



**Board Report
July 13, 2023**

AGENDA

JOHNSON COUNTY LIBRARY BOARD OF DIRECTORS
REGULAR MEETING, JULY 13, 2023
Central Resource Library
Carmack Community Room
9875 W 87th St Overland Park, KS 66212
4:00 p.m.

The public can view the broadcast of the meeting on the Johnson County Library [YouTube Channel](#). for a live feed or later when the video is posted to the Library's website.

If you have information or comments related to any item on our agenda that you would like to have presented to the Library Board, we encourage you to submit that information in writing. If you wish to submit information, please email comments or statements to kangethep@jocolibrary.org before noon on the Wednesday before the Thursday Library Board meeting. Comments received by noon will be shared with the entire Board prior to the meeting.

- I. Call to Order
- II. Citizen Comments will be accepted in writing and made part of the record of the meeting.....4
- III. Remarks
 - A. Members of the Johnson County Library Board of Directors
 - B. Board Chair, Bethany Griffith
 - C. Development Department: written reports presented by Shelley O'Brien.....5
 - D. Liaison, Board of County Commissioners, Janeé Hanzlick
- IV. Reports
 - A. Board Counsel – Andrew Logan and Fred Logan
 - a) Kansas Open Meeting Act and the Library Board Retreat
 - B. County Librarian Report – Tricia Suellentrop, County Librarian
 - 1. Finances and Statistics
 - a) Financial Report, Dave Vratny, Finance Director.....7
 - b) Core statistics, Adam Wathen, Associate Director for Systemwide Services.....12
 - i. Branch Services, Christian Madrigal and Sarah Aanestad, Branch Managers.....15
 - 2. Comprehensive Library Master Plan, Megan Clark, Project Coordinator
 - a) Merriam Plaza Library.....23
 - b) Capital Projects: Timeline Summary.....27
 - 3. Updates – Tricia Suellentrop, County Librarian
 - a) Prairie Village Update, Tricia Suellentrop, County Librarian
 - b) Central Resource Library Strang Park Survey, Tricia Suellentrop, County Librarian
 - c) Salary and Benefit Study Update, Tricia Suellentrop, County Librarian
 - d) elementia, Supriya Bolla and Kate McNair, Teen Coordinating Librarian.....30
 - e) ALA Conference Involvement, Kinsley Riggs, Deputy County Librarian.....44
 - f) Board Retreat – October 19th Noon to 4pm
- V. Consent Agenda
 - A. Action Items:
 - 1. Minutes of the June 8, 2023 Regular Library Board meeting.....48
 - B. Information Items
 - 1. Financial and Personnel

- a) The County Librarian and the Finance Director certify those payment vouchers and personnel authorizations for May 2023 were handled in accordance with library and County policy.
- b) The May 2023 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.....57

VI.Old Business

A. Action Item: Consideration of approval of the MOU with InterUrban ArtHouse Curation, Joseph Keehn, Program and Event Coordinator and Jennifer Mahnken, Associate Director for System Wide Services.....58

B. Action Item: Consideration of a resolution requesting the issuance of bonds and authorizing execution of the leases and related documents for the Merriam Plaza Library construction project, Dave Vratny, Finance Director.....63

VII.New Business

A. Information Item: Consideration of approval of the MOU with non-profit group Strawberry Week for distribution of free period product, Anna Madrigal, Branch Manager and Adam Wathen, Associate Director for Branch Services.....162

B. Information Item: Consideration of approval of Johnson County Library Strategic Plan 2024-2028 and Key Performance Areas.....166

C. Action Item: Consideration of approval of the Easement Conveyance between Board of Director of the Johnson County Library and Evergy Metro Inc., Megan Clark, Project Manager.....176

VIII.Adjournment

PUBLIC COMMENTS

July 2023

June 4, 2023

Good Afternoon Johnson County Library Board,

My name is Kendra Preston and I am one of the owners of Party Cube KC. My partner and I are former middle school teachers.

I've had the pleasure of working with some of your superb staff members at the Monticello Branch. I'm impressed with their knowledge and ability to engage the teenage audience.

There are a limited number of organizations in the area that offer summer activities for teens (middle and high schoolers) throughout the Johnson County area that are safe, engaging, and fun. Our service is designed to help fill in that gap. We are an inflatable tent rental service that allows clients to customize lighting and music based on their party needs. For teens, it's like having a nightclub in their backyard.

We would love to partner with you as we see all the value you bring to our community. If we could assist in any event, please let us know.

Our website is: partycubekc.com

We can also be found on all socials under @partycubekc.

I look forward to working with you in the future.

Sincerely,

Kendra Preston
Party Cube KC
913-335-0243



Monthly Report of the
Volunteer Coordinator to the
Board of Directors of Johnson County Library
July 2023

Summer Teen Volunteer Program

About 1/3 of all active teen volunteers at Johnson County Library are participate in our Summer Teen Volunteer Program. Here are a few of the ways they volunteered:

- reviewed over 50 books
- played tabletop games with families
- helped execute the County's Juneteenth celebration at Lenexa City Center
- helped teach teens who are new to the U.S. about library resources available

Update New Youth Services Volunteer Opportunities

We interviewed six volunteers to assist with Storytime logistics at our Blue Valley and Corinth Branches this fall. These volunteers include former teachers, a nurse, and reading specialist to help with this popular program. These volunteers are currently undergoing background checks and will do training in August.

We have 15 volunteers who have expressed interest in helping with our Homework Help this fall. Since many of these volunteers are teenagers, the process to interview is taking a little longer. Our goal is to have four volunteers available one or two late afternoons a week this fall to help 2-5th graders with homework.

English Language Learners (ELL) Gains New Volunteers

We have 73 students who are currently participating in our virtual or in-person ELL classes. Thanks to spotlight from the Communication Team in the current issue of *Best Times* magazine, we have received numerous volunteer applicants to help with our language learner services. Several are shadowing facilitators this summer so they will be ready to teach in the fall trimester.



Monthly report of the
Johnson County Library Foundation to the
Board of Directors of the
Johnson County Library
July 2023

Grants Received

The Johnson County Library Foundation has received a grant of \$3,000 from the R.A. Long Foundation to support BrainFuse for the library. Additionally, we received \$1,000 from the Walmart Community Fund for programming.

Why I Give

The Library Foundation asks donors to write why they give to the Foundation and Library. This month we are highlighting Erwin Abrams and Julie Steiner – Foundation board members. Please check out their stories on our website <https://www.jocolibraryfoundation.org/>

Conferences

It's officially conference season. Shelley O'Brien attended the International Public Library Fundraising Conference in Austin, Texas June 11th to 13th. She traveled with local fundraisers from KCPL, Mid-Continent PL, and Lawrence PL and met with fundraisers from across the U.S. You will start to see some best practices implemented in the next year.

Library Lets Loose – September 23rd

Most of our current fundraising efforts are focused on Library Lets Loose. We are in the process of confirming food and beverage vendors. The following businesses have confirmed their participation.

- Fajita Pete's
- J. Reiger's & Co.
- Jason's Deli
- Kate Smith Soiree
- Nothing Bundt Cakes
- Old Shawnee Pizza
- Olive & Co.
- The Peanut
- Ruby Jeans Juicery
- Sweet Tooth Bakery
- Shagan's
- WingStand
- Zarda BBQ

Invitations will be printed at the end of July and mailed out in August.

JOHNSON COUNTY LIBRARY: Summary of Expenditures by Cost Category (.75 Increase Only)
May 2023
42% of Year Lapsed

OPERATING FUND	Programs	2023 Budget
	Revenue	4,491,024
	Administrative Services	
	Information Technology	
	Collection Development	
	Branch/Systemwide Services	93,800
	Transfer to Capital Projects	1,949,485
	Interfund Transfers	
TOTAL OPERATING FUND EXPENDITURES		<u>\$2,043,285</u>
TOTAL .75 INCREASE FUNDS REMAINING OPERATING		<u><u>\$2,447,739</u></u>
SPECIAL USE FUND		2023 Budget
	Revenue:	3,619,470
	Expenses:	
	Contractual Services (General Maintenance)	
	Commodities (Capital Equipment)	138,802
	Transfer to Debt Payment	
	Transfer to Debt Payment - CLMP	
	Transfer to Capital Projects	
TOTAL SPECIAL USE FUND EXPENDITURES		<u>\$138,802</u>
TOTAL .75 INCREASE FUNDS REMAINING SPECIAL USE		<u><u>\$3,480,668</u></u>
TOTAL .75 INCREASE FUNDS REMAINING ALL FUNDS		<u><u>\$5,928,407</u></u>

JOHNSON COUNTY LIBRARY TOTAL REVENUE REPORT

May 2023
42% of Year Lapsed

REVENUE ALL FUNDS	2023 Year to Date	2023 Budget	% Budget Year to Date	% Budget YTD Prior Year
Ad Valorem	23,864,402	41,255,380	58%	58%
Ad Valorem Delinquent	-120,450	208,493	-58%	56%
Motor Vehicle	895,137	3,537,320	25%	26%
Library Generated - Copying/Printing	38,298	104,359	37%	30%
Library Generated - Overdues / Fees	58,660	506,271	12%	25%
Sale of Library Books	0	50,000	0%	50%
Misc Other	462	18,703	2%	3%
Reimbursements	116,575	630,043	19%	11%
Library Generated - Other Charges	0	0	0%	0%
Investment	221,433	390,000	57%	60%
Unencumbered Balance Forward	0	1,000,000	0%	0%
Transfer from Capital Projects	0	0	0%	0%
Recreational Vehicle Tax	9,717	18,094	54%	60%
Commercial Vehicle Tax	46,951	56,733	83%	79%
Heavy Trucks Tax	3,595	6,251	58%	64%
Rental Excise Tax	26,344	37,610	70%	56%
State and Federal Grants	132,569	265,638	50%	50%
TOTAL REVENUE	25,293,692	48,084,895	53%	54%

Expenses ALL FUNDS with Collection

Encumbrance	2023 Year to Date	2023 Budget	% Categories Expended
Salaries and Benefits	9,360,062	23,741,078	39%
Contractual Services	2,603,527	6,300,803	41%
Commodities	3,469,375	5,095,281	68%
Risk Management Charges	75,922	304,538	25%
Capital / Maintenance / Repair	2,043,285	5,497,634	37%
Transfer to Capital Projects	0	3,619,470	0%
Grants	132,569	265,638	50%
Interfund Transfer	3,085,499	3,260,453	95%
TOTAL EXPENDITURES	20,770,239	48,084,895	43%

Revenue - Expenses as of May 31, 2023 **4,523,453**

RESERVES ALL FUNDS	As of 12/31/22
Reserves Operating Fund	17,438,848
Reserves Special Use Fund	2,464,433
Total JCL Reserves	<u>19,903,281</u>

JOHNSON COUNTY LIBRARY: Summary of Expenditures by Cost Category
May 2023
42% Year Lapsed

OPERATING FUND	2023	2023	% Program
Programs	Year to Date	Budget	Expended
Administrative Services	1,912,414	4,398,511	43%
Information Technology	1,656,251	4,409,160	38%
Collection Development	1,608,379	4,011,480	40%
Branch/Systemwide Services	8,275,283	22,081,847	37%
Risk Management Charges	75,922	304,538	25%
Grants *	31,539	265,638	12%
Transfer to Capital Projects	1,949,485	5,497,634	35%
Interfund Transfer	3,085,499	3,195,912	97%
TOTAL OPERATING FUND EXPENDITURES	18,594,772	44,164,720	42%

SPECIAL USE FUND	2023	2023	% Budget
	Year to Date	Budget	Expended
Contractual Services (General Maintenance)	0	173,705	0%
Commodities (Capital Equipment)	138,807	127,000	109%
Transfer to Debt Payment	0	0	0%
Transfer to Capital Projects	0	3,619,470	0%
TOTAL SPECIAL USE FUND EXPENDITURES	138,807	3,920,175	4%

TOTAL EXPENDITURES	18,733,579	48,084,895	39%
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JOHNSON COUNTY LIBRARY: Summary of Expenditures by Type
May 2023
42% Year Lapsed

ALL FUNDS	2023	2023	% Categories
Categories	Year to Date	Budget	Expended
Salaries and Benefits	9,645,518	23,741,078	41%
Contractual Services	2,179,923	6,300,803	35%
Commodities	1,671,894	5,095,281	33%
Risk Management Charges	75,922	304,538	25%
Capital / Maintenance / Repair	2,043,285	5,497,634	37%
Transfer to Debt Payment	0	0	0%
Transfer to PBC Capital Leases	0	3,619,470	0%
Grants	31,539	265,638	12%
Interfund Transfer	3,085,499	3,260,453	95%
TOTAL EXPENDITURES	18,733,579	48,084,895	39%

GRANTS*	Expenditures through 05/31/2023	Source	Received	Expenditures	Grant Award	Budget Remaining
285000091	2023-State Aid	State	3/29/2023	\$31,538.85	\$132,568.53	\$101,029.68

*Includes all expenditures and revenues over the life of the grant.

Expenditure of Friends of the JCL Donations 2023

<i>Expenditure Details</i>	<i>May</i>	<i>YTD</i>
Volunteer Recognition	\$0.00	\$0.00
Advertising/Promotion	0.00	0.00
Collection Materials	0.00	0.00
Professional Development/Staff Recognition	0.00	310.00
Technology/Recruitment Consulting & Expenses	0.00	0.00
Strategic Planning meeting supplies	0.00	0.00
GEM Award/Staff Recognition	0.00	0.00
Homework Help and Tutor.com	0.00	0.00
Summer Reading Club/Elementia	0.00	0.00
Other Library Programming	0.00	0.00
MidAmerica Regional Council	0.00	0.00
Joint Board Meeting Expense	0.00	0.00
Board Travel Expenses	0.00	0.00
Board Retreat Expenses	0.00	0.00
Miscellaneous	0.00	0.00
Total Expenditures	\$ -	\$ 310.00

