be named as additional insureds, in an amount not less than the then maximum liability of a governmental entity for claims arising out of a single occurrence as provided by the Kansas tort claims act or other similar future law (currently \$500,000 per occurrence); which policy must provide that such insurance may not be cancelled

by the issuer thereof without at least 30 days' advance written notice to the PBC, the Trustee, the County and the Library Board, such insurance to be maintained throughout the Term of this Sublease;

(b) Workers' compensation insurance in accordance with statutory law;

(c) Property insurance insuring the Facility for perils covered by a special causes of loss form in an amount equal to the Full Insurable Value of the Facility. Such insurance coverage shall name the Library Board, the County, the PBC and the Trustee as loss payees, as their interests appear, and all Net Proceeds received under such policy or policies by the Library Board, the County or the PBC shall be paid over to the Trustee and be applied as set forth in *Article XVII* hereof; and

(d) With regard to new buildings and improvements constituting a part of the Facility, performance and labor and material payment bonds and statutory bonds (with sureties approved by the PBC) with respect to the applicable Construction Contracts in the full amount of such Construction Contracts. Said bonds shall name the PBC, the Trustee, the County and the Library Board as obligees. All payments received by the PBC, the Trustee, the County and the Library Board under said bonds shall become a part of and be deposited in the Construction Fund. With regard to materials and/or labor furnished to the Facility at the order of the Library Board without formal contract, or by subcontract with the Library Board acting as general contractor, with respect to materials or labor which could form the basis of a statutory mechanic's lien, if the amount of the transaction does not exceed \$10,000, the Trustee may disburse payments therefor upon receipt of releases or waivers of statutory mechanic's or subcontractor's liens by all vendors or subcontractors receiving payment or furnishing labor or materials as a subcontractor of the vendor or subcontractor receiving payment.

Section 6.2 General Insurance Provisions.

(a) Prior to the expiration dates of the expiring policies or within 30 days of renewal, originals or certificates or acceptable binders of the policies provided for in this Article, each bearing notations evidencing payment of the premiums or other evidence of such payment satisfactory to the PBC, shall be delivered by the Library Board to the County and the PBC. All policies of such insurance and all renewals thereof shall name the Library Board as insured and the PBC, the Trustee, and the County as additional insureds, must contain a provision that such insurance may not be cancelled or amended by the issuer thereof without at least thirty (30) days' written notice to the PBC, the Trustee and the County, and shall be payable to the PBC, the Trustee, the County and the Library Board as their respective interests appear. The PBC and the County each hereby agree to do anything necessary, be it the endorsement of checks or otherwise, to cause any such payment, as long as such payment is required by this Sublease.

(b) Each policy of insurance hereinabove referred to shall be issued by a nationally recognized responsible insurance company qualified under the laws of the State to assume the risks covered therein except that the Library Board may be self-insured as to any required insurance coverages under a program of self-insurance approved by the State Commissioner of Insurance or other applicable State regulatory authority to the extent required by law, and with the consent of the County and the PBC, which consent will not be unreasonably withheld.

(c) Certificates of insurance evidencing the insurance coverages herein required shall be filed with the County and the PBC continuously during the term of this Sublease.

(d) Each policy of insurance hereinabove referred to may be subject to a reasonable deductible in an amount approved by the County and the PBC.

(e) Each policy of insurance required herein may be provided through blanket policies maintained by the Library Board.

(f) Anything in this Sublease to the contrary notwithstanding, subject to the limitations of the Kansas Tort Claims Act, the Library Board shall be liable to the County and the PBC pursuant to the provisions of this Sublease or otherwise, as to any loss or damage which may have been occasioned by the negligence of the Library Board, its agents, licensees, contractors, invitees or employees.

Section 6.3 Title Insurance. The Library Board shall purchase, from the Construction Fund or from the Library Board's own funds, a policy of owner's title insurance, insuring fee simple title to the Facility in the Library Board, subject to the Base Lease, the Lease, this Sublease and Permitted Encumbrances, in an amount not less than \$[4,290,000]. The County and the Library Board agree that any and all proceeds from such insurance during the Term (a) if received before the completion of the Improvements shall be paid into and become a part of the Construction Fund, (b) if received thereafter but before the Bonds and interest thereon have been paid in full, shall be paid into and become a part of the Principal and Interest Payment Fund and (c) if received after the Bonds, redemption premium, if any, and interest thereon have been paid in full, shall belong and be paid to the Library Board.

ARTICLE VII

Section 7.1 Impositions. The Library Board shall, during the Term of this Sublease, bear, pay and discharge, before the delinquency thereof, any and all Impositions. In the event any Impositions may be lawfully paid in installments, the Library Board shall be required to pay only such installments thereof as become due and payable during the Term of this Sublease as and when the same become due and payable.

Section 7.2 Receipted Statements. Unless the Library Board exercises its right to contest any Impositions in accordance with **Section 7.4** hereof, the Library Board shall, within 30 days after the last day for payment, without penalty or interest, of an Imposition which the County is required to bear, pay and discharge the same pursuant to the terms hereof, and deliver to the Trustee a copy of the statement issued therefor duly receipted to show the payment thereof.

Section 7.3 County May Not Sell. The County covenants that, unless the Library Board is in Default under this Sublease it will not, without Library Board's written consent, unless required by law, sell or otherwise part with or encumber its leasehold interest in the Facility at any time during the Term of this Sublease.

Section 7.4 Contest of Impositions. The Library Board shall have the right, in its own or the County's name or both, to contest the validity or amount of any Imposition by appropriate legal proceedings instituted at least 10 days before the Imposition complained of becomes delinquent if, and provided, the Library Board: (a) before instituting any such contest, shall give the County written notice of its intention to do so and, if requested in writing by the County, shall deposit with the County or the PBC a surety bond of a surety company acceptable to the County as surety, in favor of the County or the PBC, as directed by the County, or cash, in a sum of at least the amount of the Imposition so contested, assuring the payment of such contested Impositions together with all interest and penalties to accrue thereon and court costs; (b) diligently prosecutes any such contest and at all times effectively stays or prevents any official or judicial sale therefor, under execution or otherwise; and (c) promptly pays any final judgment enforcing the Imposition so contested and thereafter promptly procures record release or satisfaction thereof. The Library Board shall hold the County and the PBC whole and harmless from any costs and expenses the County and the PBC may incur related to any such contest.

ARTICLE VIII

Section 8.1 Use of Facility. Subject to the provisions of this Sublease, the Library Board shall have the right to use the Facility for any and all purposes allowed by law and contemplated by the constitution of the State and the Act, as long as they are consistent with the Code limitations on use of property purchased with original proceeds of the Tax-Exempt Bonds. The Library Board shall comply with all statutes, laws, ordinances, resolutions, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Facility or to any adjoining public ways, as to the manner of use or the condition of the Facility or of adjoining public ways. The Library Board shall comply with the mandatory requirements, rules and regulations of all insurers under the policies required to be carried under the provisions of this Sublease. The Library Board shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the Library Board to comply with the provisions of this Article.

ARTICLE IX

Section 9.1 Sublease by the Library Board. The Library Board may not sublease the Facility to a single party or entity, without the prior written consent of the County and the PBC. The Library Board may sublease portions of the Facility for use by others in the normal course of its business without the County's or the PBC's prior consent or approval provided such sublease does not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds. Any such subtenant must be an entity permitted to be a County under the provisions of the Act. In the event of any such subleasing, the Library Board shall remain fully liable for the performance of its duties and obligations hereunder, and no such subleasing and no dealings or transactions between the County or the PBC and any such subtenant shall relieve the Library Board of any of its duties and obligations hereunder. Any such sublease shall be subject and subordinate in all respects to the provisions of this Sublease.

Section 9.2 Assignment by the Library Board. The Library Board may not assign its interest in this Sublease without the prior written consent of the County and the PBC. Any such assignment must in furtherance of the purposes set forth in the Act and must be to an entity authorized to be a tenant in accordance with the Act, and such assignment shall not adversely affect the tax-exempt status of interest on the Tax-Exempt Bonds. In the event of any such assignment, the Library Board shall remain fully liable for the performance of its duties and obligations hereunder, except to the extent hereinafter provided, and no such assignment and no dealings or transactions between the County or the PBC and any such assignee shall relieve the Library Board of any of its duties and obligations hereunder, except as may be otherwise provided in the following section.

Section 9.3 Release of the Library Board. If, in connection with an assignment by the Library Board of its interest in this Sublease: (a) the County, the PBC and the Owners of ninety percent (90%) in aggregate principal amount of the Outstanding Bonds (including any Additional Bonds) shall file with the County and the PBC their prior written consent to such assignment; and (b) the proposed assignee shall expressly assume and agree to perform all of the obligations of the Library Board under this Sublease; then the Library Board shall be fully released from all obligations accruing hereunder after the date of such assignment.

Section 9.4 Covenant Against Other Assignments. The Library Board will not assign or in any manner transfer its interests under this Sublease, nor will it suffer or permit any assignment thereof by operation of law, except in accordance with the limitations, conditions and requirements herein set forth.

ARTICLE X

Section 10.1 Repairs and Maintenance. The Library Board covenants and agrees that it will, during the Term of this Sublease, keep and maintain the Facility and all parts thereof in good condition and repair, including but not limited to the furnishing of all parts, mechanisms and devices required to keep the furnishings, equipment and personal property constituting a part of the Facility in good mechanical and working order, and that during said period of time it will keep the Facility and all parts thereof free from nuisance or conditions unreasonably increasing the danger of fire.

Section 10.2 Removal, Disposition and Substitution of Equipment, Fixtures or Furnishings. The Library Board shall have the right, provided the Library Board is not in default in the payment of Basic Rent and Additional Rent, to remove and sell (at not less than fair market value) or otherwise dispose of any equipment, fixtures or furnishings that constitute a part of the Facility and are no longer used by the Library Board or, in the opinion of the Library Board, are no longer useful to the Library Board in its operations of the Facility (whether by reason of obsolescence, depreciation or otherwise), subject, however, to the condition that the Library Board shall either (a) promptly replace any such equipment, fixtures or furnishings so removed with fixtures or furnishings of the same or a different kind but which performs the same function as the equipment, fixtures or furnishings so removed, and the equipment, fixtures or furnishings so acquired by the Library Board to replace such equipment, fixtures or furnishings thereafter shall be deemed a part of the Facility, or (b) deposit the proceeds from such sale in the Principal and Interest Fund; and provided further that such equipment, furnishings and fixtures shall only be disposed of without a sale if, in the reasonable opinion of the Library Board, such item or items has a resell value of less than \$5,000. The Library Board shall maintain accurate records of such replacements and upon request shall prepare a certificate of the Authorized Library Board Representative setting forth a complete description of the equipment, fixtures or furnishings which the Library Board has acquired to replace the equipment, fixtures or furnishings so removed by the Library Board, stating the cost thereof and the respective acquisition dates.

All equipment, fixtures or furnishings constituting a part of the Facility and removed by the Library Board pursuant to this section shall become the absolute property of the Library Board, shall no longer be subject to the Base Lease, the Lease or this Sublease, and may be sold or otherwise disposed of by the Library Board subject to the requirements of this section. In all cases, the Library Board shall pay all the costs and expenses of any such removal and shall immediately repair at its expense all damage caused thereby. The Library Board's rights under this section to remove equipment, fixtures or furnishings constituting a part of the Facility is intended only to permit the Library Board to maintain an efficient operation by the removal of such furnishings or equipment no longer suitable to the Library Board's use for any of the reasons set forth in this section, and such right is not to be construed to permit a removal under any other circumstances and shall not be construed to permit the wholesale removal of such equipment, fixtures or furnishings by the Library Board.

ARTICLE XI

Section 11.1 Alteration of Facility. The Library Board shall have and is hereby given the right, at its sole cost and expense, to make such changes and alterations in and to any part of the Facility as the Library Board from time to time may deem necessary or advisable without the consent of the

County or the PBC; provided, however, the Library Board shall not make any major change or alteration which will adversely affect the intended use or structural strength of any part of the Facility. All changes and alterations made by the Library Board pursuant to the authority of this Article shall (a) be made in a workmanlike manner and in strict compliance with all laws, regulations and ordinances applicable thereto, (b) when commenced, be prosecuted to completion with due diligence, and (c) when completed, shall be deemed a part of the Facility and subject to the Base Lease and the Lease; provided, however, that additions of fixtures, furnishings or personal property of the Library Board, not purchased or acquired from proceeds of the Bonds and not constituting a part of the Facility shall remain the separate property of the Library Board and may be removed by the Library Board at any time.

ARTICLE XII

Section 12.1 Additional Improvements. The Library Board shall have and is hereby given the right, at its sole cost and expense, to construct on the Land or within areas occupied by the Facility, or in airspace above the Facility, such additional buildings and improvements as the Library Board from time to time may deem necessary or advisable. All additional buildings and improvements constructed by the Library Board pursuant to the authority of this Article shall, during the Term, remain the property of the Library Board and may be added to, altered or razed and removed by the Library Board at any time during the Term hereof. The Library Board covenants and agrees (a) to make all repairs and restorations, if any, required to be made to the Facility because of the construction of, addition to, alteration or removal of, said additional buildings or improvements, (b) to keep and maintain said additional buildings and improvements in good condition and repair, ordinary wear and tear excepted, and (c) to promptly and with due diligence either raze and remove from the Land, in a good, workmanlike manner, or repair, replace or restore such of said additional buildings or improvements as may from time to time be damaged by fire or other casualty.

ARTICLE XIII

Section 13.1 Securing of Permits and Authorizations. The Library Board shall not do or permit others under its control to do any work in or in connection with the Facility or related to any repair, rebuilding, restoration, replacement, alteration of or addition to the Facility, or any part thereof, unless all requisite municipal and other governmental permits and authorizations shall have first been procured and paid for. All such work shall be done in a good and workmanlike manner and in compliance with all applicable building, zoning and other laws, resolutions, governmental regulations and requirements and in accordance with the requirements, rules and regulations of all insurers under the policies required to be carried under the provisions of this Sublease.

Section 13.2 Mechanics' Liens. The Library Board shall not do or suffer anything to be done whereby the Facility, or any part thereof, may be encumbered by any mechanic's or other similar lien and if any mechanic's or other similar lien is filed against the Facility, or any part thereof, the Library Board shall discharge the same of record within 30 days after the date of filing. Notice is hereby given that the County does not authorize or consent to and shall not be liable for any labor or materials furnished to the Library Board or anyone claiming by, through or under the Library Board upon credit, and that no mechanic's or similar liens for any such labor, services or materials shall attach to or affect the estate of the County in and to the Facility, or any part thereof.

Section 13.3 Contest of Liens. The Library Board, notwithstanding the above, shall have the right to contest any such mechanic's or other similar lien if within said 30 day period stated in **Section 13.2** it: (a) notifies the Count, the PBC and the Trustee in writing of its intention so to do; (b) diligently

prosecutes such contest, at all times effectively staying or preventing any official or judicial sale of the Facility or any part thereof or interest therein, under execution or otherwise; and (c) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim and thereafter promptly procures a recorded release or satisfaction thereof.

Section 13.4 Utilities. All utilities and utility services used by the Library Board in, on or about the Facility shall be contracted for by the Library Board in the Library Board's own name and the Library Board shall, at its sole cost and expense, procure any and all permits, licenses or authorizations necessary in connection therewith.

ARTICLE XIV

Section 14.1 Indemnity. Subject to the provisions of the Kansas Tort Claims Act and other applicable law, the Library Board covenants and agrees, at its expense, to pay, and to indemnify and save the County and all agents, members, directors, officers and employees thereof harmless against and from any and all claims by or on behalf of any person, firm, corporation, or governmental authority, arising from the acquisition, construction, equipping, occupation, use, operation, maintenance, possession, conduct or management of, or from any work done in or about the Facility, or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, or regulations affecting the Facility or the occupancy or use thereof. Subject to the provisions of the Kansas Tort Claims Act and other applicable law, the Library Board also covenants and agrees, at its expense, to pay and to indemnify and save the County and all agents, members, directors, officers and employees thereof harmless against and from, any and all claims arising from (i) any condition of the Facility and the adjoining sidewalks and passageways, (ii) any breach or default on the part of the Library Board in the performance of any covenant or agreement to be performed by the Library Board pursuant to this Sublease, (iii) any act or negligence of the Library Board or, any of its agents, contractors, servants, employees or licensees in connection with their use, occupancy or operation of the Facility, or (iv) any accident, injury or damage whatsoever caused to any person, firm or corporation, in or about the Facility or upon or under the sidewalks and from and against all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any claim referred to in this section. In the event that any action or proceeding is brought against the County or any agent, member, director, officer or employee thereof by reason of any such claim, the Library Board, upon notice from the County, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to the County.