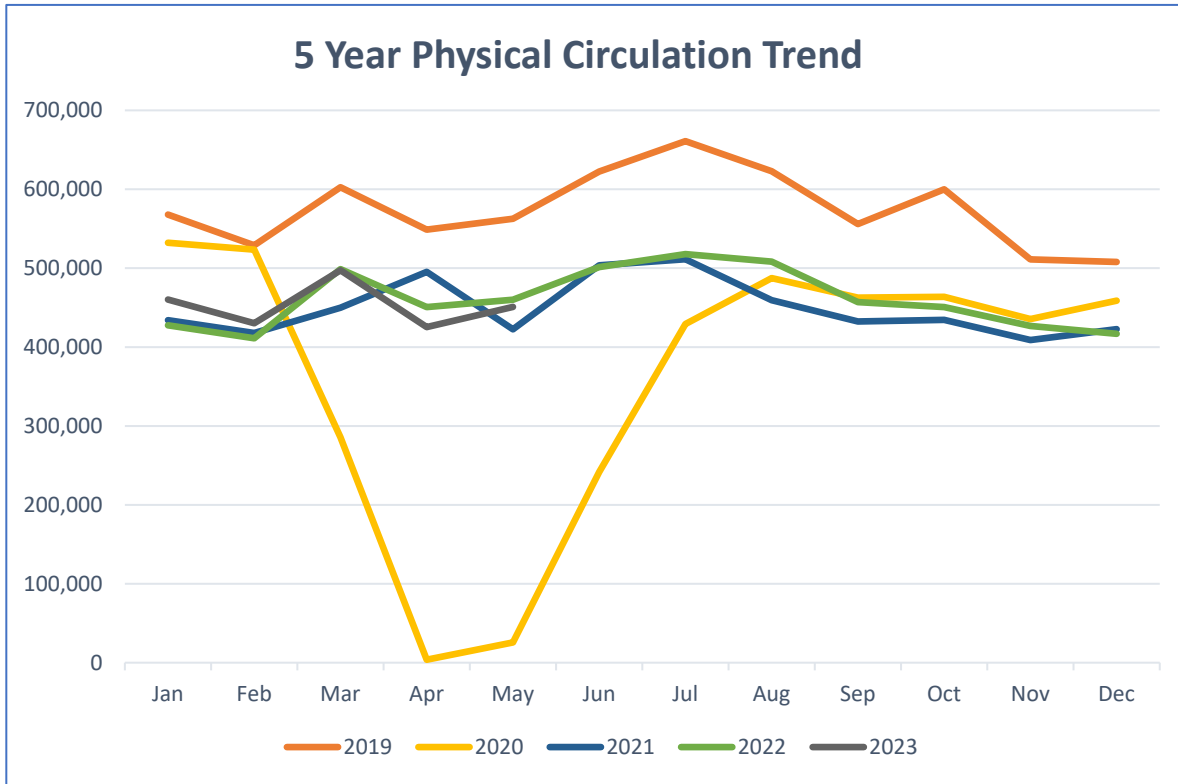
Monthly Statistical Report

July 2023

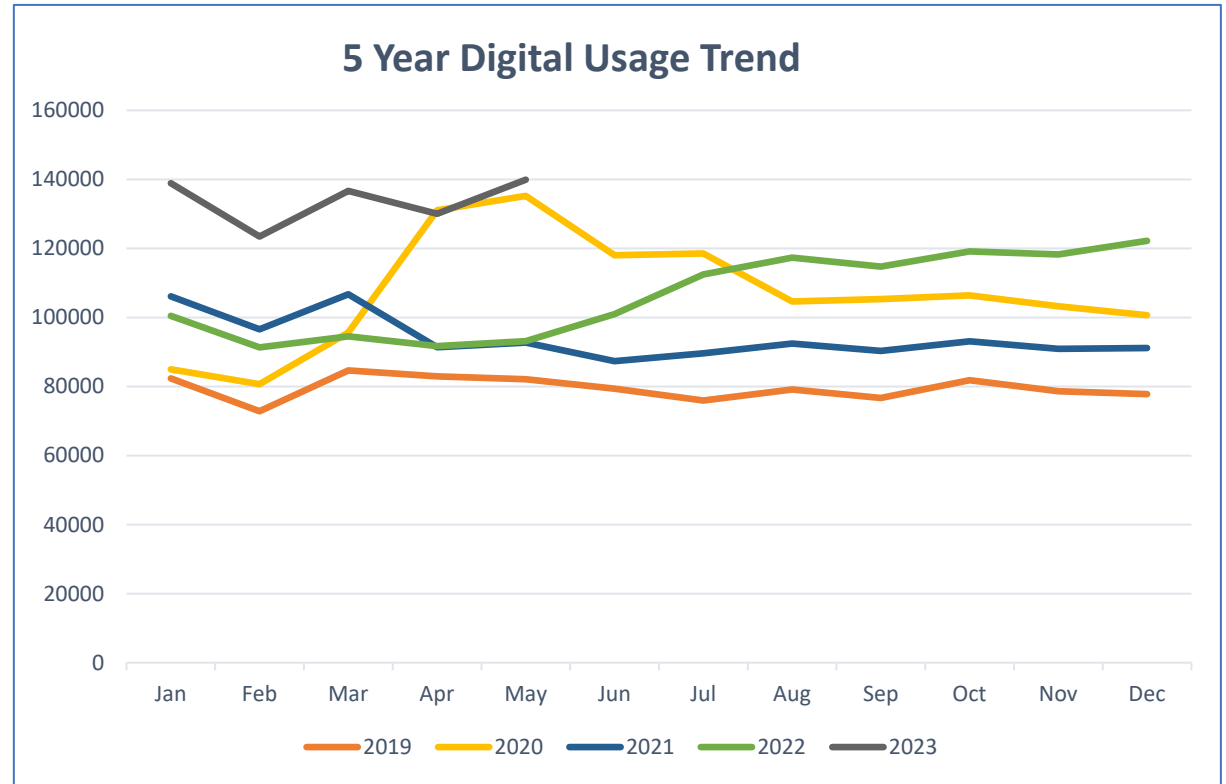
JOHNSON COUNTY LIBRARY

Monthly Statistics

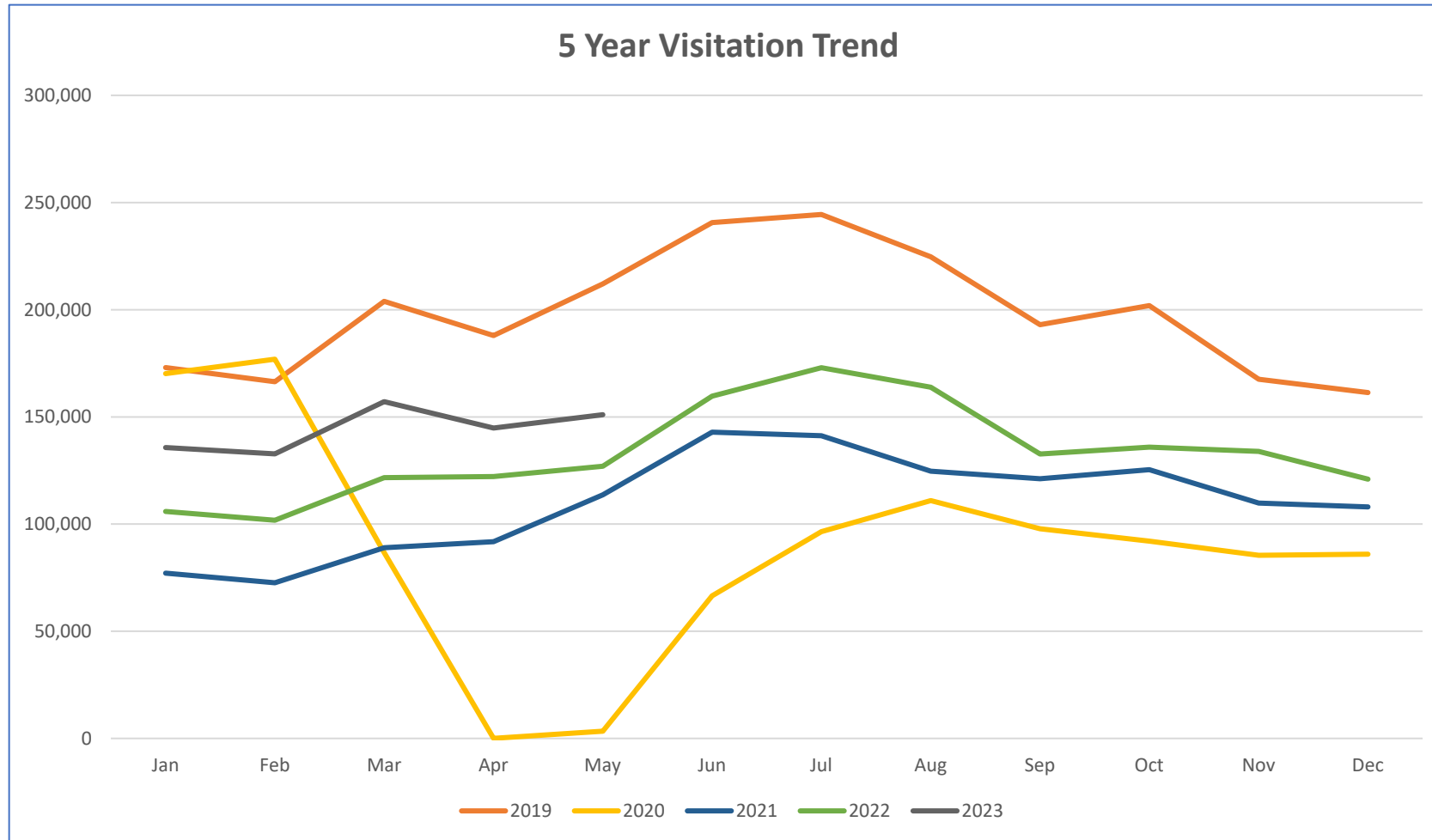
5 Year Physical Circulation Trend



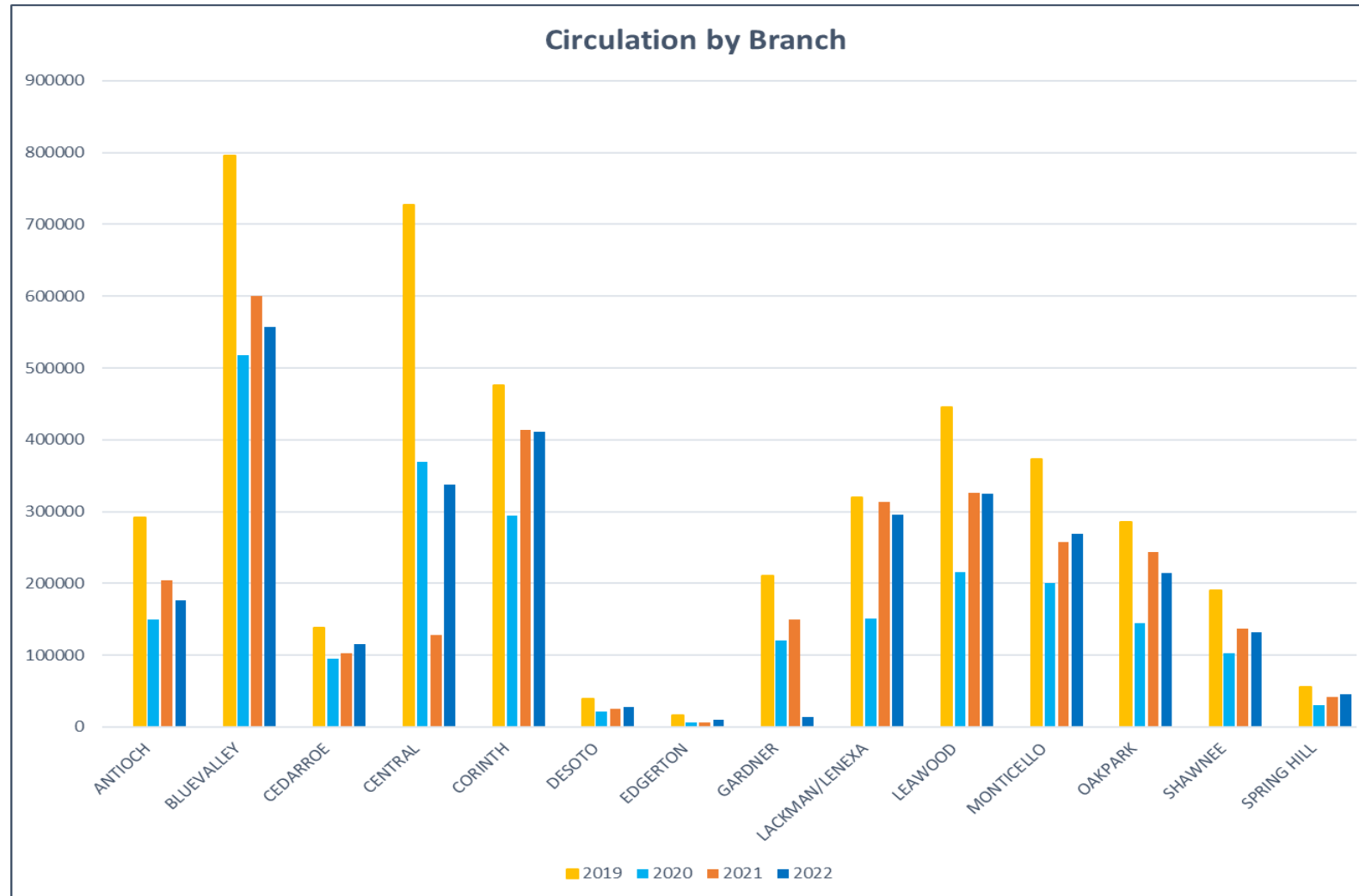
5 Year Digital Usage Trend



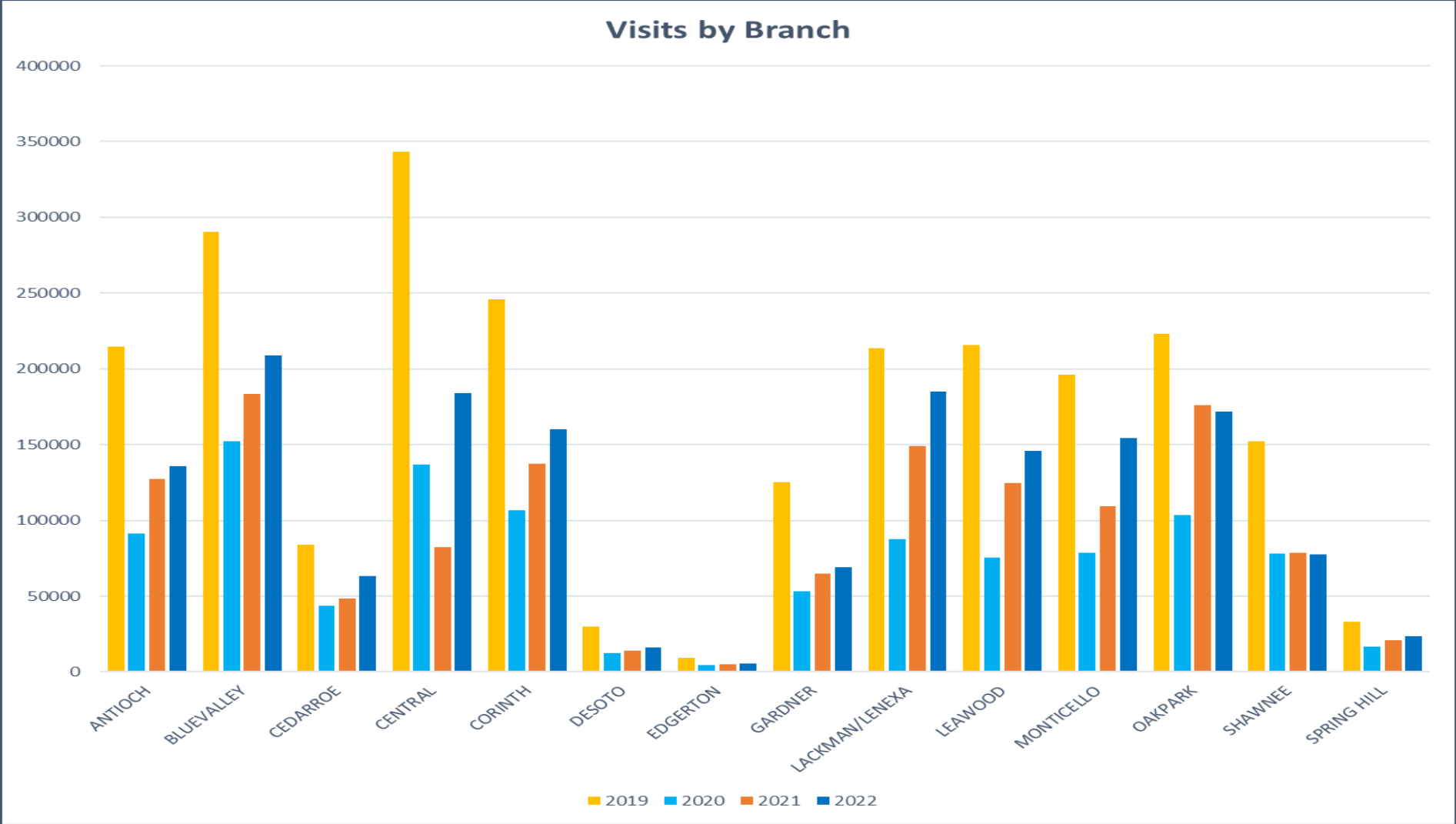
Monthly Statistics



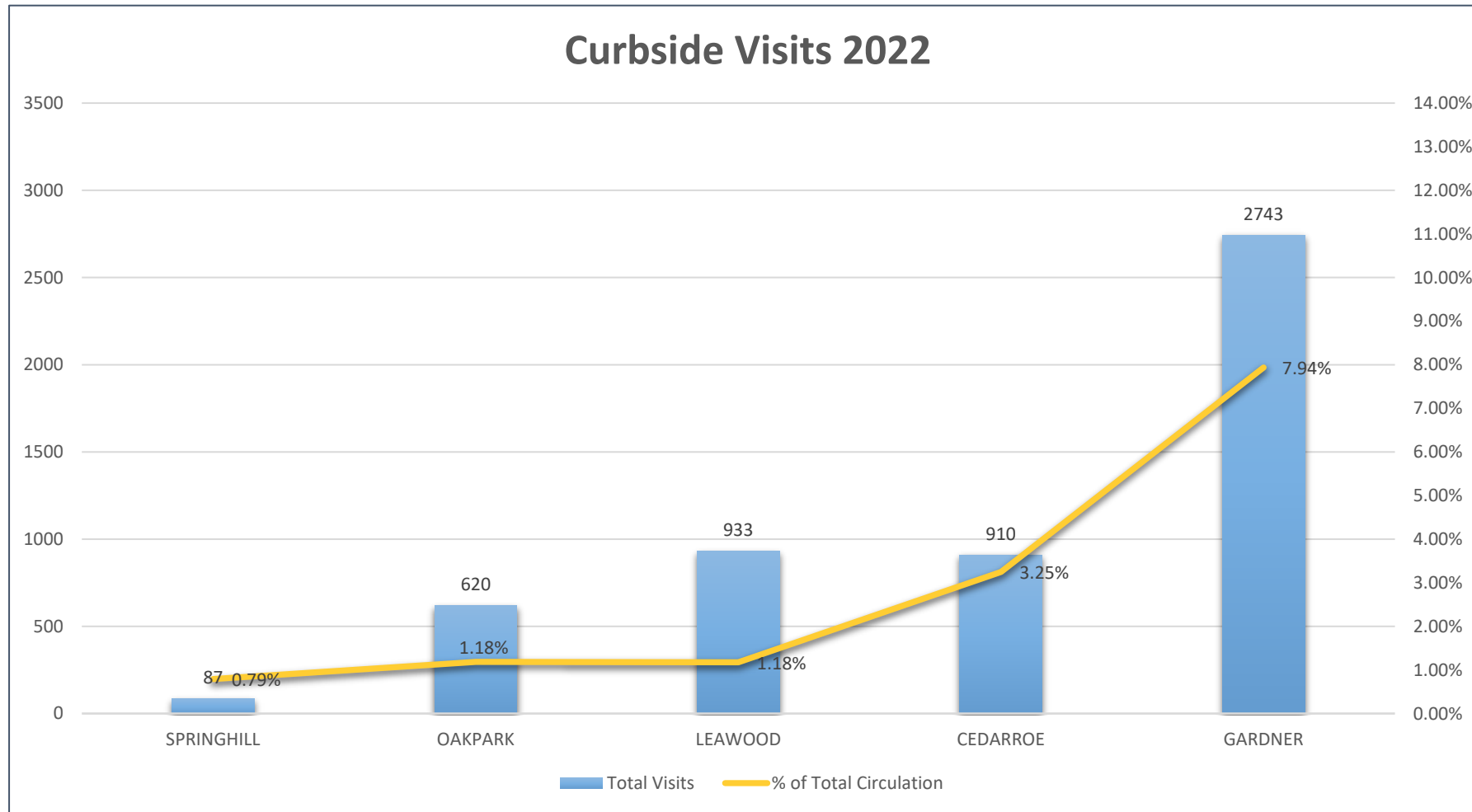
Branch Trends



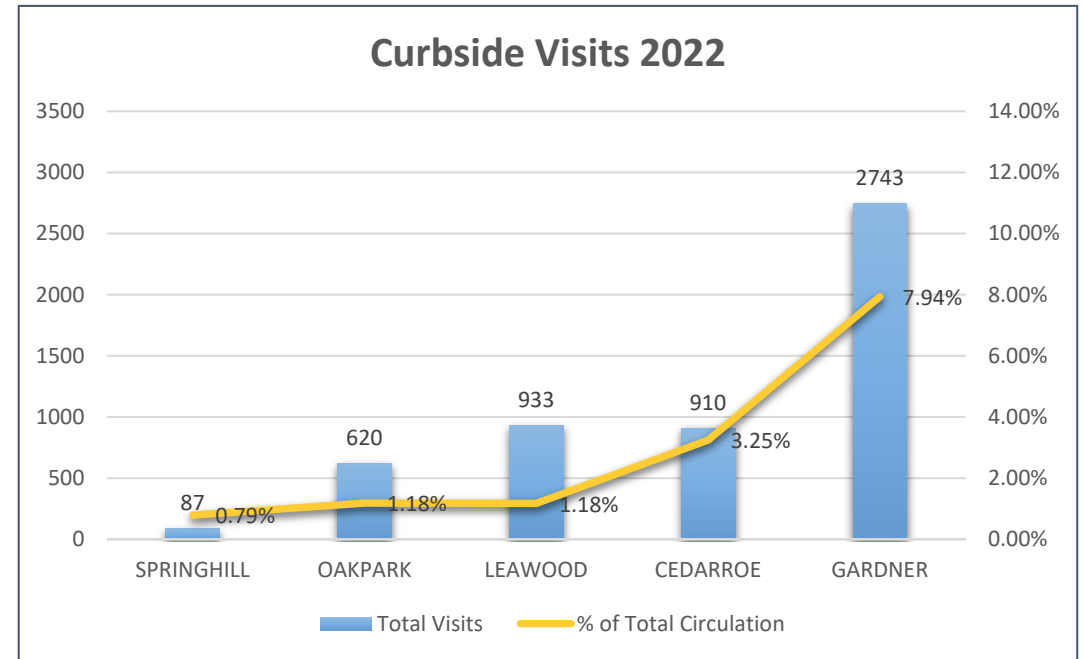
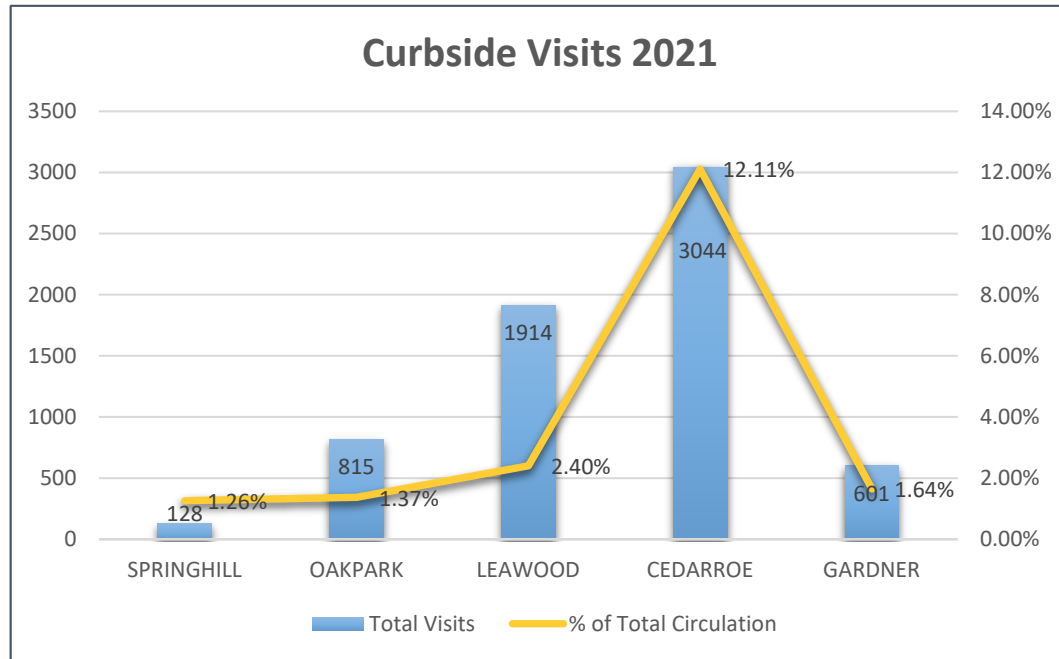
Branch Trends



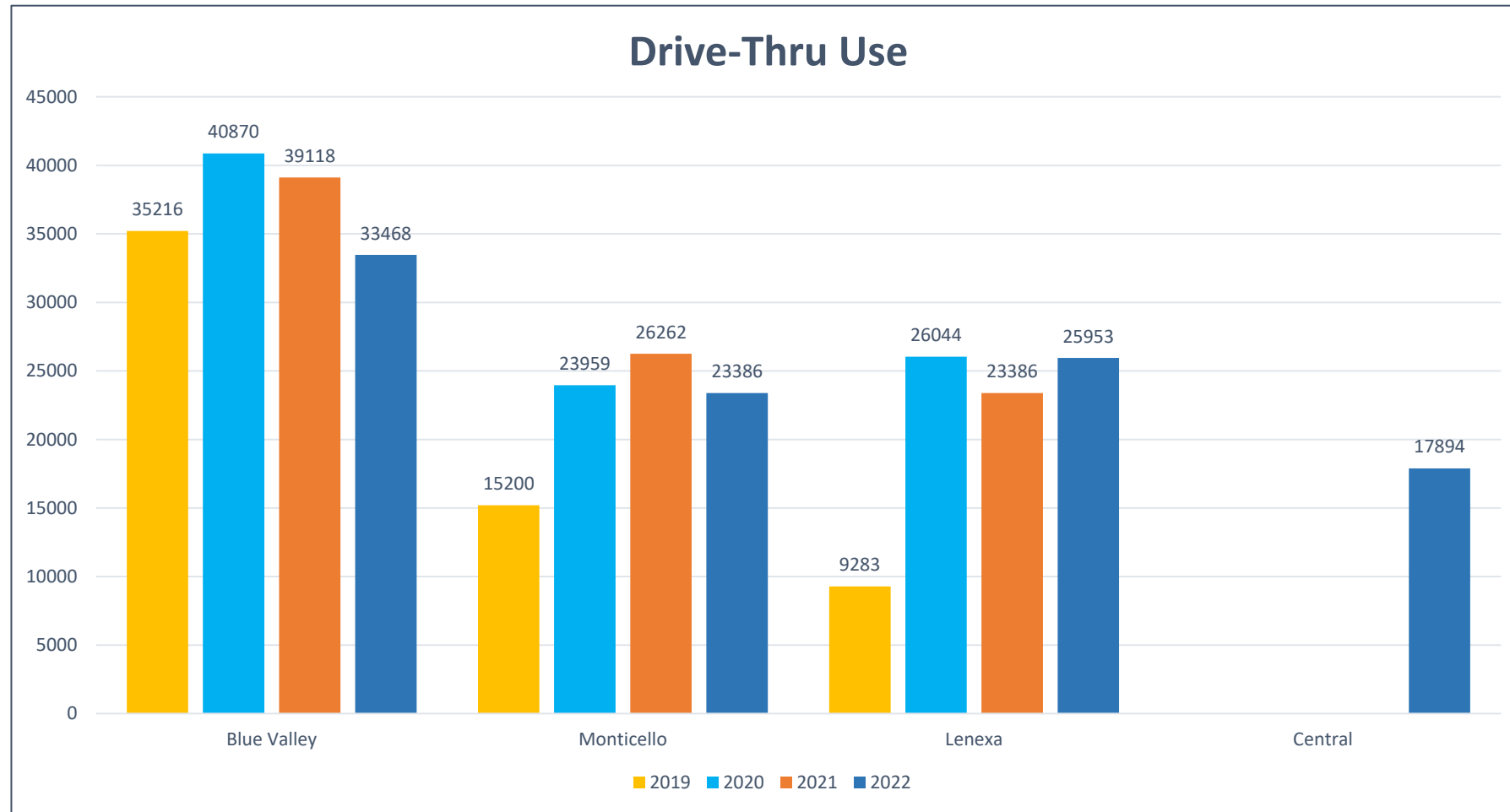
Branch Trends



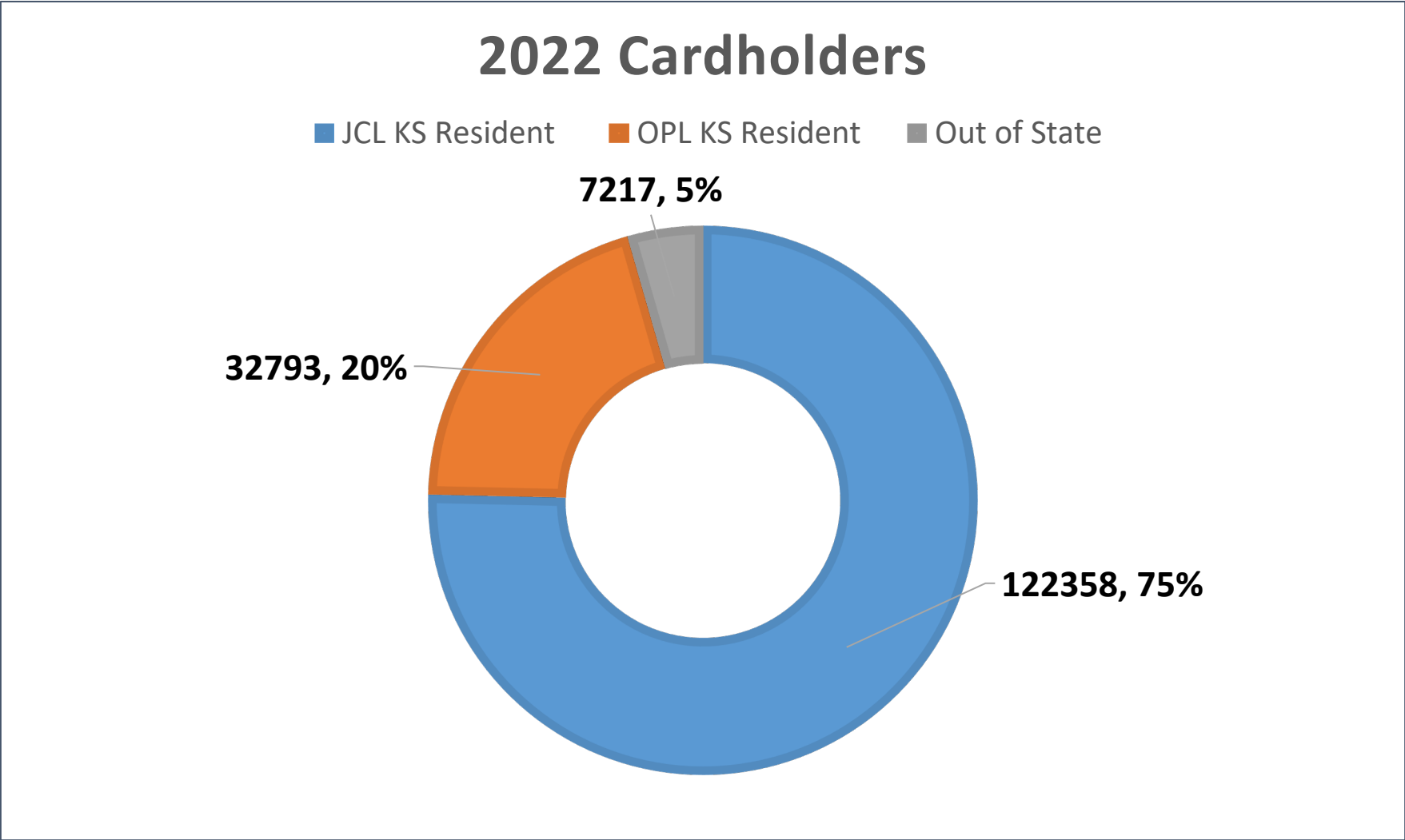
Branch Trends



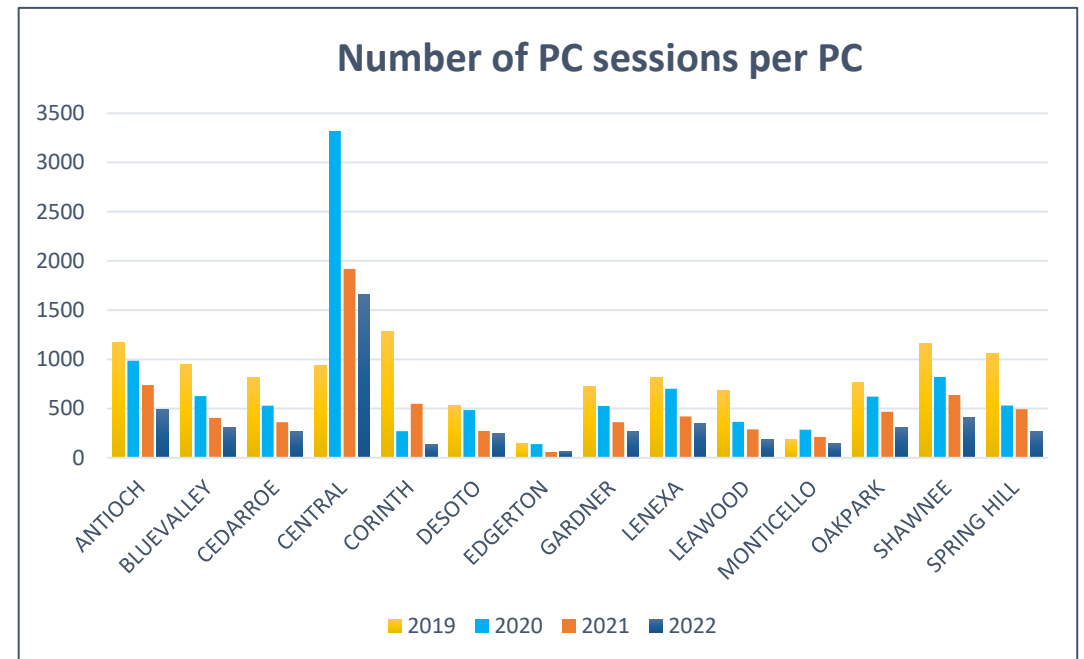
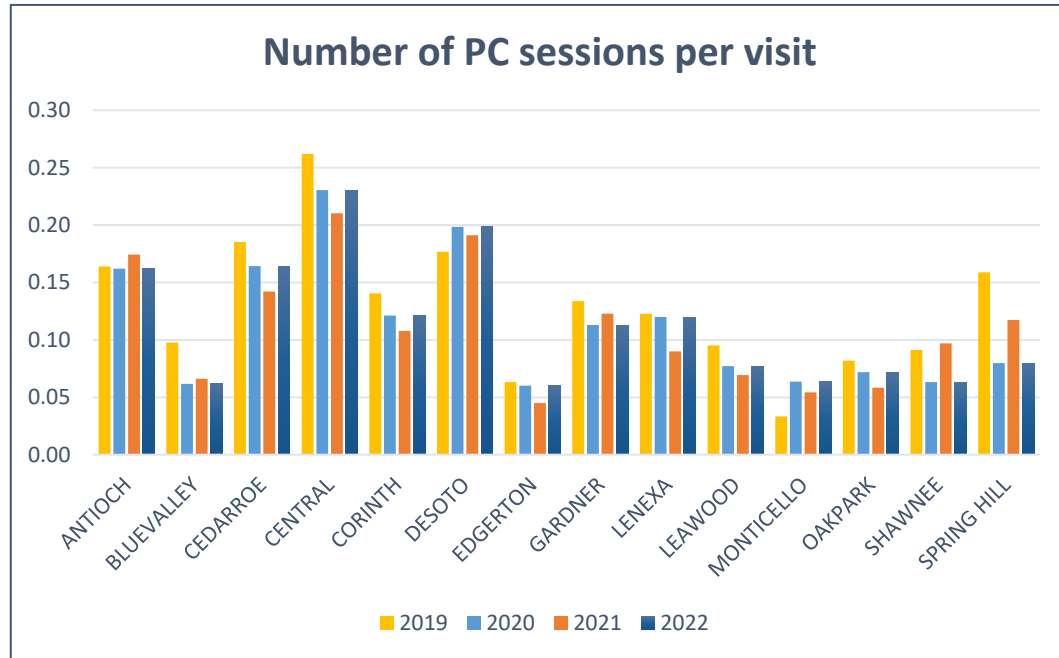
Branch Trends