Notwithstanding the fact that it is the intention of the parties that the County and all agents, members, directors, officers and employees thereof shall not incur any pecuniary liability whatsoever by reason of the terms of this Sublease, or the undertakings required of the County hereunder or any agent, member, director, officer or employee thereof, by reason of the issuance of Bonds, by reason of the execution or authorization of any documents or certification in connection with the Bonds including, but not limited to, the Indenture, the Lease, this Sublease, or any preliminary or final official statement, by reason of the performance, or nonperformance, of any act required of it by this Sublease, the Lease or the Indenture, or by reason of the performance, or nonperformance, of any act requested of it by the Library Board, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing; nevertheless, if the County or any agent, member, employee, officer or director thereof should incur any such pecuniary liability then in such event the Library Board, subject to the provisions of the Kansas Tort Claims Act and other applicable law, shall indemnify and hold harmless the County and all agents, members, directors, officers and employees thereof, against all claims, fees, including attorney fees, and expenses by or on behalf of any person, firm, corporation, or governmental authority, arising out of the same, and all costs, fees and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice

from the County, the Library Board shall defend and hold harmless the County in any such action or proceeding. This section shall survive the termination of this Sublease for any claim, proceeding or action arising from any event or omission occurring during the Term and after the termination, due to an Event of Default, for any period the Library Board or assignee occupies the Facility.

Section 14.2 Liability. Subject to *Article IV* hereof, the provisions of the Kansas Tort Claims Act and other applicable law, the Library Board hereby accepts all responsibility relating to the operation, maintenance and repair of the Facility during the Lease Term and agrees that the County shall not have any liability therefor.

ARTICLE XV

Section 15.1 Access to Facility. The County, for itself and its duly authorized representatives and agents, including the PBC and any duly authorized representative and agents thereof, reserves the right to enter the Facility at all reasonable times during usual business hours throughout the Term for the purpose of: (a) examining and inspecting the same, (b) performing any work made necessary by reason of an Event of Default by the Library Board under any of the provisions of this Sublease, and (c) while an Event of Default is continuing hereunder, for the purpose of exhibiting the Facility to prospective purchasers or lessees. The County and the PBC may, during the progress of said work mentioned in (b) above, keep and store on the Facility all necessary materials, supplies and equipment and shall not be liable for inconvenience, annoyances, disturbances, loss of business or other damage suffered by reason of the performance of any such work or the storage of such materials, supplies and equipment.

Section 15.2 Quiet Enjoyment and Possession. So long as no Event of Default has occurred and is continuing under this Sublease, the Library Board shall and may peaceably and quietly have, hold and enjoy the Facility.

ARTICLE XVI

Section 16.1 Assignment of Option to Purchase. The County hereby assigns all of its rights under *Article XVI* of the Lease to the Library Board. In accordance with such assignment, the Library Board shall have the option to purchase the PBC's interest in the Facility (*i.e.*, the PBC's rights in the Base Lease) at any time during the Term hereof and for 120 days thereafter upon the terms set forth for the purchase by the County in *Article XVI* of the Lease. In the event that the Library Board, as assignee of the County, purchases the PBC's interest on the Facility in accordance therewith, the Base Lease shall be considered assigned to the Library Board and terminated through merger of the leasehold interest with the fee interest.

ARTICLE XVII

Section 17.1 Damage and Destruction.

(a) If, during the Term, the Facility is damaged or destroyed, in whole or in part, by fire or other casualty, the Library Board shall promptly notify the County, the PBC and the Trustee in writing as to the nature and extent of such damage or loss and whether it is practicable and desirable to rebuild, repair, restore or replace such damage or loss.

(b) If the Library Board determines that rebuilding, repairing, restoring or replacing the Facility is practicable and desirable, the Library Board shall forthwith proceed with and complete with reasonable dispatch such rebuilding, repairing, restoring or replacing. In such case, any Net Proceeds of property and/or casualty insurance required by this Sublease and received with respect to any such damage or loss to the Facility shall be deposited in the Construction Fund and shall be used and applied for the purpose of paying the cost of such rebuilding, repairing, restoring or replacing such damage or loss. Any amount remaining in the Construction Fund after such rebuilding, repairing, restoring or replacing shall be deposited into the Principal and Interest Fund and used to pay or redeem the Bonds and the interest thereon as provided in the Indenture.

(c) If the Library Board determines that rebuilding, repairing, restoring or replacing the Facility is not practicable and desirable, any Net Proceeds of casualty insurance required by this Sublease and received with respect to any such damage or loss to the Facility shall be paid into the Principal and Interest Fund. The Library Board agrees that it shall be reasonable in exercising its judgment pursuant to this subsection (c).

(d) The Library Board shall not, by reason of its inability to use all or any part of the Facility during any period in which the Facility is damaged or destroyed, or is being repaired, rebuilt, restored or replaced nor by reason of the payment of the costs of such rebuilding, repairing, restoring or replacing, be entitled to any reimbursement or any abatement or diminution of the Basic Rent or Additional Rent payable by the Library Board under this Sublease nor of any other obligations of the Library Board under this Sublease except as expressly provided in this Section.

Section 17.2 Condemnation.

(a) If, during the Term title to, or the temporary use of, all or any part of the Facility shall be condemned by any authority exercising the power of eminent domain, the Library Board shall, within 90 days after the date of entry of a final order in any eminent domain proceedings granting condemnation, notify the Count, the PBC and the Trustee in writing as to the nature and extent of such condemnation and whether it is practicable and desirable to acquire or construct facilities to substitute for the Facility, or portion thereof.

(b) If the Library Board determines that such substitution is practicable and desirable, the Library Board shall forthwith proceed with and complete with reasonable dispatch the acquisition or construction of such substitute facilities. In such case, any Net Proceeds received from any award or awards with respect to the Facility or any part thereof made in such condemnation or eminent domain proceeds shall be deposited in the Construction Fund and shall be used and applied for the purpose of paying the cost of such substitution. Any amount remaining in the Construction Fund after such acquisition or construction shall be deposited into the Principal and Interest Fund and used to pay or redeem the Bonds and the interest thereon as provided in the Indenture.

(c) If the Library Board determines that it is not practicable and desirable to acquire or construct substitute facilities, any Net Proceeds of condemnation awards received by the Library Board shall be paid into the Principal and Interest Fund. The Library Board agrees that it shall be reasonable in exercising its judgment pursuant to this subsection (c).

(d) The Library Board shall not, by reason of its inability to use all or any part of the Facility during any such period of restoration or acquisition nor by reason of the payment of the costs of such restoration or acquisition, be entitled to any reimbursement or any abatement or diminution of the Basic Rent or Additional Rent payable by the Library Board under this Sublease nor of any other obligations hereunder except as expressly provided in this Section.

(e) The County shall cooperate fully with the Library Board in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Facility or any part thereof. In no event will the County voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Facility or any part thereof without the written consent of the Library Board.

Section 17.3 Effect of the Library Board's Default. Anything in this Article to the contrary notwithstanding, the County, the PBC and the Trustee shall have the right at any time and from time to time to withhold payment of all or any part of the Net Proceeds from the Construction Fund attributable to damage, destruction or condemnation of the Facility to the Library Board or any third party if an Event of Default has occurred and is continuing under this Sublease, or the County has given notice to the Library Board of an Event of Default which, with the passage of time, will become an Event of Default. In the event the Library Board cures any Default specified herein, the County, the PBC or the Trustee may make payments from the Net Proceeds to the Library Board in accordance with the provisions of this Article. However, if this Sublease is terminated or the County, the PBC or the Trustee otherwise re-enters and takes possession of the Facility without terminating this Sublease, the County, the PBC and the Trustee shall pay all the Net Proceeds held by them into the Principal and Interest Fund and all rights of the Library Board in and to such Net Proceeds shall cease.