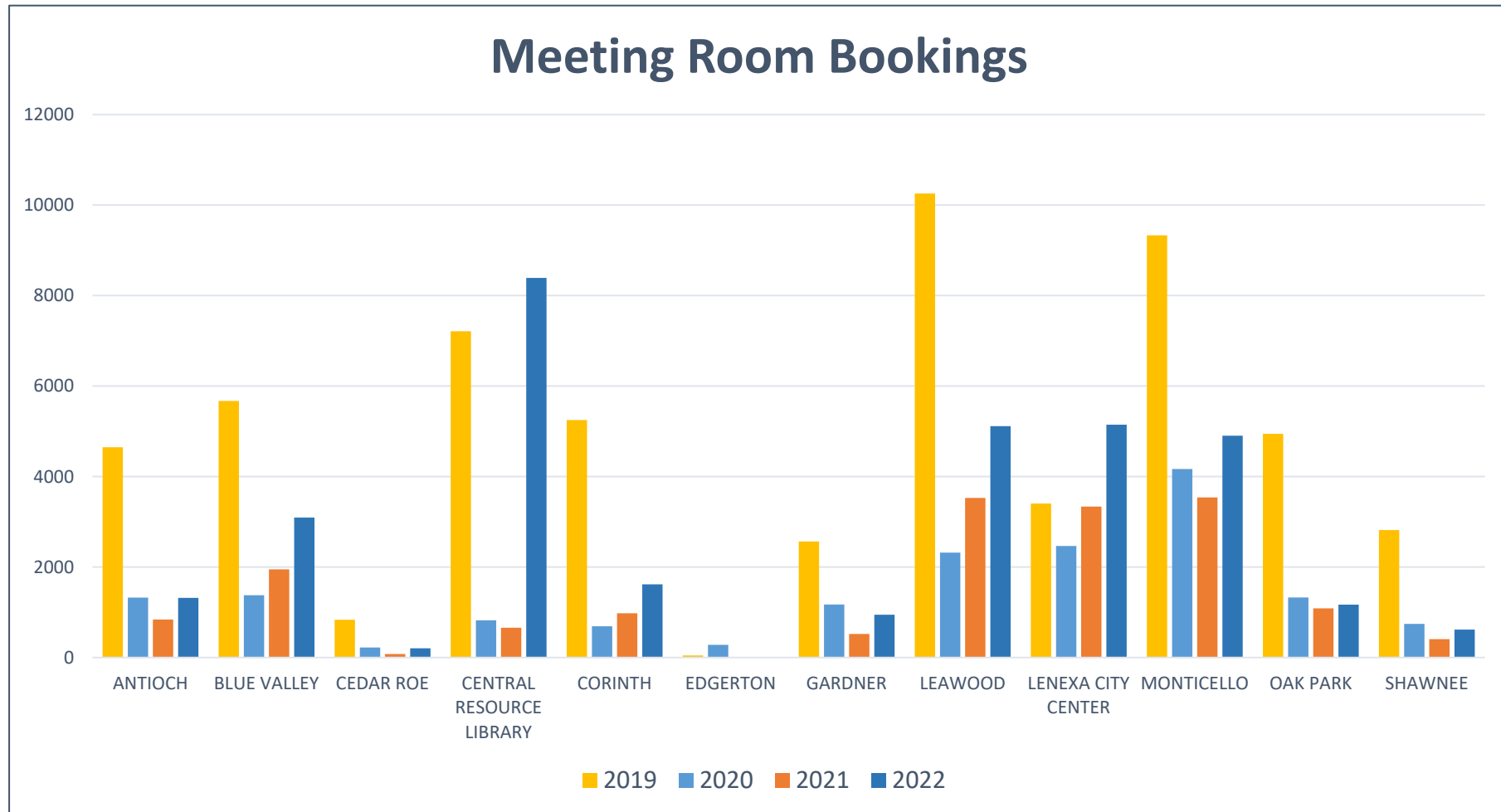
Branch Trends



Branch Trends



Branch Trends



Merriam Plaza Library

Update – July 2023



Updates

- Construction update
- Next steps
- Timeline
- Public engagement update

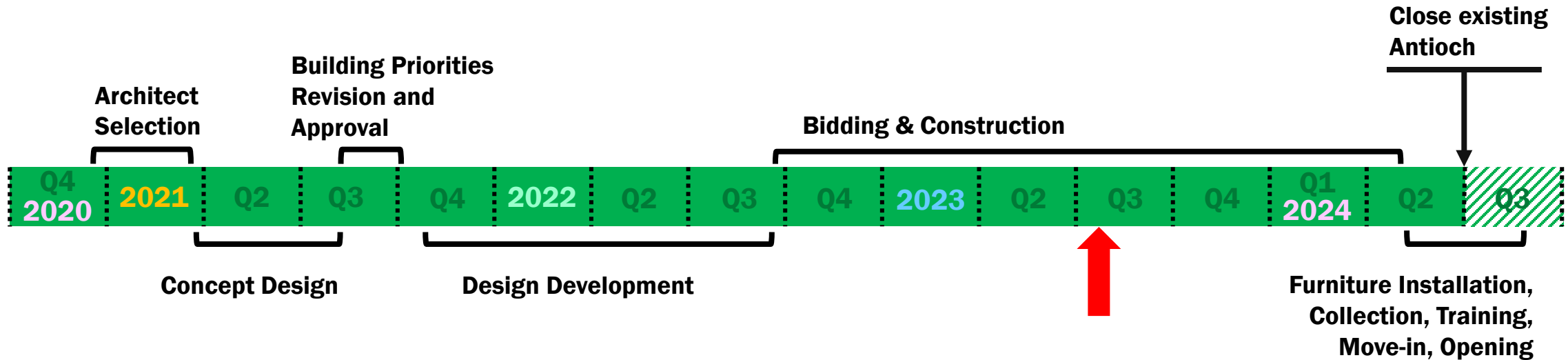


Next Steps

- Construction continues
- Building transition plan continues



Merriam Plaza Library: Anticipated Project Timeline

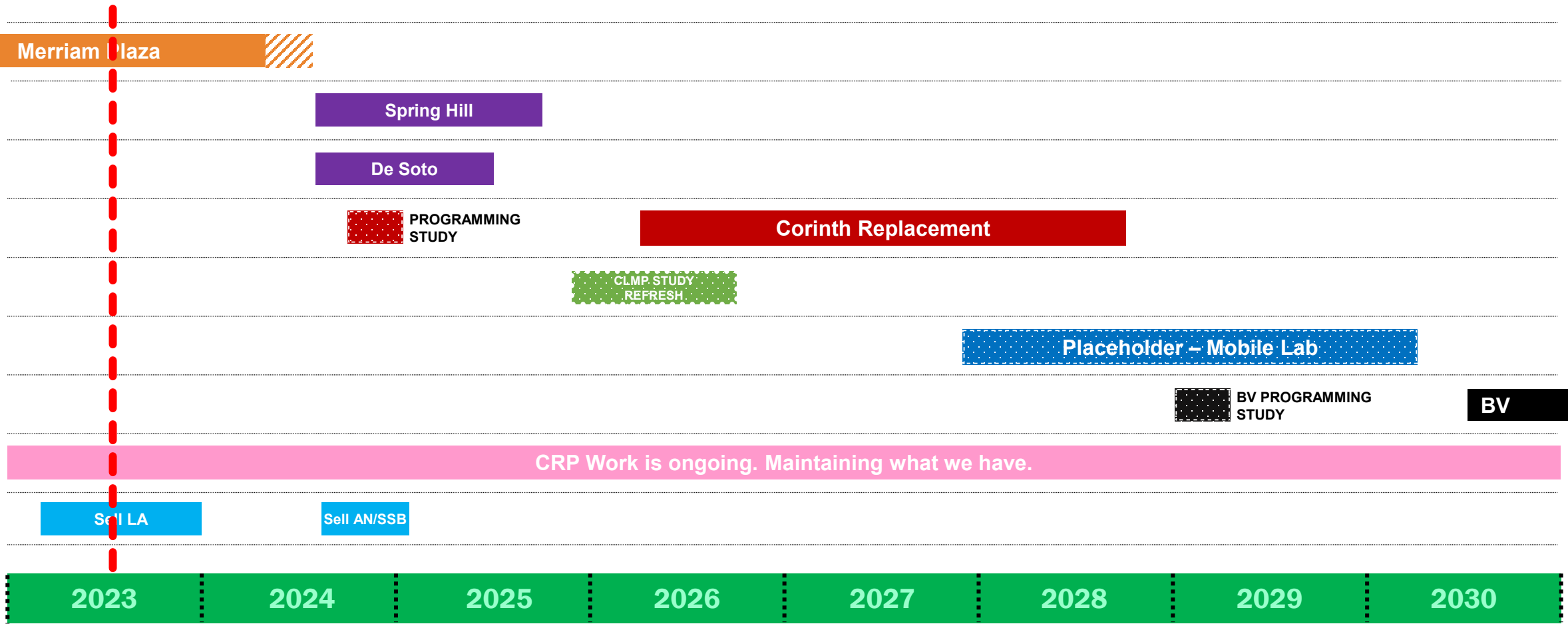


Capital Projects: Timeline Summary

July 2023



Capital Improvement Projects: Anticipated Timeline

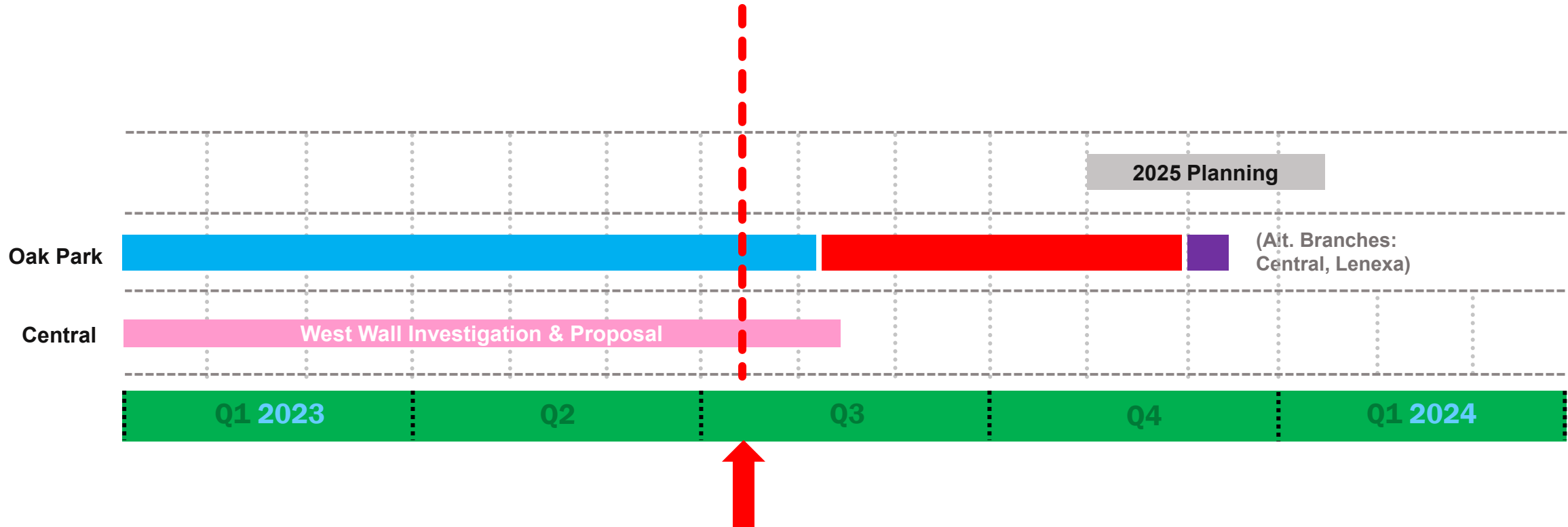


This visual is shown as an illustration with anticipated dates and may change.



2023 CRP Anticipated Timeline

- Proposals / Design
- Bidding
- Contracts / Board Action
- Product/Material Submittals
- Installation / Construction / Building Closure
- Substantial Completion / Move-in / Punch List Completion



This visual is shown as an illustration with anticipated dates and may change.



elementia issue xx

July 2023

JOHNSON COUNTY LIBRARY

About elementia

- First published in 2005.
- Entirely edited and designed by teen volunteers.
- Teens pick the theme of each issue.



Elementia Mission Statement

The purpose of elementia is to publish, uplift and represent creative, eclectic young adults, and it strives to:

- foster and recognize the talent of young adults.
- maintain an open platform/forum for young adults to share and connect.
- publish a diverse range of original writing and art.
- collaborate with community partners and schools to embed elementia in the classroom.
- emphasize the importance of reading and the written word by connecting published adult authors and artists with talented young adults.





issue xx

- Theme: Cycles
- Submissions Total: 982
- Published Pieces: 131

Copies available
now in all Johnson
County
Library locations!
(for free!)



Elementia, out now at all your favorite JOCO libraries!

The Cycles we experience...

From the Beginning by Riley Strait

Pause, and capture me how I am now:
wrap me up in the minute we just lived:

make me your mosquito in amber -
ephemeral in life, eternal in death.

Freeze and pin me to your little brother's trifold -
turn me into grade-school, spelling-test vocab:

colorful, iridescent, delicate
(you can skip over dead).

If I jumped down your throat,
would you birth me again?

Would you swaddle me like a newborn,
and this time - maybe - I can get it right?

On second thought, leave me there: born again,
given a second chance - just to let it rot, ferment.

But don't throw me out for wildlife to get drunk on.
Store me in oak and let me live out my life there.

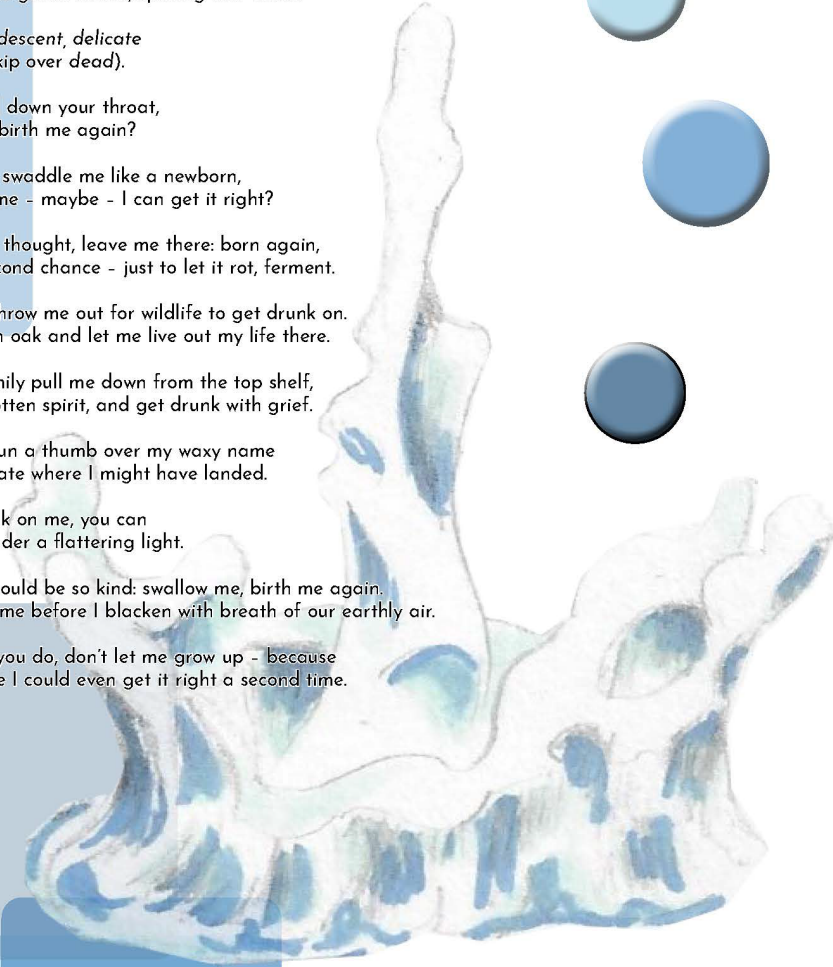
Let my family pull me down from the top shelf,
some forgotten spirit, and get drunk with grief.

Let them run a thumb over my waxy name
and postulate where I might have landed.

While drunk on me, you can
view me under a flattering light.

So if you would be so kind: swallow me, birth me again.
Then juice me before I blacken with breath of our earthly air.

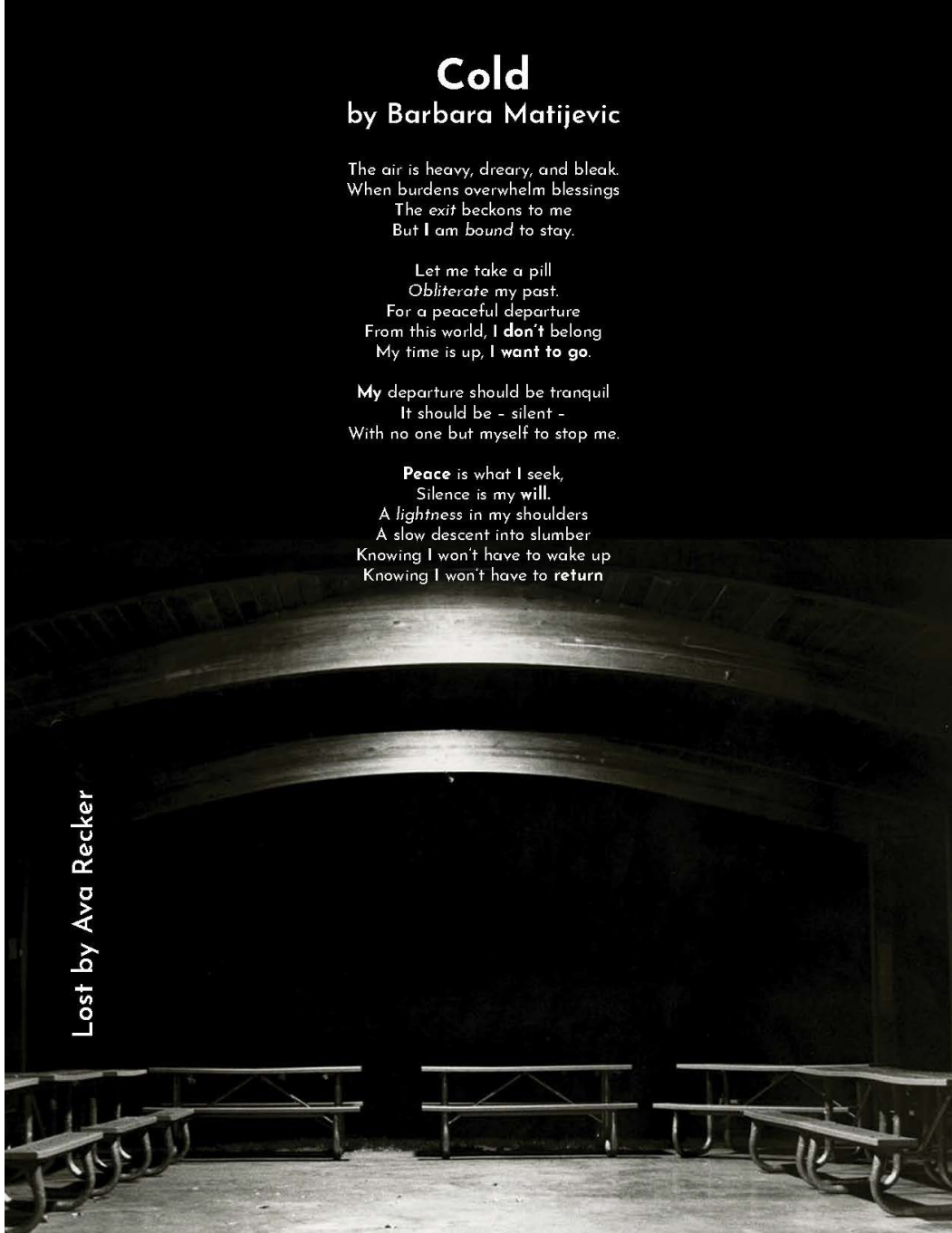
Whatever you do, don't let me grow up - because
I'm not sure I could even get it right a second time.



Opposite page: Rebirth by Ines Alto



Shooting Stars Program



Lost by Ava Recker

Cold by Barbara Matijevic

The air is heavy, dreary, and bleak.
When burdens overwhelm blessings
The *exit* beckons to me
But I am *bound* to stay.

Let me take a pill
Obliterate my past.
For a peaceful departure
From this world, I **don't** belong
My time is up, I **want** to go.

My departure should be tranquil
It should be - silent -
With no one but myself to stop me.

Peace is what I seek,
Silence is my will.
A *lightness* in my shoulders
A slow descent into slumber
Knowing I won't have to wake up
Knowing I won't have to **return**

Daisy Blumes by Barbara Matijevic

Bittersweetness prevails
As you set off your sails
Where a tumulus sea
once prevailed

Yet, here we are
With merely a scar.

Your breath is lighter
The world - brighter -
Days fly by . . .
You no longer wish to cry.

Treasuring the birds' tweets,
The softness of your bedsheets.
As springtime blooms,
With Daisy perfumes.

You're smiling . . .
Reconciling -
You're dancing . . .
Romancing -

Your self esteem
- soaring -
As you adorn heavens crown.

There's no need to *run*,
Put down the gun.

Life is worth living,
This is only the beginning.



Mono No Aware by Kenna Heller

Black and White by Farah Fehmi

I had a dream last night ...
I had a dream last night ...
You died!

I studied it for myself
Looked it up even
But couldn't wrap my head around it
Couldn't wrap my mind -

No worries
Just
Meet me in my eyes
What beautiful eyes
Black and white

It's casual!
Don't bring a suit
Black and white's a bore

Wow what a nice venue!
Black and white decor

Never leave these eyes
Never leave these eyes
Ne-ne-ne-never leave
Please

I finally found you
Why'd you leave
The party was bumpin'
Have I told you how much I love you?
You're black and white
You're (ir)resistible
What did I do wrong?
Everything was perfect
Even the breeze!

Hey
Have I told you about my dream last night?
Well I had a dream last night
That you died!
I've been trying to wrap my head around it
I've been trying to wrap my mind around it
The entire dream was in black and white
YOU were wearing black and white
It was disgusting

I'm glad I found you
How did you get lost in my eyes?
The whole thing's in black and white
Well ...
Not anymore
The entire venue's rusting

The green's contaminating everything
Even my eyes
No longer black and white
At least my folks are alive
But you aren't
You died!

In my dream you died?

In this dream you died?

Hey!

Where'd you go.



Why'd She Leave by Alex Dean

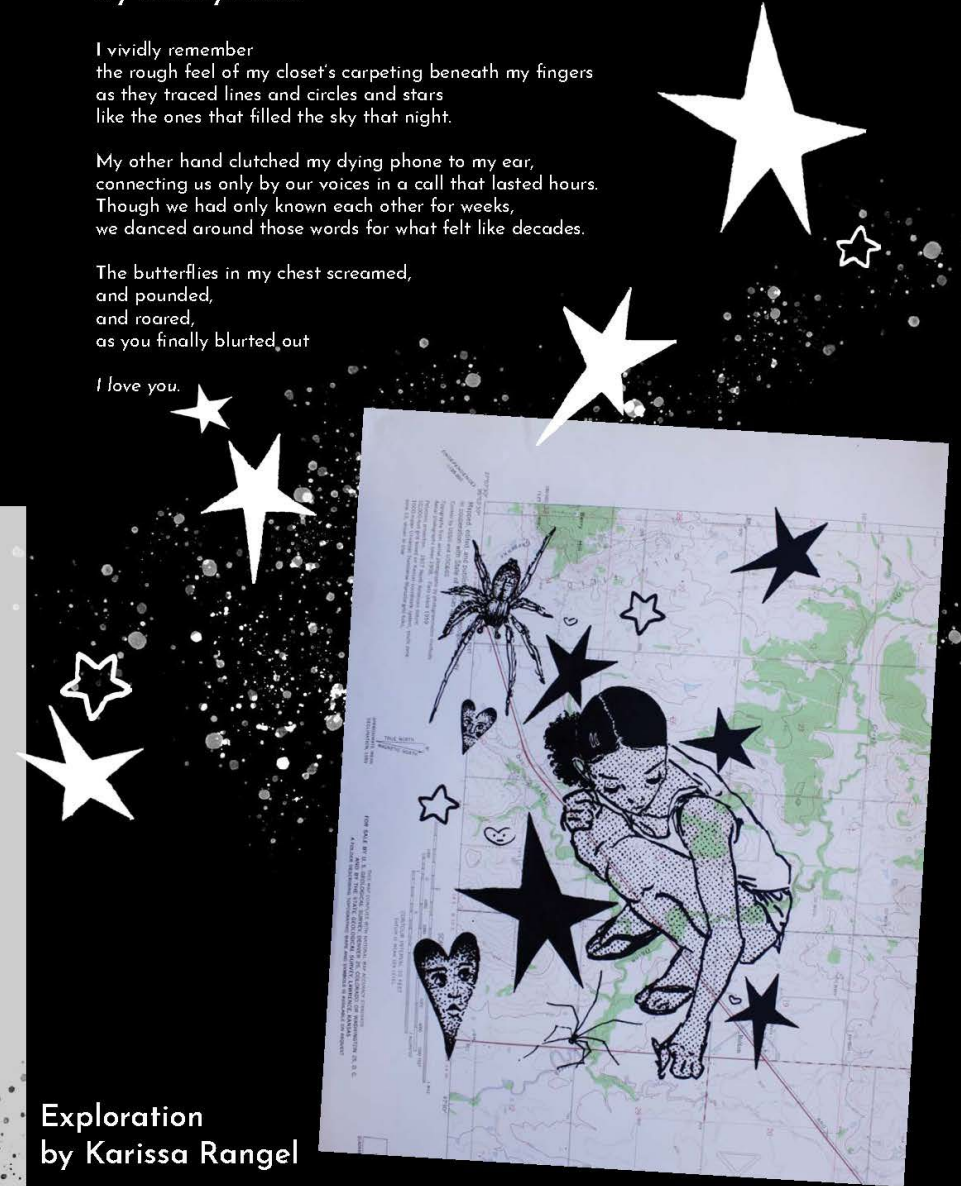
to the crab nebula and back by anonymous

I vividly remember
the rough feel of my closet's carpeting beneath my fingers
as they traced lines and circles and stars
like the ones that filled the sky that night.

My other hand clutched my dying phone to my ear,
connecting us only by our voices in a call that lasted hours.
Though we had only known each other for weeks,
we danced around those words for what felt like decades.

The butterflies in my chest screamed,
and pounded,
and roared,
as you finally blurted out

I love you.



Exploration
by Karissa Rangel

All-American Adolescence

by Riley Strait

Tomorrow, I will worry about the future.
But today, I wallow in the past.

Tomorrow, I will be 16 and trying to remember
if the derivative of arcsin is one over
square-root-of-one-minus-u-squared
or *square-root-of-u-squared-minus-one*.

I'll think it's the first but I won't be sure -

I'll just choose C.

But today, I am 6 and rumbling in the elevator
of a hotel in some state a 13-hour car ride away
for summer vacation, and all I think about
is hotel breakfast and pool.

Tomorrow, I will get home past dinnertime and
make a list of the homework I need to do and
try to see which assignment might be negotiable
because there's just not enough time.

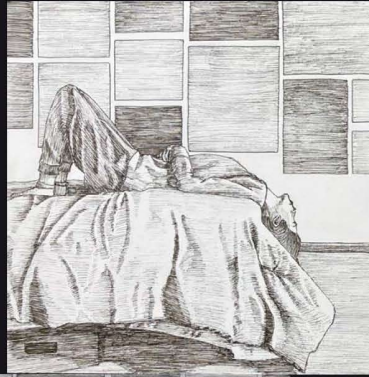
But today, I wear my light-up tennis shoes and
go to Target at opening, before school, to buy the
newest video game, and the only thing I need to do
is play it today, tomorrow, and the day after tomorrow.

Tomorrow, I will wake up middle-aged in a 16-year-old body,
limping out of bed with left-foot pain, an old injury flaring up.
I'll march sullenly off to school like a disillusioned soldier to war,
worn down from the lengthy battle of yesterday, today, and tomorrow.

But today, I am stuck at 6 and wish to fast-forward time -
but because I can't, I plan a life with childlike gravitas of all I want and more:
I play air saxophone, sketch my next masterpiece, write my great American novel.
Today, I will while away time, wanting to be 16.

Tomorrow, I will wake up a stranger in my body,
and I will get out of bed and squint at the mirror,
and think *When was the last time I shaved?* and
Since when have I needed to shave?

Tomorrow, I will realize that Today is gone.



Toska by Kenna Heller



Paradise Drive

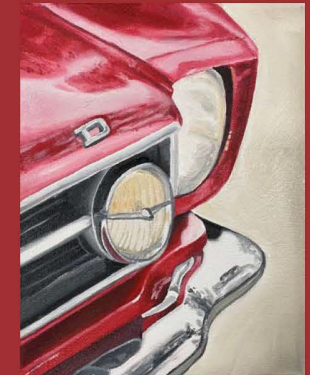
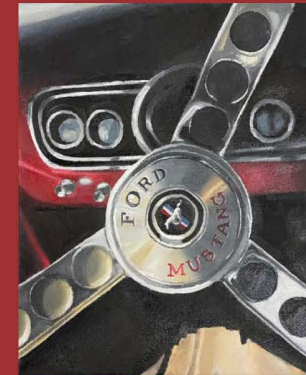
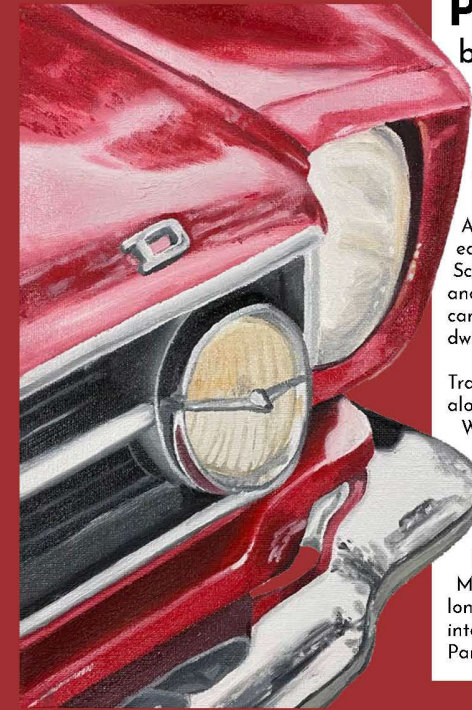
by Kayla Brethauer

Turquoise vinyl siding
a green darker than any Carolina marsh.
Twenty steps up to the front door.
Fifteen more to the bedrooms.
Will the luggage make it to its destination?

A new tenant
each week of the summer.
Schlepping around their swimsuits
and children and
canvas Aldi bags with a
dwindling number of snack foods.

Traffic ebbs and flows
along with those vacationing.
Weekend beach walkers
hoping to find a ghost crab or two, instead
find themselves photobombing a slew of family photos.

The tide washes in, and
rolls away
like the squealing tires of a travel-packed SUV.
Monday morning,
long after the last of the hatching turtles have waddled
into the sea - a silver minivan turns onto
Paradise Drive.



Stang (1, 2, & 3) by Lily Steinbrink

A Second Home

by Arielle Li

My most vivid recollections of China are filled with fond memories and blissful experiences. The smell of smoke and frying foods wafts through the air, and at night the streets are a disorienting mess of flashing billboards and street lights. Beggars rattle their cups on nearly every corner, hoping for a spare quarter or two, and cartoony murals cover the walls that line the streets.

I remember eating at the most delicious noodle place late at night; my small body would manage to consume the entire serving. The noodles and meat slices were generously piled in the bowl, and the hot beef broth would be so savory that I would somehow manage to eat more.