ARTICLE XVIII

Section 18.1 Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the County may take any one or more of the following remedial actions:

(a) Give the Library Board written notice of intention to terminate this Sublease on a date specified therein, which date shall not be earlier than 30 days after such notice is given and, if all Events of Default have not then been cured on the date so specified, the Library Board's rights to possession of the Facility shall cease, and this Sublease shall thereupon be deemed terminated, and the County may re-enter and take possession of the Facility; or

(b) Without terminating the Term hereof, or this Sublease, conduct inspections or an Environmental Assessment of the Facility, and re-enter the Facility or take possession thereof pursuant to legal proceedings or any notice provided for by law and this Sublease. The County may refuse to re-enter or take possession of the Facility if it has reasonable cause for such refusal. "Reasonable cause" shall include the presence on the Facility of conditions which are in violation of any Environmental Law or the existence or threat of a remedial action against the Library Board under any Environmental Law resulting from conditions on the Facility.

Having elected to re-enter or take possession of the Facility without terminating the Term or this Sublease, the County shall use reasonable diligence to relet the Facility, or parts thereof, subject to the Base Lease and the Lease, for such term or terms and at such rental and upon such other terms and conditions as are deemed advisable, with the right to make alterations and repairs to the Facility, and no such re-entry or taking of possession of the Facility shall be construed as an election to terminate this Sublease, and no such re-entry or taking of possession shall relieve the Library Board of its obligation to pay Basic Rent or Additional Rent (at the time or times provided herein), or of any of its other obligations under this Sublease, all of which shall survive such re-entry or taking of possession. The Library Board shall continue to pay the Basic Rent and Additional Rent provided for in this Sublease until the end of the Term, whether or not the Facility shall have been relet, less the net proceeds, if any, of reletting the Facility.

Having elected to re-enter or take possession of the Facility pursuant to subsection (b) above, the County may (subject, however, to any restrictions against termination of this Sublease in the Indenture, the Base Lease or the Lease), by notice to the Library Board given at any time thereafter while the Library Board is in default in the payment of Basic Rent or Additional Rent or in the performance of any other obligation under this Sublease, elect to terminate this Sublease in accordance with subsection (a) above and thereafter proceed to sell its interest in the Facility subject to the Base Lease and the Lease.

If, in accordance with any of the foregoing provisions of this Article, the County shall have the right to elect to re-enter and take possession of the Facility, the County may enter and expel the Library Board and those claiming through or under the Library Board and remove the property and effects of both or either by all lawful means without being guilty of any manner of trespass and without prejudice to any remedies for arrears of Basic Rent or Additional Rent or preceding breach of covenant.

All Basic Rent recovered from the Library Board and the net proceeds of any re-letting or sale of the Facility shall be deposited by the County in the Principal and Interest Fund and applied by the PBC as set forth in the Indenture. For purposes of this paragraph, "net proceeds" means the receipts obtained from reletting or sale after deducting all expenses incurred in connection with such reletting or sale, including without limitation, all repossession costs, brokerage commissions, legal fees and expenses, expenses of employees, alteration costs and expenses of preparation of the Facility for reletting or sale.

Section 18.2 Survival of Obligations. The Library Board covenants and agrees with the County, the PBC and the Owners that until all the Bonds and the interest thereon and redemption premium, if any, are paid in full or provision made for the payment thereof in accordance with the Indenture, its obligations under this Sublease shall survive the cancellation and termination of this Sublease, for any cause, and that the Library Board shall continue to be obligated to pay Basic Rent and Additional Rent (reduced by any net income the County or the PBC may receive from the Facility after such termination) and perform all other obligations provided for in this Sublease, all at the time or times provided in this Sublease. Notwithstanding any provision of this Sublease or the Indenture, the Library Board's obligations under *Section 14.1* hereof and the County's assignment of rights pursuant to *Section 16.1* hereof shall survive any termination, release or assignment of this Sublease and payment or provision for payment of the Bonds.

Section 18.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the County is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Sublease or now or hereafter existing at law or in equity or by statute, subject to the provisions of the Indenture. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the County to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice required herein.

ARTICLE XIX

Section 19.1 Performance of the Library Board's Obligations by the County. If the Library Board shall fail to keep or perform any of its obligations as provided in this Sublease, then the County may (but shall not be obligated to do so) upon the continuance of such failure on the Library Board's part for 90 days after notice of such failure is given the Library Board by the County and without waiving or releasing the Library Board from any obligation hereunder, as an additional but not exclusive remedy,

make any such payment or perform any such obligation, and the Library Board shall reimburse the County for all sums so paid by the County and all necessary or incidental costs and expenses incurred by the County in performing such obligations through payment of Additional Rent. If such Additional Rent is not so paid by the Library Board within ten (10) days of demand, the County shall have the same rights and remedies provided for in *Article XVIII* in the case of default by the Library Board in the payment of Basic Rent.

ARTICLE XX

Section 20.1 Surrender of Possession. Upon accrual of the County's right of re-entry as the result of an Event of Default by the Library Board hereunder or upon the cancellation or termination of this Sublease by lapse of time or otherwise (other than as a result of the Library Board's purchase of the Facility), the Library Board shall peacefully surrender possession of the Facility to the County in good condition and repair, ordinary wear and tear excepted; provided, however, the Library Board shall have the right, prior to or within 120 days after the termination of this Sublease, to remove from or about the Facility any buildings, improvements, personal property, furniture and fixtures that are not a part of the Facility under the terms of this Sublease. All repairs to and restorations of the Facility required to be made because of such removal shall be made by and at the sole cost and expense of the Library Board. All buildings, improvements, personal property, furniture and fixtures owned by the Library Board and which are not so removed from or about the Facility prior to or within 120 days after such termination of this Sublease shall become subject to the Base Lease and the Lease.

ARTICLE XXI

Section 21.1 Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Sublease shall be in writing and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via facsimile, with electronic or telephonic confirmation of receipt, or (c) communicated via electronic mail with electronic or telephonic confirmation of receipt to the Notice Representative at the Notice Address. The County and the Library Board may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent. All notices given by: (1) certified or registered mail shall be deemed duly given as of the date they are so mailed, however, notice to the Trustee shall be deemed duly given upon actual receipt; (b) facsimile or electronic mail shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the other party shall constitute a sufficient notice.

ARTICLE XXII

Section 22.1 Net Lease. The parties hereto agree that: (a) this Sublease is intended to be a net lease; (b) the payments of Basic Rent and Additional Rent are designed to provide the County with funds adequate in amount to pay the County's payments of Basic Rent and Additional Rent under the Lease as the same become due and payable and to pay and discharge all of the other duties and requirements set forth herein; and (c) to the extent that the payments of Basic Rent and Additional Rent are not adequate to provide the County with funds sufficient for the purposes aforesaid, the Library Board shall be obligated

to pay, and it does hereby covenant and agree to pay, upon demand therefor, as Additional Rent, such further sums of money as may from time to time be required for such purposes.

ARTICLE XXIII

Section 23.1 Rights and Remedies. The rights and remedies reserved by the County and the Library Board hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. The County and the Library Board shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Sublease, and each party hereby waives the right to raise such defense in any proceeding in equity.

Section 23.2 Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the nondefaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults which were in existence at the time such payment or payments or performance were accepted by it.

Section 23.3 The County Shall Not Unreasonably Withhold Consents and Approvals. Wherever in this Sublease it is provided that the County shall, may or must give its approval or consent, or execute supplemental agreements, exhibits or schedules, the County shall not unreasonably, arbitrarily or unnecessarily withhold or refuse to give such approvals or consents or refuse to execute such supplemental agreements, exhibits or schedules.

ARTICLE XXIV

Section 24.1 Funds Held by the County After Payment of All Bonds. If, after the principal of and interest on all of the Bonds and all costs incident to the payment of the Bonds have been paid in full pursuant to the Indenture and the Lease, the County holds unexpended funds received in accordance with the terms hereof, such unexpended funds shall, except as otherwise provided in this Sublease, the Lease and the Indenture and after payment therefrom to the County of any sums of money then due and owing by the Library Board under the terms of this Sublease, be the absolute property of and be paid over forthwith to the Library Board.