I remember having dinner with my mom's side of the family in front of the TV, watching 大头儿子和小头爸爸 (a cartoon show). We would laugh together over a shared understanding of animated characters performing simple tasks. I would eat straight from the bowl of 番茄炒鸡蛋 - my favorite dish - although it was intended for my family to share.

I remember my aunts buying me gold earrings and my grandfather joyfully gifting his grandchildren red packets of money. I would stare in awe at the sparkling clover earrings, and my mother would quickly confiscate the hongbao to "safekeep." Years later, when we asked for the money back, it was long gone.

I remember looking into the faces of my relatives and seeing the smile in their eyes despite our lack of a relationship. Although we were essentially foreigners, we had a blood bond, and that was all that mattered. I loved feeling my culture encase me; it felt like my life in an alternate dimension. Being with my relatives was all I cared about, rather than sightseeing at magnificent sites.

I would play Candy Crush on my aunt's phone and frolic with my cousins. We would buy trinkets from malls and play games at the arcade. We would go tubing and explore the city together. Despite being unable to communicate about more profound matters (my Chinese is not fluent), we loved each other.

Even though I spent only a month in China biennially, it felt like a second home. Near the end of our visit, our giant family tree would gather to eat at a fancy Chinese restaurant. The adults would order course after course, and waiters would set aromatic dishes on the Lazy Susan turntable. Those gatherings were the peak of my vacations, and my parents would be the happiest they would be for the rest of the year. I would be stuffed by the time the third dish arrived, and chopsticks would stretch out

and refill my plate before I could blink. A red glow would light up on the adults' faces that appeared after one too many drinks of alcohol. The joyful chatter in Shanghainese was endless, filling my ears with dopamine and a heavy sense of nostalgia when I went home.



On the flight back, the image of my cousins' smiling faces would fade to a blur. The taste of our last meal together would be a wisp of air on my tongue. The sound of honking cars were replaced by the whir of the plane's air conditioner. If I imagined it, I could almost taste the ashy scent of cigarettes.

Certain things would teleport me back to China for a split second - a whiff of smoke, my parents discussing in Shanghainese, hongbao gifted during Chinese New Year. These occurrences would happen less and less frequently, and eventually, the thought of China would gather dust in the back of my mind. But every two years, when I return to China, I experience the joy of China once more. And every two years, I hold these emotions dear until memories fade and the cycle repeats.



Pure Luck
by Ahna Chang (above)

The Allure of Home

by Nitya Dave

Salty wind pushes at the falling tide.
Blue serenity veils the town as a
melancholy buzz flows through the idle docks.

A boat pushes through the harbor:
It drifts along,
lazily down.

The sun naps behind thick blankets of wool,
but begins to rouse.
Peeking out of its weft to
cast soft rays of light onto the cobblestone streets.

And as the fresnel lens sinks on the coast
to become a buoy in the skyline,
the town traps a yawn behind its teeth
as the edge of the earth dampens the day.



The hushed waves brush their fingers, lightly
against the stone village.
Tapping and lapping away at the sand floor.

The fish, under the film of the lulling water
nest on cool rock,
And snuggle into gentle wedges,
hiding from the retreating hooks
as their dreams begin to float to the surface.



Blue Nostalgia by Didi Fu

Blackout

by Supriya Bolla

It always starts as a clear spring day.
Serene curtains, murmuring crowds, warbling musicians.
"House closes in five."
Here, time gets to stand still.

I tighten the laces of my boots, usher in stragglers, and click the entry firmly shut.
Creak open a side door, slide gently into my seat,
and push aside tangled mics to assure I've taken my cue.

"House to half."
a sharp crackle in my ear, and

"5,"
"4,"
"3,"
"2,"
"1."

Blackout.

Every time the grand opens,
I welcome the darkness,
steady my too-shaky hand,

Without warning, a new world is born:
Shabby frames turn into portals,
something akin to magic takes hold,
standing watch in a dark room

there's a moment
to touse through my too-short hair,
set my too-tight jaw, fill my inhale, and . . .

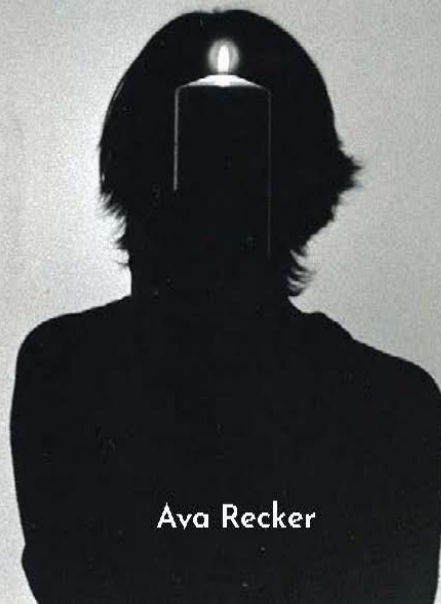
Click.

Sharp beams set scraps of wood aflame,
a fourth wall shatters.
I'm telling a story without words,
knowing no one will ever realise I was there.



Burn

by



Ava Recker

A Wistful Storm

by Lillian Flood

In all her many years, the woman did not think she ever witnessed anything as ugly as rain. It wasn't just the way it stuck to the ground, leaving muddy piles all over the city, littering the sidewalks with grime and built-up trash. No, what truly made her despise the stormy weather was the way it made her feel. It was such unworldly emptiness that captivated her, as if lightning had struck her directly in the chest. Just like it did on the streets outside, it would stay with her, the hollowness eating up her heart until the sun made rays of light through the clouds and she was able to breathe again.

How nobody else seemed to reciprocate such passionate feelings was beyond her. Many of her loved ones would dismiss her with a wave, scoffing that she could think such a pessimistic thing.

"You need to learn to appreciate the Earth more," her mother had once said, though it held no truth. The woman loved Earth and all it contained. It was just that, when she looked at the raindrops falling down the window of her car, she could see glimpses of a time when he was still around. When their silhouettes would cast dark shadows against the tiny window in her kitchen. When the radio would play some absurdly silly '70s song that fit the moment just right.

Forever ago – which actually wasn't forever ago – the thought of reminiscing didn't hurt as bad. But maybe because he was still sleeping next to her, his hair still stuck in her shower drain, his clothes still making a pile in the corner of her room. Maybe it's because, as she grew old, she found it difficult to picture the slope of his nose, the little curls of his hair, the birthmark on his left bicep. Maybe it's because you can never see the end coming, even if your hands are outstretched and eyes are wide.

After a while, she confined herself indoors, closing the blinds as the sound of raindrops made constant noise outside the walls of her apartment.

She stayed like this for half a year, each day a new weight. Some of this was spent in solitude; the rest was poor efforts at fake smiles and redundant inside jokes. One spring afternoon when winter felt impossibly distant, her friend came over, a coffee in one hand, an umbrella in the other. Without any greeting, any acknowledgment, she pointed to the window and, very solemnly, said, "It's raining."

The woman looked towards the sky and nodded. "I can see."

"Your window is still open."

The woman's eyes widened. They were standing in the living room, by the largest of her windows. And her friend was right – without her even realizing, there had been a downpour in the weather, and slight drops had found their way into the interior of the apartment.

Her heart hurt. She rushed over, shutting the window loudly, and gave her friend a look. They were silent and still for a few moments before one of them sighed – the woman wasn't sure who – and her friend finally moved to shake her umbrella out near the front door.

Later, when she couldn't sleep at night, the woman realized her heart didn't hurt from the pain of before, or the thought of him. She hurt because, for the first time in months, she had forgotten what it felt like for him to leave.

She found that while she forgot the stubble on his jaw, the tension in his shoulders, she also forgot the sobbing after days of nothing. The rage she felt when she repeated the story to her friends and family. The sound the door made when he shut it for the last time.

The unanswered phone calls. The opened texts.

The way his voice caught when he said goodbye.

She had spent minutes, hours, days trying to find a way to be the person "after." After he left. After things changed. After her heart broke. She didn't know if she could handle waking up one day and just simply being fine. The woman had gotten so used to the pain, the way it left her eyes droopy and her fingers nervous, that she had allowed it to consume her.

They told you that love was worth everything, that if you had to choose something in life, choose love. But what was love if you lost yourself in the process? The woman didn't know. So she continued to dread the rain and all of its what-if questions. Some memories were best left ignored.



El Niño

by Wyatt Vaughn

Indescribable, Unfathomable

Warmth.

Simple and mindless.

Basking in the leisure of

relief.

Carried, effortlessly, by the breezing winds

You exist

only in

My absence.

Why should the World want to summon you?

You bring

Drought, Wildfires, Destruction:

The stain you leave on

The world

That cannot handle your chaos.

The world.

A place I will not relinquish
To a force that fights for change.

La Niña

by Wyatt Vaughn

Cold.

Sensitive and agonizing.

Yearning for the asylum of

Trapped, suffocating, below you

I exist

Your absence.

True, that when free,
I summon

The only mark I can make on

Your world, that will never be rid of the scar I leave.

A place that will not know "destruction" until you share — let me restore it.

Sonatas for Diana

by Marisa Oishi

New

We wake up and feel the absence of warmth.

Waxing Crescent

Slowly now, we embrace the blossoming light all around. Was sleep an absence from the world, or an immersion in it? Eyes open, the lights offer us their hands.

We take them, relishing the sounds on our skin as they whiz by and past and away.

First Quarter

These days, we are compelled to begin. We've arrived at some leg of the journey. How is irrelevant.

All that matters is the nowness of the unmanned commands we obey. They say joy comes with time, but we demand to meet it today.

Waxing Gibbous

It turns out we don't have much or any control over when we become.

We seem complete, yes, so maybe we are. We can't imagine what it is to be real.

Full

We see it now.

If up is defined by our solar sister, we lay on our backs, facing up. We feel her power until she paints the insides of our eyelids scarlet red. We feel until it's dangerous to open our eyes.

In the oceans, we don't see the tides we convey nor the stories we illuminate.

Waning Gibbous

Maybe the shadows are now our home, and the light only an excursion.

It's time to retreat, back to the shape that makes us recognizable, distinct from the rest, ordinarily us.

Third Quarter

Our greatest fear is to be forgotten. We wait for the reverberations of our actions to recede, then ask

what will seed and take root and sprout and launch and fly, not unlike a rocket, but as far from the sky as the ground?

We don't need to make sense. To a star, are we not the heavens?

Waning Crescent

We know now, it's a sin not to think of the body as a celestial being, hot to the touch.

Sure, we chase the impossible, but only to circumvent the possible.

Yes, I am a lunatic; yes, I will sing for you.

No one will unsee our imprint in the darkness

and of course the constellations in and of our minds can't escape them, not because we can't forget their harmonies, but because we can't remember their ending.

The stars had it right the first time.

Issue xx Celebration

- Tuesday, April 25, 6:30pm
- Lenexa City Center Library
- Launch of issue xx
- 97 attendees
- Issue xx art exhibit
April 24-May 24



Photo credit Kelly Sime



Issue xx Reception

- Tuesday, May 9, 7pm
- Online reception
- 36 attendees
- 8 readers
- Musical Guest: Van Nguyen
- Keynote: A.S. King

Recording
Available on
our YouTube
Channel



Elementia Editors x Designers x Library staff



THE UNSPOKEN

We live in a world fueled by communication and collaboration, yet there are so many thoughts we never share, conversations we struggle to start and ideas that are suppressed.

What are the words you leave unspoken? Is it always truly by choice? Are there barriers that lead to us staying silent? Historically, what has kept people mute? Discover the obstacles in your life that have led you to keep certain things behind sealed lips. Do culture and childhood contribute to taboos? How do the people who surround us mold us into believing we should leave certain things unsaid? Explore how your upbringing has influenced your opinions and how you navigate communication.

What are the random thoughts that inspire you, make you laugh, cry or even cringe? The passing thoughts that spill on to shower walls, down bus aisles or even on the underside of classroom desks. The ideas you can't clearly get out on paper, and are stuck in your head – growing like wildflowers. What are the song lyrics in your brain you haven't quite found the rhythms for, or the beats that don't have words to go with them?

Take a moment to reflect on the unspoken statements and ideas in your life and their effect on yourself and others. Explore the power of the invisible constructs that impact us all. Bring the stories you've kept secret to life, unleash your creativity across any medium and speak what you've left unspoken.



ConeHead by Madison Orth

issue xxi

Submissions are now open on the theme of The Unspoken.

Submit work and find past issues at

www.jocolibrary.org/elementia



American Library Association Conference June 21 – 25, 2023

Chicago, IL

JOHNSON COUNTY LIBRARY

American Library Association Conference 2023



American Library Association Conference 2023



American Library Association Conference 2023



**MINUTES JOHNSON COUNTY LIBRARY BOARD
REGULAR MEETING**

June 08, 2023
at Central Resource Library
4:00 p.m.

BOARD: Bethany Griffith, Kelly Kilgore, David Sims, Anna Van Ophem, Charles McAllister, Jeffrey Mendoza, and Mitra Templin

ABSENT: None.

BOARD ATTORNEY: Andrew Logan

BOCC: Commissioner Hanzlick was unable to attend this meeting.

STAFF: (All JCL, FAC staff) Tricia Suellentrop, Kinsley Riggs, Jennifer Mahnken, David Vratny, Adam Wathen, Patti Kangethe, Juan Lopez-Tamez, Joe Waters, Scott Sime, Shelley O'Brien, Megan Clark, Lacie Griffin, Amber BourekSlater, Michelle Olsen, Christine Peterson, Michelle Beesley, and Bryan Voell, Joseph Keehn, Karen Wickwire, Matt Fuegen, Elena McVicar, Beth Atwater, Woinshet Assefa, Samantha Chinn, Olivia Cusanelli, Evin Sagduyu, Marie DuBois, Grace Phillips, Hope Harms and Rachelle Greer

Angi Hejduk InterUrban ArtHouse Chief Executive Officer

Board Chair Bethany Griffith called the meeting to order at 4:00 p.m.

CITIZENS COMMENTS:

None

REMARKS FROM THE LIBRARY BOARD OF DIRECTORS:

Board Chair Griffith attended the County Budget Presentation to request the 2024 Fiscal year budget last week and is hopeful that the presentation resonated with the Board of County Commissioners.

DEVELOPMENT DEPARTMENT REPORT

Christopher Leitch, Community Relations Coordinator, presented on behalf of the Development Department combining the Friends of the Johnson County Library, the Johnson County Foundation, and the Johnson County Library Volunteers. The written reports are included in the June Library Board Report.

Mr. Leitch highlighted how the Library Volunteer Coordinator, Amber BourekSlater, represented twelve county department volunteer opportunities at a recent Johnson County Government's Citizens Academy. The Friends of the Library are continuing to look for a new space, in 2025 they hope to find a 12,000 square-foot mix-use space in Johnson County to call home. Lastly, Mr. Leitch shared that the Foundation has received a grant from Ann and Bob Regnier and the V & H Charitable Foundation, combined with the donation from the Royals Charities to purchase an interactive unit for the children's area at the new Merriam Plaza Library.

Library Lets Loose planning is heavily underway with the theme of **Libraries are Magic** and look forward to seeing you there September 23rd.

COUNTY COMMISSIONER REPORT:

Commissioner Hanzlick was unable to attend this meeting and sent her apologies.

BOARD COUNSEL REPORT

Andrew Logan, Board co-counsel, reviewed Collection Reconsideration and Board Authority, and Public and Non-public Forum.

Mr. Logan reviewed the procedure that provides that opportunity for request for reconsideration of materials. The Collection Development Policy identifies the criteria for selection of library material, outlines the 5-step process for reconsideration of materials and contains the form for request for reconsideration of materials.

The process for reconsideration starts with a patron submitting the form as found in the Collection Development Policy or on the Library's website. Mr. Logan reviewed what information is included on the form. Once submitted the Collection Development Manager reviews each request and material, then offers an opinion and analysis. The opinion and analysis that is given is in regard to whether the Collection Development Policy was followed with regard to selection of the material. If there is a dispute there are three steps for appeal and review; first it would go to a staff committee to review and confirm if that the Collection Development Manager responded appropriately, second it would be reviewed by the County Librarian, and finally third appeal would go to the Library Board. Once reviewed by the Library Board it would be considered a final determination. The Board has the authority for selection of materials as a matter of statute, so any decision would be final.

The Collection Development Policy sets forth criteria for selection and it is focused on social and literary merit, no opinion is taken with respect for subject or viewpoint of the material. Staff are very good at analyzing patron demand in a timely manner.

Ms. Templin asked how many requests for consideration we have had.

County Librarian Suellentrop shared that the Library has averaged about five (5) requests for consideration per year.

Ms. Templin asked if anything has been removed.

County Librarian Suellentrop confirmed that most often items are moved from one collection to another collection, there have been one or two items that have been removed.

Ms. Kilgore asked how many appeals have risen to the Library Board.