ARTICLE XXV

Section 25.1 Amendments. This Sublease may be amended, changed or modified in the following manner:

(a) With respect to an amendment, change or modification which reduces the Basic Rent or Additional Rent, or any amendment which reduces the percentage of Owners whose consent is required for any such amendment, change or modification, by an agreement in writing executed by the County and the Library and consented to in writing by the PBC and the Owners of 100% of the aggregate principal amount of the Bonds then Outstanding.

(b) With respect to any other amendment, change or modification which will materially adversely affect the security or rights of the Owners, by an agreement in writing executed by the County and the Library Board and consented to in writing by the PBC and the Owners of a majority in aggregate principal amount of the Bonds then Outstanding; provided that a modification to *Schedule I* hereto to conform to actual legal descriptions of the components of the Land may be accomplished with an addendum executed by the County and the Library Board without the consent of the PBC or the Owners.

(c) With respect to all other amendments, changes, or modifications, by an agreement in writing executed by the County and the Library Board.

At least 30 days prior to the execution of any agreement pursuant to (c) above, the County and the Library Board shall furnish the PBC and the Original Purchaser of the Bonds with a copy of the amendment, change or modification proposed to be made.

Section 25.2 Granting of Easements. If no Event of Default under this Sublease shall have happened and be continuing, the Library Board may, at any time or times, (a) grant easements, licenses and other rights or privileges in the nature of easements with respect to any property included in the Facility, free from any rights of the County, the PBC or the Owners, or (b) release existing easements, licenses, rights-of-way and other rights or privileges, all with or without consideration and upon such terms and conditions as the Library Board shall determine, and the County agrees, to the extent that it may legally do so, that it will execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege or any such agreement or other arrangement, upon receipt by the County, the PBC and the Trustee of: (i) a copy of the instrument of grant or release or of the agreement or other arrangement, (ii) a written application signed by the Authorized Library Board Representative requesting such instrument, and (iii) a certificate executed by the Library Board stating (A) that such grant or release is not detrimental to the proper conduct of the business of the Library Board, and (B) that such grant or release will not impair the effective use or interfere with the efficient and economical operation of the Facility and will not materially adversely affect the security of the Owners. If the instrument of grant shall so provide, any such easement or right and the rights of such other parties thereunder shall be superior to the rights of the County, the PBC and the Bondowners and shall not be affected by any termination of this Sublease or default on the part of the Library Board hereunder. If no Event of Default shall have happened and be continuing, any payments or other consideration received by the Library Board for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of the Library Board, but, in the event of the termination of this Sublease because of an Event of Default, all rights then existing of the Library Board with respect to or under such grant shall inure to the benefit of and be exercisable by the County.

Section 25.3 Security Interests. The Library Board agrees to execute and deliver all instruments (including financing statements and continuation statements) necessary for perfection of and continuation of the security interest of the County in and to the Facility. The County is authorized by the Library Board to file or cause to be filed all such original instruments and shall continue or cause to be continued the liens of such instruments for so long as the Bonds shall be Outstanding.

Section 25.4 Rights and Remedies. The rights and remedies reserved by the County and the Library Board hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. In addition thereto, the County and the Library Board shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Sublease, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity.

Section 25.5 Construction and Enforcement. This Sublease shall be construed and enforced in accordance with the laws of the State. The provisions of this Sublease shall be applied and interpreted in accordance with the rules of interpretation set forth in the Indenture. Wherever in this Sublease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

Section 25.6 Invalidity of Provisions of Lease. If, for any reason, any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

Section 25.7 Covenants Binding on Successors and Assigns. The covenants, agreements and conditions herein contained shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 25.8 Execution of Counterparts. This Sublease may be executed simultaneously in multiple counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

Section 25.9 Electronic Transactions. This Sublease and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Sublease to be signed and delivered by duly authorized officials as of the day and year first above written.

**BOARD OF COUNTY COMMISSIONERS
OF JOHNSON COUNTY, KANSAS**

(SEAL)

ATTEST:

Ed Eilert, Chairman

_____, Clerk of the Board

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF JOHNSON)

This instrument was acknowledged before me on November ____, 2014, by _____, Chairman of the Board of County Commissioners of Johnson County, Kansas, a political subdivision duly organized and existing under the constitution and laws of the state of Kansas.

(SEAL)

Notary Public

My Commission Expires: _____

**BOARD OF DIRECTORS OF THE
JOHNSON COUNTY LIBRARY**

(SEAL)

ATTEST:

Nancy Hupp, Chair

_____, Secretary

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF JOHNSON)

This instrument was acknowledged before me on November ____, 2014, by Nancy Hupp, Chair of the Board of Directors of the Johnson County Library, a body politic and corporate organized under the laws of the State of Kansas.

(Seal)

Notary Public

My Commission Expires: _____

SCHEDULE 1

PROPERTY DESCRIPTION

The following described real estate located in Johnson County, Kansas:

[__To be inserted__]

SCHEDULE 2

PERMITTED ENCUMBRANCES

[To be inserted]

NOTICE OF BOND SALE

\$4,290,000*
PUBLIC BUILDING COMMISSION OF
JOHNSON COUNTY, KANSAS
LEASE PURCHASE REVENUE BONDS
(LIBRARY PROJECTS)
SERIES 2014B

Bids. Written and electronic (as explained below) bids for the purchase of the above-referenced bonds (the “Series 2014B Bonds”) of the Public Building Commission of Johnson County, Kansas (the “PBC”) herein described will be received by the Public Building Commission Finance Officer at the address hereinafter set forth, in the case of written bids, and via PARITY[®], in the case of electronic bids, until **1:00 p.m.**, Central Standard Time (the “Submittal Hour”), on

WEDNESDAY, NOVEMBER 5, 2014

(the “Sale Date”). All bids will be publicly evaluated at said time and place and the award of the Series 2014B Bonds to the successful bidder (the “Successful Bidder”) will be acted upon by the PBC at its meeting to be held at [9:30] a.m. on November 6, 2014. No oral or auction bids will be considered. Capitalized terms not otherwise defined herein shall have the meanings set forth in the hereinafter referenced Preliminary Official Statement relating to the Series 2014B Bonds.

Terms of the Series 2014B Bonds. The Series 2014B Bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof (the “Authorized Denomination”). The Series 2014B Bonds will be dated November 25, 2014 (the “Dated Date”), and will become due in principal installments on September 1 in the years as follows:

<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>
2015	\$425,000	2020	\$425,000
2016	410,000	2021	430,000
2017	410,000	2022	440,000
2018	415,000	2023	450,000
2019	420,000	2024	465,000

The Series 2014B Bonds will bear interest from the Dated Date at rates to be determined when the Series 2014B Bonds are sold as hereinafter provided, which interest will be payable semiannually on March 1 and September 1 in each year, beginning on September 1, 2015 (the “Interest Payment Dates”).

***Adjustment of Issue Size.** The PBC reserves the right to increase or decrease the total principal amount of the Series 2014B Bonds or any maturity of Series 2014B Bonds, depending on the purchase price and interest rates bid and the offering prices specified by the Successful Bidder. The Successful Bidder may not withdraw a bid or change the interest rates bid as a result of any changes made to the principal amount of the Series 2014B Bonds or principal of any maturity as described herein. If there is an increase or decrease in the final aggregate principal amount of the Series 2014B Bonds or the schedule

of principal payments as described above, the PBC will notify the Successful Bidder by means of telephone or facsimile transmission no later than 2:00 p.m., Central Standard Time, on the business day immediately following the Sale Date. The actual purchase price for the Series 2014B Bonds so adjusted shall be calculated by applying the percentage of par value bid by the Successful Bidder against the final aggregate principal amount of such series of Series 2014B Bonds, as adjusted.