County Librarian Suellentrop shared most responses between the patron and Collection Development Manager is resolved at that level. There are no requests that she is aware of that have been appealed to that Library Board.

Mr. Logan reviewed Public and Non-public forums; this was specifically reviewed in respect to display of artwork to prepare for a partnership with InterUrban ArtHouse for curated spaces in branch facilities. The library has the right in terms of Library policy and more broadly First Amendment to designate certain properties off limits for public forum or for public speech. ARM 20-80-20 establishes what is called a non-public forum, certain places, such as display cases, bookshelves or exhibit cases, where public speech is not feasible and may not take place. The library can select artwork for placement throughout library branches and that does not create a public forum for others to come and post art, materials, or speech. Conversely, there is an opportunity for a public forum and there is a requirement of government, with libraries being subject to that as well. Inside the library the ARM

provides for bulletin boards or a space for posting of certain information for government or non-profit information, meeting rooms can be used for people to gather, discuss, or meet on those issues. Commercial speech is treated differently than educational or cultural speech; commercial speech is not permitted. Outside the building there are petitioning zones, under ARM 20-80-24, where people can picket or demonstrate peacefully. Staff regulate the location of that space so as to not impede other patrons' use of the library. The County Librarian is authorized in the ARM sections to enforce those rules and guidelines.

COUNTY LIBRARIAN REPORT

Finance Report

Dave Vratny, Finance Director, presented the financial report to the Board, this report is included in the June Board Report.

At the end of April, we were 33% through the 2023 year, with a little over \$25.2 million, a little over 53% of anticipated revenues. As for expenses, including our collection encumbrances and interfund transfer we have spent a little over \$18.5 million or approximately 39%, which tracks with where we should be at the end of April.

Statistics

Adam Wathen, Associate Director of Branch Services, presented the Monthly Report of Statistics, this report is included in the June Board Report.

Mr. Wathen reviewed the monthly statistical report based on the past five years as of April. Circulation is on par with the past few months with physical circulation dipping slightly and digital continuing to trend high toward 2020 numbers. The visitation trend is approaching pre-COVID numbers.

Collection

Lacie Griffin, Collection Development Manager, presented the Collection report to the Board; this report is included in the June Board Report.

Ms. Griffin reviewed the Collection Department and introduced the team. This year the team has been working on many projects and has some fun things coming. Reviewed 10-year collection expenditures. Number of items in the collection has remained steady, the electronic offering has increased while the physical offerings have been dropping. Ms. Griffin reviewed the digital usage since 2017.

Ms. Kilgore asked if there is a target percent of budget to be spent on the collection.

Ms. Griffin shared that the collection budget has been about 10% of the operating budget.

Ms. Kilgore asked if there is a split between physical and digital.

Ms. Griffin explained that there is a split at the title level and the library sees how many formats can be filled underneath. Everything will be physical first because there is no barrier to access with that format, then e-book would be a second format. CD audio is become less accessible than e-audio due to the use of phones for listening for e-audio books.

Ms. Kilgore asked how our budget for the collection compares based on other similar sized library systems.

Ms. Griffin confirmed that Johnson County Library has a nice budget for the collection.

County Librarian Suellentrop expressed that this department is very responsive. As you can see in the statistics developed during COVID, they work to adapt and respond to what patrons need and the access that the Library is able to give. They are also incredibly involved professionally in libraries locally, in the metropolitan area, and nationally, representing the library and keeping access at the forefront of their work.

COMPREHENSIVE LIBRARY MASTER PLAN

Megan Clark, Project Coordinator, presented on the Comprehensive Library Master Plan, these reports are included in the June Board Report.

Merriam Plaza Project

Ms. Clark reported the status of the Merriam Plaza Library Project, installation of exterior framing, installing roof draining, sprinkler system and utility work. Next steps include completing interior and exterior sheathing, beginning interior framing, installing underground electrical conduit, and continuing roof and utility work. The library is coordinating with the City of Merriam to complete underground stormwater on the westside as Slater Street will be down to one lane for this work to occur.

Excited to work with Turner to host a drywall sheet for public to sign and then be installed in the building. These sheets will be hosted at Antioch Library and Merriam Community Center for signatures.

Ms. Clark reviewed the timeline for this project, which has no changes from last meeting. She also shared construction photos showing the current state of the building, highlighting the light monitors and exterior sheathing being installed.

Overall Timeline

The Capital Improvement Plan (CIP) timeline and Capital Replacement Plan (CRP) 2023 timeline are included in the June Board Report.

Ms. Clark reviewed the Capital Improvement Projects timeline, which has no changes from last meeting. The Lackman building closed to bids on May 26th, with no formal bids. After confirming with County Purchasing, legal counsel, and Administrative team we are anticipating issuing an RFP for brokerage services that will allow us to select a broker and list the property. This is the same method that we used for the old Blue Valley location in 2000. Staff are currently working on drafting the RFP and we expect that it would need to be open for a few weeks to allow time for brokers to submit proposals. Proposals will be reviewed by a selection committee overseen by County Purchasing department. The selected broker will then list the property and bring back the best offer to the Library Board for consideration. When the Blue Valley property was sold in 2000 this process took roughly nine (9) months, so we anticipate that this timeline could be similar. Staff are incorporating lessons learned for the Antioch building sale process. We are also open to having up to two library board members as observers in the RFP interview and selection process.

County Librarian Suellentrop expressed that we have used a similar RFP process for architects when designing buildings. She opened an invitation to board members if they are interested in taking part as observers that staff can coordinate this process to align with their schedules.

Mr. Scott Sime, Project Manager, addressed the CRP anticipated timeline of projects; the Capital Replacement Plan (CRP) 2023 timeline is included in the June Board Report. Still anticipating kicking off Oak Park work after the August primary. We anticipate bringing a contract for the Central West

Wall work back to the board in July or August for consideration. Mr. Sime highlighted that there have been some close calls recently with two buildings and their air conditioners, specifically with the Oak Park and Monticello chillers. Facilities partners and HVAC techs were able to get both fixed and up and running quickly. Oak Park work in August will be replacing this system during the CRP work. It could be that we need a temporary chiller to maintain operation at Monticello.

Ms. Griffith asked about a warranty on the Monticello air conditioner.

Mr. Sime confirmed that there was a 1-year warranty on the chiller at Monticello. We are putting into place a best practice to have a longer warranty and facilities is investigating why this happened.

Ms. Kilgore asked if the Lackman building is not sold would we consider having it as a polling place. County Librarian Suellentrop shared that would be a coordination with Elections and unsure if there would be any reason why we could not do that.

UPDATES – Tricia Suellentrop, County Librarian

Ms. Tricia Suellentrop, County Librarian, reported to the Board.

She welcomed the new employee class tonight and expressed excitement over having new staff and welcoming legacy employees.

Updates

Budget Presentation Report, Dave Vratny, Finance Director

Mr. Vratny reviewed the presentation and questions that were received from the Board of County Commissioners (BOCC). There were questions about the Salary and Benefit Study, some regarding a planned partnership with Prairie Village, as well as our Blue Valley replacement project specifically why it was moved out further on our timeline. Several Commissioners spoke highly of the return on investment that their residents and they themselves receive from library services.

Mr. Vratny reviewed the timeline for budget review; BOCC should be wrapping up budget presentations Thursday June 15th and action should be taken on setting a proposed expenditure maximum for the 2024 Budget June 22nd. There are two planned Budget Open Houses: 5:30 to 7pm Thursday, June 22nd at the County Administration Building and Tuesday, June 27th at the Johnson County's Northeast Offices, 6000 Lamar Ave in Mission. The Public Hearing is scheduled for August 21st and planned adoption of the 2024 Budget is set for Thursday, August 31st.

Salary and Benefit Study, Tricia Suellentrop, County Librarian

County Librarian Suellentrop shared that in February County Manager, Penny Postoak-Ferguson, shared with staff that the BOCC heard the results of a Salary and Benefits Market Study and an associated recommendation to fund that study and make a new pay structure. At this time, the action is a recommendation to the BOCC and still requires approval from the board, it is anticipated that action would be considered by the end of June. We have shared previously that the projected impact on the Library 2024 Fiscal Year Budget would be approximately \$1.9 million if this recommendation is approved.

The Library is starting to see hiring struggles especially when attempting to hire new staff, with alternate offers being accepted rather than the Library's. There are several departments that are at higher vacancy and turnover rate. Ultimately this would not take effect until mid-July, if approved at the end of June.

Chair Griffith asked if the Salary and Benefit Study is separate from the 2024 budget.

Mr. Vratny shared that we did plan the 2024 proposed budget with the assumption that this action will be approved in June.

Chair Griffith asked what would happen this year if this is approved in July.

Mr. Vratny shared that if this were to pass then the impact for the library would be for a partial year, and we feel we would be able to accommodate this out of the existing expenditure budget and we will be monitoring to determine if we feel we need a temporary use of reserve to get us to the end of the year.

Mr. Sims shared that we are about \$300-\$400k under on compensation.

Mr. Vratny confirmed that Mr. Sims is correct in his figures and there may be a little bit of a gap at the end that we would need to make-up.

Juneteenth Celebration

This morning Angel Tucker and County Librarian Suellentrop attended the BOCC meeting to accept the proclamation commemorating the observance Juneteenth. Johnson County Government will hold its second annual Juneteenth celebration on June 19, from 11:30 a.m. to 1:30 p.m., at the Lenexa Civic Campus Commons.

The library will be closed in observance for the holiday and library staff will be onsite at a booth to assist the community in creating library cards and sharing all the exciting things they can find at the library this summer. Library is partnering with Parks and has two Walk and Reads at Stoll Park and Strang Park June 10th thru 19th.

Libraries as Cooling and Warming Centers

County Librarian Suellentrop shared that as temperatures start to rise Johnson County Libraries are cooling centers in the summer and warming centers in the winter. We open our libraries and welcome folks who need that type of relief, as long as we are open. The goal is to be a cooling and warming center when we are open, we do not function in an emergency capacity.

Strategic Plan Update, Kinsley Riggs, Deputy County Librarian

Kinsley Riggs, Deputy County Librarian, reported the triannual strategic update, this report is included in the July Board Report.

Ms. Riggs reviewed key performance indicators (KPI) and how the staff continued to strive for the strategic vision of library in all that we do. She updated in each of the KPI areas; education, community, convenience, communication, and operations.

Work completed for the education KPI included planning Summer Reading along with outreach and book distribution, Genealogy Day, and memory lab, elementia volume 20, staff Diversity Equity Inclusion and Belonging (DEIB) training, Leadership Empowers All People (LEAP) staff training, and Cyber/Physical Security Training for staff.

Work completed for the community KPI included many events put on by our Development Department including the 1952 Society & Readers Circle event, Library Lets Loose 2023 planning continues, and celebrating our volunteers at volunteer appreciation event with three (3) National Points of Light Presidential Lifetime Achievement awardees.

Work completed for the convenience KPI included being able to implement Fine Free, assisted Olathe Public Library in opening downtown branch, moving the youth collection at Corinth.

Work completed for the communication KPA includes a new Spanish website, celebration, and promotion of Fine Free, Summer guide mailed to 190 households, Library logo update, Merriam Plaza 'How to build a Library' videos and the Internal Communication team is developing a new employee handbook.

Work completed for the operations includes new furnishings, IT Cyber Security is ongoing, Administration continues to work towards a reorganization plan to meet the changing needs of library patrons and support the pursuit of strategic goals. Last trimester we hired and promoted 14 new staff.

Mr. Mendoza asked if the DEIB training was virtual or in-person.

Ms. Riggs shared that the training started with 3 virtual sessions and the last session was an in-person action planning session.

County Librarian Suellentrop shared that staff is starting to look at dates for the October Board Retreat and a Doodle poll will come out to Board Members soon for input. Typically, no action is taken at these meetings, there is the ability for discussion and alignment around action that you want to take. Previously this has been alignment around prioritizing capital projects and policy review. Typically, this meeting is 3 to 4 hours long and lunch or dinner provided.

CONSENT AGENDA

I. Consent Agenda

A. Action Items:

1. Minutes of the May 11, 2023 Regular Library Board meeting

B. Information Items

1. Financial and Personnel

- a) The County Librarian and the Finance Director certify those payment vouchers and personnel authorizations for April 2023 were handled in accordance with library and County policy.
- b) The April 2023 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

Motion: Ms. Kilgore moved that the Library Board of Directors approve the consent agenda.

Second: Ms. Templin seconded this motion.

Motion was approved unanimously

II. Old Business

None

III. New Business

- A. Information Item: Consideration of approval of the MOU with InterUrban ArtHouse Curation

Bryan Voell, Reference Librarian reviewed the briefing sheet and report that is included in June Board Report.

Mr. Mendoza asked about the hours of work that has been spent on art curation and who has done this work in the past.

Mr. Voell clarified a lot of this work was his own, curating ten (10) gallery spaces.

Mr. Mendoza asked if under this agreement Mr. Voell would be in communication and having final say with the curator.

Mr. Voell clarified that the library would be operating under a 'No Surprises' theory, working closely with InterUrban ArtHouse to know the art and artist before the art is installed.

Mr. Mendoza asked for an estimate of staff hours moving forward with this process.

Mr. Keheen clarified that there are over 15 staff, from finance department, managers, clerks, and more, that were involved previously. By partnering with InterUrban ArtHouse this would simplify this to one touch.

Board Chair Griffith shared that if Board Members have questions while they review this information before this item comes back for action to reach out to Patti Kangethe so that staff can address those.

- B. Information Item: Consideration of a resolution requesting the issuance of bonds and authorizing execution of the leases and related documents for the Merriam Plaza Library construction project.

Dave Vratny, Finance Director reviewed the briefing sheet and report that is included in June Board Report.

Mr. Sims asked for the total project cost.

Mr. Vratny clarified the total project cost is just over \$13 million, of which we have about \$6.5 million going out on the bond sale.

Board Chair Griffith reminded the board that a doodle poll will come from Patti [Kangethe] for the Fall Retreat. Also, that Patti is the best contact point if board members have questions. There may be research that board members would like to bring up and share, that is what your remarks are for to fully partake in.

Ms. Templin asked if there was a reason to not have discussion at the time of the informational item for the MOU with InterUrban ArtHouse.

Board Chair Griffith clarified that she would like to ensure that if board members have questions those are conveyed to staff prior to the next meeting so that they can be answered fully before the next meeting and avoid delay. This makes for an efficient use of time for board and staff members.

County Librarian Suellentrop wished Board Chair Griffith and Ms. Templin a safe and fruitful trip to the ALA Conference, along with many staff members.

County Librarian Suellentrop also asked if anyone is interested in serving on the RFP panel to observe the interview and selection process.

Charles McAllister and Kelly Kilgore both volunteered.

ADJOURNMENT

Motion: Mr. McAllister moved to adjourn the meeting.
Second: Mr. Mendoza seconded this motion.

Motion approved unanimously.

Meeting adjourned at 5:07 p.m.

SECRETARY _____
Kelly Kilgore

CHAIR _____
Bethany Griffith

SIGNED _____
Tricia Suellentrop, County Librarian

**JOHNSON COUNTY LIBRARY
GIFT FUND
TREASURER'S REPORT**
Period: MAY-2023

		Receipts	Payments	Balance
	Opening cash balance			\$225,197.06
	Add Receipts	\$60.11		
	Less Payments		\$3,990.78	
	Ending Cash balance			\$221,266.39
	Less Liabilities		\$300.75	
	Unobligated cash balance			\$220,965.64

APPROVED: _____

DATE: _____

To: Library Board of Directors
From: Tricia Suellentrop
Date: July 14, 2023
Re: Art Gallery Space Curation MOU

Issue: Curated art spaces in the Library

Suggested Motion: I move that the Johnson County Board of Directors approves the memorandum of understanding between the Library and InterUrban ArtHouse for the curation of library art spaces.

Background: The Library has hosted gallery spaces since 1972. The spaces have been curated in several different ways over the years. Most recently library staff has taken on this role in partnership with local art organizations such as InterUrban ArtHouse, Kansas City Artists Coalition, and The Arts Asylum. Staff has been responsible for choosing artists and pieces for each space, coordinating payment of stipends to artists, gathering artist biographical information, and overseeing installation of the art. The library staff committee doing this work put forward a proposal to change how our spaces would be curated. Their proposal is to outsource the curation of nine of our gallery spaces, leaving Central to be used in coordination with our own programming and branding efforts. Outsourcing this work frees up staff to serve our patrons in other ways, that better match their skill sets.

InterUrban ArtHouse, the chosen organization after an informal RFP process, is in Johnson County. They were established in 2011. One of their core objectives is support growth and sustainability of the arts through education and development of artists. They also strive to integrate arts activities into the community. These objectives line up with our strategic plan priorities.