Place of Payment. The principal of and interest on the Series 2014B Bonds will be payable in lawful money of the United States of America by check or draft of Security Bank of Kansas City, Kansas City, Kansas, as trustee (the “Trustee”). The principal of each Series 2014B Bond will be payable at maturity or earlier redemption to the owners thereof whose name is on the registration books (the “Bond Register”) of the Bond Registrar (the “Registered Owner”) upon presentation and surrender at the principal office of the Trustee. Interest on each Series 2014B Bond will be payable to the Registered Owner of such Series 2014B Bond as of the fifteenth day (whether or not a business day) of the calendar month next preceding each Interest Payment Date (the “Record Date”): (a) mailed by the Trustee to the address of such Registered Owner as shown on the Bond Register or at such other address as is furnished to the Trustee in writing by such Registered Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Series 2014B Bonds, by wire transfer to such Registered Owner upon written notice given to the Trustee by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address to which such Registered Owner wishes to have such wire directed.

Bond Registration. The Series 2014B Bonds will be registered pursuant to a plan of registration approved by the PBC and the Attorney General of the State of Kansas (the “State”). The PBC will pay for the fees of the Bond Registrar for registration and transfer of the Series 2014B Bonds and will also pay for printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, will be the responsibility of the Owners.

Book-Entry-Only System. The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Series 2014B Bonds. The Series 2014B Bonds will initially be issued exclusively in “book entry” form and shall be initially registered in the name of Cede & Co., as the nominee of DTC and no beneficial owner will receive certificates representing their interests in the Series 2014B Bonds. During the term of the Series 2014B Bonds, so long as the book-entry-only system is continued, the PBC will make payments of principal of, premium, if any, and interest on the Series 2014B Bonds to DTC or its nominee as the Registered Owner of the Series 2014B Bonds, DTC will make book-entry-only transfers among its participants and receive and transmit payment of principal of, premium, if any, and interest on the Series 2014B Bonds to its participants who shall be responsible for transmitting payments to beneficial owners of the Series 2014B Bonds in accordance with agreements between such participants and the beneficial owners. The PBC will not be responsible for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. In the event that: (a) DTC determines not to continue to act as securities depository for the Series 2014B Bonds, or (b) the PBC determines that continuation of the book-entry-only form of evidence and transfer of ownership of the Series 2014B Bonds would adversely affect the interests of the beneficial owners of the Series 2014B Bonds, the PBC will discontinue the book-entry-only form of registration with DTC. If the PBC fails to identify another qualified securities depository to replace DTC, the PBC will cause to be authenticated and delivered to the beneficial owners replacement Series 2014B Bonds in the form of fully registered certificates. Reference is made to the Official Statement for further information regarding the book-entry-only system of registration of the Series 2014B Bonds and DTC.

Redemption of Series 2014B Bonds Prior to Maturity.

General. Whenever the PBC is to select Series 2014B Bonds for the purpose of redemption, it will, in the case of Series 2014B Bonds in denominations greater than the minimum Authorized Denomination, if less than all of the Series 2014B Bonds then outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such fully registered Series 2014B Bond as though it were a separate Series 2014B Bond in the minimum Authorized Denomination.

Optional Redemption. At the option of the PBC, upon instructions from Johnson County, Kansas (the "County"), the Series 2014B Bonds maturing on September 1 in the years 2023 and thereafter, will be subject to redemption and payment prior to maturity on September 1, 2022, and thereafter, as a whole or in part (selection of maturities and the amount of Series 2014B Bonds of each maturity to be redeemed to be determined by the PBC in such equitable manner as it may determine) at any time, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the date of redemption.

Mandatory Redemption. A bidder may elect to have all or a portion of the Series 2014B Bonds scheduled to mature in consecutive years issued as term bonds (the "Term Bonds") scheduled to mature in the latest of said consecutive years and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth above, subject to the following conditions: (a) not less than all Series 2014B Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements; and (b) a bidder shall make such an election by completing the applicable paragraph on the Official Bid Form or completing the applicable information on PARITY[®].

Notice and Effect of Call for Redemption. Unless waived by any owner of Series 2014B Bonds to be redeemed, if the PBC shall call any Series 2014B Bonds for redemption and payment prior to the maturity thereof, the PBC shall give written notice of its intention to call and pay said Series 2014B Bonds to the Bond Registrar and the Successful Bidder. In addition, the PBC shall cause the Bond Registrar to give written notice of redemption to the registered owners of said Series 2014B Bonds. Each of said written notices shall be deposited in United States first class mail not less than 20 days prior to the date fixed for redemption. All notices of redemption shall state the date of redemption, the redemption price, the Series 2014B Bonds to be redeemed, the place of surrender of Series 2014B Bonds so called for redemption and a statement of the effect of the redemption. The PBC shall also give such additional notice as may be required by Kansas law or regulation of the Securities and Exchange Commission in effect as of the date of such notice. If any Series 2014B Bond be called for redemption and payment as aforesaid, all interest on such Series 2014B Bond shall cease from and after the date for which such call is made, provided funds are available for its payment at the price hereinbefore specified.

Authority, Purpose and Security. The Series 2014B Bonds are being issued pursuant to the provisions of K.S.A. 12-1757 *et seq.*, as amended and supplemented from time to time (the "Act"), and a Trust Indenture dated as of November 1, 2014 (the "Indenture") between the PBC and Security Bank of Kansas City, as trustee (the "Trustee"), for the purpose of paying a portion of the costs of constructing, expanding, reconstructing, furnishing and equipping an expansion to the Central Resource Library located within the County and a portion of the costs of constructing, furnishing and equipping a 288 square foot building located within the County for use as the initial phase of the Monticello Library (collectively, the "Improvements"), each of which will be public buildings owned by the Board of Directors of the Johnson County Library (the "Library Board"). The PBC and the Library Board will enter into a Base Lease dated as of November 1, 2014 (the "Base Lease"), wherein the Library Board will lease the sites on which the Improvements will be located and certain improvements located thereon, including the Improvements (collectively, the "Facility") to the PBC for a term ending September 1, 2031. The PBC and the County will enter into a Lease Agreement dated as of November 1, 2014 (the "Lease"), wherein the PBC will

lease the Facility to the County for lease payments sufficient to provide funds to the PBC to pay the principal of, premium, if any, and interest on the Series 2014B Bonds. The term of the Lease will be co-terminus with the maturity of the Series 2014B Bonds. The County will also enter into a Sublease Agreement dated as of November 1, 2014 (the "Sublease") with the Library Board, wherein the County will sublease the Facility to the Library Board for sublease payments sufficient to provide funds to the County to pay the County's payments of Basic Rent under the Lease. The term of the Sublease will be co-terminus with the final maturity of the Series 2014B Bonds. The Library Board will use and operate the Facility, and upon retirement of the Series 2014B Bonds, the Base Lease, Lease and Sublease will terminate and title to the Facility will be in the Library Board.

The Series 2014B Bonds and the interest thereon will constitute special obligations of the PBC, payable solely from, and secured as to the payment of principal and interest by a pledge of the Trust Estate established under the Indenture (the "Trust Estate"), which includes the net earnings and revenues of the Facility, including, but not limited to, the rents, revenues and receipts received by the PBC under the Lease (including, in certain circumstances, Series 2014B bond proceeds and income from the temporary investment thereof and proceeds from insurance and condemnation awards). Rental payments to be made by the County under the Lease are intended to be sufficient, when added to other funds available for such purpose, to pay when due, the principal of, premium if any, and interest on the Series 2014B Bonds.

The Series 2014B Bonds shall not be or constitute a debt or general obligation of the PBC, nor shall they constitute an indebtedness of the PBC or the County within the meaning of any constitutional, statutory or charter provision, limitation or restriction. Pursuant to the Act, the obligations of the County for rentals payable under the Lease for its entire term are specifically exempted from the provisions of the Kansas cash basis and budget laws and are *not* subject to annual appropriation, early cancellation or termination. The County may levy unlimited taxes to pay rentals under the Lease.

Submission of Bids. Written bids must be made on forms which may be procured from Springsted Incorporated, St. Paul, Minnesota, municipal advisor to the PBC and the County (the "Municipal Advisor") and shall be addressed to the undersigned, and marked "Public Building Commission of Johnson County, Kansas Lease Purchase Revenue Bonds (Library Projects), Series 2014B." Written bids submitted by facsimile should not be preceded by a cover sheet and should be sent only once to **(651) 223-3046**. Confirmation of receipt of facsimile bids may be made by contacting the Municipal Advisor at the number listed below. Electronic bids via PARITY[®] must be submitted in accordance with its Rules of Participation, as well as the provisions of this Notice of Bond Sale. If provisions of this Notice of Bond Sale conflict with those of PARITY[®], this Notice of Bond Sale shall control. Bids must be received prior to the Submittal Hour on the Sale Date accompanied by the Deposit (as hereinafter defined), which may be submitted separately, provided such Deposit is received by the PBC prior to the Submittal Hour on the Sale Date. Neither the PBC nor the Municipal Advisor shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder.

PARITY[®]. Information about the electronic bidding services of PARITY[®] may be obtained from i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Phone No. (212) 849-5023.

Conditions of Bids. Proposals will be received on the Series 2014B Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: (a) the same rate shall apply to all Series 2014B Bonds of the same series of the same maturity year; (b) no interest rate may exceed a rate equal to the daily yield for the 10-year Treasury Bond published by **THE BOND BUYER**, in New York, New York, on the Monday next preceding the day on which the Series 2014B Bonds are sold, plus 6%; (c) no supplemental interest payments will be considered; (d) each interest rate specified shall be in integral multiples of 1/100 or 1/8 of 1%; and (e) the initial offering price to the public

for each maturity must be 98% or greater. No bid for less than 99% of the principal amount of the Series 2014B Bonds will be considered for the Series 2014B Bonds. Each bid shall specify the total interest cost (expressed in dollars) during the term of the Series 2014B Bonds on the basis of such bid, the discount, if any, the premium, if any, offered by the bidder, the net interest cost (expressed in dollars) on the basis of such bid and an estimate of the TIC (as hereinafter defined) on the basis of such bid. Each bidder shall certify to the PBC the correctness of the information contained on the Official Bid Form; the PBC will be entitled to rely on such certification. Each bidder agrees that, if it is awarded the Series 2014B Bonds, it will provide the certification as to initial offering prices described under the caption "Reoffering Prices" below.

Good Faith Deposit. Each bid shall be accompanied by a good faith deposit (the "Deposit") in the amount of **\$85,800** payable to the order of the PBC to secure the PBC from any loss resulting from the failure of the bidder to comply with the terms of its bid. The Deposit, ***which must be received by the PBC prior to the Submittal Hour***, may be submitted in any of the following forms:

- (a) certified or cashier's check drawn on a bank located in the United States of America;
- (b) financial surety bond as hereinafter described (the "Surety Bond"); or
- (c) wire transfer in federal funds, immediately available for use by the PBC (wire transfer information may be obtained from the PBC or the Municipal Advisor at the addresses set forth under the caption "Additional Information" below).

Contemporaneously with the submission of a wire transfer Deposit, such bidder shall send an email to [JoCoBonds@jocogov.org] and bond_services@springsted.com including the following information: (a) notification that a wire transfer has been made; (b) the amount of the wire transfer; and (c) return wire transfer instructions in the event such bid is unsuccessful. All Surety Bonds must be from an insurance or surety company rated "AA" by Standard and Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., or "Aa" by Moody's Investors Service and licensed to issue such a surety bond in the State. The Surety Bond must identify each bidder whose deposit is guaranteed by such Surety Bond. Good faith checks submitted by unsuccessful bidders will be returned; wire transfer Deposits submitted by unsuccessful bidders will not be accepted or shall be returned in the same manner received on the next business day following the Sale Date. The PBC reserves the right to withhold reasonable charges for any fees or expenses incurred in returning a wire transfer Deposit. If the sale of the Series 2014B Bonds is awarded to a bidder utilizing a Surety Bond, the Successful Bidder is required to submit to the PBC a cashier's or certified check or wire transfer of immediately available federal funds to such financial institution requested by the PBC, not later than 2:00 p.m., Central Standard Time on the next business day following the Sale Date. If such funds are not received by such time, the Surety Bond may be drawn on by the PBC to satisfy the Deposit requirement. No interest on the Deposit will be paid by the PBC. If a bid is accepted, the Deposit, or the proceeds thereof, will be held by the PBC until the Successful Bidder has complied with all of the terms and conditions of this Notice at which time the amount of said Deposit shall be returned to the Successful Bidder or deducted from the purchase price at the option of the PBC. If a bid is accepted but the PBC fails to deliver the Series 2014B Bonds to the Successful Bidder in accordance with the terms and conditions of this Notice, said Deposit, or the proceeds thereof, will be returned to the Successful Bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this Notice, the proceeds of such Deposit will be retained by the PBC as and for liquidated damages.

Basis of Award. Subject to the timely receipt of the Deposit set forth above, the award of the Series 2014B Bonds will be made on the basis of the lowest true interest cost (“TIC”), which will be determined as follows: the TIC is the discount rate (expressed as a per annum percentage rate) which, when used in computing the present value of all payments of principal and interest to be paid on the Series 2014B Bonds, from the payment dates to the Dated Date, produces an amount equal to the price bid, including any adjustments for premium or discount, if any. Present value will be computed on the basis of semiannual compounding and a 360-day year of twelve 30-day months. Bidders are requested to provide a calculation of the TIC for the Series 2014B Bonds on the Official Bid Form, computed as specified herein on the basis of their respective bids, which shall be considered as informative only and not binding on either the PBC or the bidder. The Municipal Advisor will verify the TIC based on such bids. If there is any discrepancy between the TIC specified and the bid price and interest rates specified, the specified bid price and interest rates shall govern and the TIC specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest TIC are received, the PBC will determine which bid, if any, will be accepted, and its determination is final.

The PBC reserves the right to reject any and/or all bids and to waive any irregularities in a submitted bid. Any bid received after the Submittal Hour on the Sale Date will be returned to the bidder. Any disputes arising hereunder shall be governed by the laws of the State, and any party submitting a bid agrees to be subject to jurisdiction and venue of the federal and state courts within Kansas with regard to such dispute.

The PBC's acceptance, including electronic acceptance through PARITY[®], of the Successful Bidder's proposal for the purchase of the Series 2014B Bonds in accordance with this Notice of Bond Sale shall constitute a contract between the PBC and the Successful Bidder for the purposes of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) and Rule G-32 of the Municipal Securities Rulemaking Board (“Rule G-32”) and a bond purchase agreement for purposes of the laws of the State.

Bond Ratings. The PBC's outstanding revenue bonds issued on behalf of the County and the general obligation bonds of the County are rated “Aaa” by Moody's Investors Service, “AAA” by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.. The PBC has applied to both of such agencies for a rating on the Series 2014B Bonds herein offered for sale. Such ratings are further described in the Preliminary Official Statement, hereinafter described.

Optional Bond Insurance. The PBC has **not** applied for any policy of municipal bond insurance with respect to the Series 2014B Bonds. If the Series 2014B Bonds qualify for municipal bond insurance, and any bidder desires to purchase such policy, such indication and the name of the desired insurer must be set forth on the bidder's Official Bid Form. The PBC specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the PBC. All costs associated with the issuance of such policy and associated ratings and expenses (other than any independent rating requested by the PBC) shall be paid by the Successful Bidder. Failure of the municipal bond insurer to issue the policy after the award of the Series 2014B Bonds shall not constitute cause for failure or refusal by the Successful Bidder to accept delivery of the Series 2014B Bonds.

CUSIP Numbers. CUSIP identification numbers will be assigned and printed on the Series 2014B Bonds, but neither the failure to print such number on any Series 2014B Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Series 2014B Bonds in accordance with the terms of this Notice. All expenses in relation to the assignment and printing of CUSIP numbers on the Series 2014B Bonds will be paid by the PBC.

Delivery and Payment. The PBC will pay for preparation of the Series 2014B Bonds and will deliver the Series 2014B Bonds properly prepared, executed and registered without cost on or about **NOVEMBER 25, 2014** (the “Closing Date”), to DTC for the account of the Successful Bidder. The Successful Bidder will be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the Series 2014B Bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Series 2014B Bonds affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Series 2014B Bonds shall be made in federal funds, immediately available for use by the PBC. The PBC will deliver one Series 2014B Bond of each maturity of each series registered in the nominee name of DTC.

Reoffering Prices. To provide the PBC with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), the Successful Bidder will be required to complete, execute and deliver to the PBC prior to the delivery of the Series 2014B Bonds, a written certification (the “Issue Price Certificate”) containing the following: (a) the initial offering price and interest rate for each maturity of the Series 2014B Bonds; (b) that all of the Series 2014B Bonds were offered to the public in a bona fide public offering at the initial offering prices on the Sale Date; and (c) on the Sale Date the Successful Bidder reasonably expected that at least 10% of each maturity of the Series 2014B Bonds would be sold to the “public” at prices not higher than the initial offering prices. For purposes of the preceding sentence “public” means persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers. However, such Issue Price Certificate may indicate that the Successful Bidder has purchased the Series 2014B Bonds for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Series 2014B Bonds for sale to the public. *Subsequent to the Submittal Hour, such initial offering prices to the public shall be provided to the PBC or the Municipal Advisor not more than 20 minutes after requested by the PBC or the Municipal Advisor.*

At the request of the PBC, the Successful Bidder will provide information explaining the factual basis for the Purchaser’s Issue Price Certificate. This agreement by the Purchaser to provide such information will continue to apply after the Closing Time if: (a) the PBC requests the information in connection with an audit or inquiry by the Internal Revenue Service (the “IRS”) or the Securities and Exchange Commission (the “SEC”) or (b) the information is required to be retained by the PBC pursuant to future regulation or similar guidance from the IRS, the SEC or other federal or state regulatory authority.

Preliminary Official Statement and Official Statement. The PBC has prepared a Preliminary Official Statement dated October 15, 2014, “deemed final” by the PBC and the County except for the omission of certain information as provided in the Rule, copies of which may be obtained from the Municipal Advisor. Upon the sale of the Series 2014B Bonds, the PBC will adopt the final Official Statement and will furnish the Successful Bidder, without cost, within seven business days of the acceptance of the Successful Bidder’s proposal, with a sufficient number of copies thereof, which may be in electronic format, in order for the Successful Bidder to comply with the requirements of the Rule and Rule G-32. Additional copies may be ordered by the Successful Bidder at its expense.

Continuing Disclosure. In the Continuing Disclosure Undertaking, the County and the Library Board have covenanted to comply with the provisions of the Rule and the County and the Library Board have agreed to provide annually certain financial information and operating data and other information necessary to comply with the Rule and to promptly transmit said information to the Municipal Securities Rulemaking Board. These covenants are for the benefit of and are enforceable by any Registered Owner

of the Series 2014B Bonds. For further information, reference is made to the caption “CONTINUING DISCLOSURE” in the Preliminary Official Statement.

Legal Opinion. The Series 2014B Bonds will be sold subject to the approving legal opinion of GILMORE & BELL, P.C., Bond Counsel, which opinion will be furnished and paid for by the PBC and will be delivered to the Successful Bidder when the Series 2014B Bonds are delivered. Said opinion will also include the opinion of Bond Counsel relating to the interest on the Series 2014B Bonds being excluded from gross income for federal income tax purposes and exempt from income taxation by the State. Reference is made to the Preliminary Official Statement for further discussion of federal and Kansas income tax matters relating to the interest on the Series 2014B Bonds.

Additional Information. Additional information regarding the Series 2014B Bonds may be obtained from the PBC, Attention: Ms. Leslie Friedel, Budget & Financial Planning, Johnson County, Kansas at the address set forth below; or by phone (913) 715-0605 or e-mail: leslie.friedel@jocogov.org; or from the Municipal Advisor, Springsted Incorporated, Attention: Bond Services, at the address set forth below; or by phone (651) 223-3000 or e-mail: bond_services@springsted.com.

***Written Bid and Good Faith Deposit
Delivery Address:***

Thomas G. Franzen
Public Building Commission Finance Officer
Treasury and Financial Management
Johnson County Administration Building
111 South Cherry, Suite 2400
Olathe, Kansas 66061-3441

***Facsimile Bid and Good Faith Deposit
Delivery Address:***

Springsted Incorporated
380 Jackson Street, Suite 300
Saint Paul, Minnesota 55101-2887
Fax No. (651) 223-3046

DATED: October 15, 2014

**PUBLIC BUILDING COMMISSION OF JOHNSON
COUNTY, KANSAS**

By: Thomas G. Franzen, Finance Officer

OFFICIAL BID FORM
 PROPOSAL FOR THE PURCHASE OF
 PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS
 LEASE PURCHASE REVENUE BONDS
 (LIBRARY PROJECTS)
 SERIES 2014B

TO: Public Building Commission of the Johnson County, Kansas
 c/o Thomas G. Franzen, Finance Officer

November 5, 2014

For \$4,290,000* principal amount of Lease Purchase Revenue Bonds (Library Projects), Series 2014B, to be dated November 25, 2014, as described in the Notice of Bond Sale dated October 15, 2014, said Series 2014B Bonds to bear interest as follows:

<u>Stated</u> <u>Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual</u> <u>Rate of</u> <u>Interest</u>	<u>Stated</u> <u>Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual</u> <u>Rate of</u> <u>Interest</u>
2015		_____ %	2020		_____ %
2016		_____ %	2021		_____ %
2017		_____ %	2022		_____ %
2018		_____ %	2023		_____ %
2019		_____ %	2024		_____ %

* Subject to change – See official Notice of Bond Sale

the undersigned will pay the purchase price for the Series 2014B Bonds set forth below, plus accrued interest to the date of delivery.

Principal Amount	\$4,290,000*.00
Less Discount (not to exceed 1%)	_____
Plus Premium (if any)	_____
Total Purchase Price	\$ _____
Total interest cost to maturity at the rates specified	\$ _____
Net interest cost (adjusted for Discount and/or Premium)	\$ _____
True Interest Cost	_____ %

The Bidder elects to have the following Term Bonds:

<u>Maturity Date</u>	<u>Years</u>	<u>Amount*</u>
September 1, _____	_____ to _____	\$ _____
September 1, _____	_____ to _____	\$ _____

*subject to mandatory redemption requirements in the amounts and at the times shown above.

This proposal is subject to all terms and conditions contained in said Notice of Bond Sale, and if the undersigned is the Successful Bidder, the undersigned will comply with all of the provisions contained in said Notice. A cashier's or certified check, a wire transfer or a qualified financial surety bond in the amount of \$85,800 payable to the order of the PBC, accompanies this proposal as an evidence of good faith. The acceptance of this proposal by the PBC shall constitute a contract between the PBC and the Successful Bidder for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission and a bond purchase agreement for purposes of the laws of the State of Kansas.

Submitted by: _____

[LIST ACCOUNT MEMBERS ON REVERSE]

By: _____
 Telephone No.(____) _____

ACCEPTANCE

Pursuant to action duly taken by the PBC, the above proposal is hereby accepted on November 6, 2014.

Attest:

 Secretary

 Chair

NOTE: No additions or alterations in the above proposal form shall be made, and any erasures may cause rejection of any bid. Sealed bids may be filed with Thomas G. Franzen, Public Building Commission Finance Officer, Johnson County Administration Office, 111 South Cherry, Suite 2400, Olathe, Kansas 66061-3441, facsimile bids may be filed with Springsted Incorporated, Fax No. (651) 223-3046 or electronic bids may be submitted via **PARITY**[®], at or prior to 1:00 p.m., Central Standard Time, on November 5, 2014. Any bid received after such time will not be accepted or shall be returned to the bidder.

Johnson County Library
Board of Directors
Selection of Calendar Events
October 2014

October 8	Tanner Colby, Author event Central Resource Library
October 8	Story Book Special Feature: <i>Z is for Moose</i> by Kelly Bingman Lackman Neighborhood Library
October 10	Inner-Self Portraits Lackman Neighborhood Library
October 10	Capitol Cinema <i>Catching Fire</i> Antioch Neighborhood Library
October 11	Barbara Stuber, Author event Central Resource Library
October 11	Shane Evans, Author event Blue Valley Resource Library
October 14	JCL Friends Meeting Antioch Library
October 14	I Know a Good Book Grades 3-5 Leawood Pioneer Neighborhood Library
October 16	JCL Foundation Pinnacle Awards JCCC Regnier Center
October 24	Let's Lego Corinth Neighborhood Library
October 24	A Murder Mystery in the Library Shawnee Neighborhood Library
October 25	Chicken Legs (Slightly Scary Stories) DeSoto Neighborhood Library
October 25	Teen Anime Festival Central Resource Library