The Library handles any complaints about art displays like any other intellectual freedom issue. We defend the artist's right to create and the patron's right to choose what they view. Exhibitions will continue to fall squarely under the umbrella of our Programming Policy. Due to our promotional deadlines and the programming schedule we adhere to, we will continue to know what art is to be displayed and who the artists are months before the work is to be installed. As we have already worked with InterUrban ArtHouse to help us curate Leawood Pioneer art space, the organization is already aware of the public-facing nature of our galleries. Should we have any concerns about upcoming displays, the Library would talk to InterUrban ArtHouse to get talking points from the artist, go to the Administration team to discuss the Library's risk tolerance in displaying the work, or ask InterUrban ArtHouse to choose some other works for the exhibition.

Analysis: Library staff spends approximately 480 hours per year assisting with this work. Staff does not have the expertise to select or curate art exhibitions. While the Library has partnered with other organizations to help with this, staff still spent time coordinating logistics. Library Administration and Operations groups agreed it would be cost effective to outsource this work to another organization. Staff sent out an informal RFP to three local arts organizations. Two responded. The organization selected, InterUrban ArtHouse, was significantly lower in cost than the other organization. Additionally, with this partnership, exhibitions at the Library will be promoted through InterUrban ArtHouse's communication channels, broadening the reach of the Library. InterUrban ArtHouse has a focused and active audience with promotional email open rates consistently over 40%, a trend in growth of their website visits by 20% this year, and a social media reach of 60K and 9K subscribers.

Funding Overview: The cost of this service from InterUrban ArtHouse is \$28,350. If we continue to do this work ourselves it requires approximately 6 staff spending an estimated 480 hours per year, at an averaged cost of \$11,070. Artist stipends cost us about \$11,250. The submission platform cost was \$6,276 per year. This does not include staff time needed to process payments for each individual artist, approximately 15 artists, three times per year. All these items come to a total cost of approximately \$28,596 annually. The difference is

almost negligible. And moving to this partnership will allow staff to serve our patrons in other ways, that better match their skill sets and expertise.

Alternatives: Not approve the MOU and continue curating the exhibitions ourselves. We could also stop offering gallery space for art displays.

Recommendation: Approve the agreement

Budget Review: The County Librarian and the Finance Director have reviewed and approve this expenditure

Legal Review: This has been reviewed and certified by legal counsel

Memorandum of Understanding (MOU) between the Johnson County Library and InterUrban ArtHouse

This MOU is intended to document the relationship between the Johnson County Library and InterUrban ArtHouse (IUAH).

InterUrban ArtHouse Paid Curation July 1, 2023 – December 31, 2024

Scope of Work

InterUrban ArtHouse (IUAH) will manage curatorial services at 9 Johnson County Library “Annex Gallery” locations. “Annex Gallery” exhibitions will take place in the designated locations in this proposal and rotate every 4 months. This scope of work will total 27 “Annex” exhibitions annually.

InterUrban ArtHouse Curatorial services include:

- Artist Selection Process
- All Artist Communications, Contracts and Payments
- Exhibition Installation: January, May and September
- Exhibition De-Installation: April, August and December

Promotion and Documentation:

- IUAH will provide necessary Artist Hang Tags and Identification
- IUAH will feature each exhibition on their website
- JCL will feature the exhibitions on their website, in JCL’s public program publication The Guide, and in their social media promotion as needed.
- IUAH will feature each exhibition on their social media platforms
- IUAH will cross-promote JCL on their website and in their social media promotion as needed.

Program/Training:

- IUAH will work with JCL staff at individual locations for any Exhibition-related program
- IUAH will work with JCL on any training and/or professional development for staff needed for each exhibition.

Locations/Pricing

This agreement totals \$28,350 annually - \$15,750 for curatorial fee; \$4,500 for admin fee; \$8,100 for artist stipends (See table below.)

Terms

Agreement must be executed 6 months prior to the 1st proposed installation cycle and must include a 25% payment of the annual fee. This agreement will have the option for renewal each year, unless cancellation notice is given in writing 3 months prior to the end of the term.

Cancellation

IUAH requires a 3 month notice of cancellation to end services.

Location	Curatorial Fee	Admin Fees	Artist Stipends	Total
This Proposal totals \$28,350 annually, \$15,750 curatorial fee, \$4,500 admin fee, \$8,100 artist stipends	selection, coordination, install/deinstall	accounting, signage, MKTG/PR, website, archive	\$300/artist/cycle	
Antioch Library 8700 Shawnee Mission Pkwy Merriam, KS 66202	\$1,750	\$500	\$900	\$3,150
Blue Valley Library 9000 W 151st St Overland Park, KS 66221	\$1,750	\$500	\$900	\$3,150
Cedar Roe Library 5120 Cedar St. Roeland Park, KS 66205	\$1,750	\$500	\$900	\$3,150
Corinth Library 8100 Mission Rd Prairie Village, KS 66208	\$1,750	\$500	\$900	\$3,150
Gardner Library 137 E Shawnee St Gardner, KS 66030	\$1,750	\$500	\$900	\$3,150
Leawood Pioneer Library 4700 Town Center Dr Leawood, KS 66211	\$1,750	\$500	\$900	\$3,150
Lenexa City Center Library 4700 Town Center Dr Leawood, KS 66211	\$1,750	\$500	\$900	\$3,150
Oak Park Library 9500 Bluejacket St Overland Park, KS 66214	\$1,750	\$500	\$900	\$3,150
Shawnee Library 13811 Johnson Dr Shawnee, KS 66216	\$1,750	\$500	\$900	\$3,150
	\$15,750	\$4,500	\$8,100	\$28,350

Note: The current Antioch Library will move to Merriam Plaza Library in 2024. The existing building is expected to close during Q2/Q3. The art curatorial services for Antioch Library would shift to Merriam Plaza Library upon opening.

Angi Hejduk, Chief Executive Officer

InterUrban ArtHouse Representative

Date

Tricia Suellentrop

County Librarian, Johnson County Library

Date

Bethany Griffith

Chair, Johnson County Library Board

Date

To: Library Board of Directors

From: Tricia Suellentrop, County Librarian

Date: July 13, 2023

Re: Public Building Commission (PBC) Resolutions and Lease Agreements for Merriam Plaza Library project

Issue: Approval of the Public Building Commission (PBC) Resolutions and PBC Lease Agreements associated with the Merriam Plaza Library project.

Suggested Motion: I move to approve the Public Building Commission (PBC) Resolutions and Lease Agreements associated with the Merriam Plaza Library project.

Background: The Johnson County Library plans to issue debt for the Merriam Plaza Library project in the amount of up to \$7,000,000. The Library plans to use the PBC to issue the debt for this project at the upcoming debt sale planned for August 9, 2023. In the July Library Board packet there are four documents that are needing to be approved and signed associated with the Merriam Plaza Library project.

Analysis: The first document is a Johnson County Library Board of Directors Resolution authorizing the Public Building Commission to issue debt for the Merriam Plaza Library project. The second document is Base Lease – PBC 2023B which outlines the terms between the Johnson County Library Board of Directors and the Public Building Commission of Johnson County, Kansas. The third document is Sublease - PBC 2023B between Johnson County Kansas and the Johnson County Library Board of Directors outlining terms associated with the sublease associated with the issuance of debt repayment. The fourth document is a Memorandum of Sublease – PBC 2023B that further established the terms between Johnson County, Kansas and the Johnson County Library Board of Directors with regards to the sublease agreement. The fifth document is Tax Compliance Agreement – PBC 2023B which set out the terms governing compliance with federal income tax requirements that apply once the bonds are issued. All five of these documents are tied to the Merriam Plaza Library project debt that is planned for an August 9, 2023, debt issuance which should result in debt proceeds to be received in early September of 2023.

Funding Overview: The PBC debt being issued for Merriam Plaza Library is in line with what was planned to be issued for this project. The issuance of this debt should complete the necessary funding for the Merriam Plaza Library project.

Alternatives: The Library Board could recommend the Library take another path towards financing the remaining portion of this project.

Recommendation: The approval of the Public Building Commission (PBC) Resolutions and Lease Agreements associated with the Merriam Plaza Library project.

Budget Review: The annual lease payments back to PBC related to the debt for the Merriam Plaza Library project are budgeted for repayment starting in 2024 and are in the 2024 Library budget proposal.

Legal Review: Legal Counsel has reviewed and approve as to form the following documents:
Library Board Resolution – PBC 2023B
Base Lease – PBC 2023B
Sublease – PBC 2023B
Memo of Sublease – PBC 2023B

Library

Memo of Sublease – PBC 2023B
Tax Compliance Agreement – PBC 2023B

Briefing Sheet

RESOLUTION NO. 2023-__

A RESOLUTION AUTHORIZING THE DESIGNING, CONSTRUCTING, EQUIPPING AND FURNISHING OF THE MERRIAM PLAZA LIBRARY; APPROVING THE ISSUANCE BY THE PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS OF ITS LEASE PURCHASE REVENUE BONDS (LIBRARY PROJECT), SERIES 2023B TO PAY THE COSTS OF SUCH IMPROVEMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN 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 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 Project), Series 2023B (the “Series 2023B Bonds”) for the purpose of paying the costs to construct, equip and furnish a new library and related improvements to be located in the vicinity of the Merriam Community Center (located at 6040 Slater Street in Merriam, Kansas) (the “Improvements”) in order to finance the costs of such Improvements; and

WHEREAS, the Library Board hereby deems it necessary and desirable that the PBC issue the Series 2023B Bonds to pay the costs of the Improvements; and

WHEREAS, the Library Board deems it necessary and desirable to execute and deliver certain documents in connection with the Series 2023B Bonds, and that the Library Board enter into such 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, equipping and furnishing 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 2023B Bonds. The Library Board hereby approves the issuance and sale by the PBC of the Series 2023B Bonds, subject to the following parameters: (a) the principal amount of Series 2023B Bonds shall not to exceed \$7,000,000 plus the costs of issuing such Series 2023B Bonds; (b) the true interest cost of the Series 2023B Bonds shall not exceed 5%; and (c) the Series 2023B Bonds shall mature in principal installments with a final maturity date not later than September 1, 2043. The Series 2023B 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 (as defined herein).

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 between the Library Board and the PBC.
- (b) Sublease between the County and the Library Board.
- (c) Tax Compliance Agreement among the PBC, the County, the Library Board, and the Trustee (as defined in the Indenture), pursuant to which the requirements relating to the federal tax status of the Series 2023B 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 Trust Indenture. The Library Board hereby approves the Trust Indenture dated as of September 1, 2023, between the PBC and the Trustee (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 Library Board authorizes appropriate staff and officials of the Library Board to approve the form of the Preliminary Official Statement relating to the Series 2023B Bonds (the “Preliminary Official Statement”) 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, and the Library Board hereby consents to the use and public distribution of the same in connection with the sale of the Series 2023B Bonds. For the purpose of enabling the purchaser of the Series 2023B 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 a form acceptable to the Library Board, 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 2023B 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.

ADOPTED by the Board of Directors of the Johnson County Library on July 13, 2023.

(SEAL)

Chair

ATTEST:

Secretary

Resolution of Library Board
PBC Series 2023B

**EXCERPT OF MINUTES OF A MEETING
OF THE BOARD OF DIRECTORS OF THE
JOHNSON COUNTY LIBRARY
HELD ON JULY 13, 2023**

The Board of Directors of the Johnson County Library met in regular 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)

There was presented a Resolution entitled:

A RESOLUTION AUTHORIZING THE DESIGNING, CONSTRUCTING, EQUIPPING AND FURNISHING OF THE MERRIAM PLAZA LIBRARY; APPROVING THE ISSUANCE BY THE PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS OF ITS LEASE PURCHASE REVENUE BONDS (LIBRARY PROJECT), SERIES 2023B TO PAY THE COSTS OF SUCH IMPROVEMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN 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. 2023-__ 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

BASE LEASE

Dated as of September 1, 2023

Grantor:	Board of Directors of the Johnson County Library P.O. Box 2933 Shawnee Mission, Kansas 66201-1333 Attn: County Librarian
Grantee:	Public Building Commission of Johnson County, Kansas Johnson County Administration Building 111 South Cherry, Suite 2300 Olathe, Kansas 66061-3441 Attention: Finance Officer
Real Property Legal Description:	See attached Schedule 1

BASE LEASE

THIS BASE LEASE (the “Base Lease”) dated as of September 1, 2023, 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 has 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. Pursuant to the Act, the PBC is authorized to acquire land and other facilities by lease in order to construct, equip and furnish a library and related improvements approximately located in the vicinity of the Merriam Community Center (located at 6040 Slater Street in Merriam, Kansas) (the “Improvements”) located in the County.

3. 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 construct the Improvements.

4. The Library Board and the PBC have agreed that the PBC will issue its Lease Purchase Revenue Bonds (Library Project), Series 2023B, in the aggregate principal amount of \$[PRINCIPAL AMOUNT] (the “Series 2023B Bonds”), pursuant to that certain Trust Indenture dated as of September 1, 2023 (the “Indenture”), between the PBC and Security Bank of Kansas City, as trustee (the “Trustee”), in order for the PBC to acquire a leasehold interest in the Land and the Improvements, as constructed (collectively, the “Facility”).

5. The PBC has offered to lease the Facility to the County, pursuant to a Lease dated as of September 1, 2023 (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. 2023-[], 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 2023B 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 Indenture.

(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 from the Library Board, the Facility, for the rentals and upon and subject to the terms and conditions hereinafter set forth.

SECTION 4. Term; Termination.

(a) The term of this Base Lease shall commence on September 7, 2023 and end on September 1, 2043, 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 2023B 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) the County exercises its option to purchase the PBC's interest in the Facility as provided in *Article XVI* of the Lease, whereupon the County's interest in this Base Lease shall be considered assigned to the Library Board and terminated through merger of the leasehold interest with the fee interest.

(c) At any time, the Library Board shall have the option to terminate this Base Lease upon (1) the payment in full of the Bonds or provision is made therefor in accordance with the Indenture, and (2) payment to the Trustee of any other amounts due by any entity to the Trustee or to any third party under the terms of the Indenture.

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 Sublease 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**

Bethany Griffith, Chair

ATTEST:

Kelly Kilgore, Secretary

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF JOHNSON)

This instrument was acknowledged before me on _____, 2023, by Bethany Griffith, 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:

Mike Kelly, Chair

Jeff Meyers, Secretary

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF JOHNSON)

This instrument was acknowledged before me on August __, 2023, by Mike Kelly, 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

LOT 3, VAVRA, SECOND PLAT, A SUBDIVISION IN THE CITY OF MERRIAM, JOHNSON COUNTY, KANSAS.

SUBLEASE

BY AND BETWEEN

JOHNSON COUNTY, KANSAS

AND

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

DATED AS OF SEPTEMBER 1, 2023

SUBLEASE

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Schedule 1 - Property Description

SUBLEASE

THIS SUBLEASE is made and entered into as of September 1, 2023, 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 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, equip and furnish a library and related improvements approximately located in the vicinity of the Merriam Community Center (located at 6040 Slater Street in Merriam Kansas) (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 Project), Series 2023B, in the aggregate principal amount of \$[PRINCIPAL AMOUNT] (the “Series 2023B 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 September 1, 2023 (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 PBC have entered into a Base Lease dated as of September 1, 2023 (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 September 1, 2023 (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:

“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, 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 September 1, 2023 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 PBC.

“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, 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 2023B 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 the Merriam Plaza Library located in the County, the design, construction, equipping and furnishing of which is funded in part from the proceeds of the Series 2023B Bonds.

“Indenture” means the Trust Indenture dated as of September 1, 2023 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 dated as of September 1, 2023 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 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, 2043 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.

“Original Term” means the initial term of this Sublease beginning on September 7, 2023 and ending on the last day of the Library Board’s current fiscal year.

“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 easements and rights-of-way of record at the time of lease of the Facility to the PBC, and any other minor defects, irregularities, encumbrances, easements, mechanic’s liens, rights-of-way and clouds on title as do not in the aggregate materially affect the 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 2023B Bonds**” means the Public Building Commission of Johnson County, Kansas Lease Purchase Revenue Bonds (Library Project), Series 2023B, dated September 7, 2023, in the aggregate principal amount of \$[PRINCIPAL AMOUNT].

“**Sublease**” means this Sublease dated as of September 1, 2023 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 advice of Bond Counsel 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 Form 8038-G prepared for filing in connection with the issuance of the Series 2023B 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 advice of Bond Counsel 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 2023B Bonds, plus interest thereon during construction and installation of the Improvements, and Costs of Issuance of the Series 2023B Bonds, will not be less than the face amount of such Series 2023B 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 2023B Bonds.

(f) The County will not make, or cause or permit to be made, any use of the Series 2023B Bond proceeds which would cause the Series 2023B 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.

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, the Facility for the Term, for the rentals and upon and subject to the terms and conditions hereinafter set forth.

Section 2.2 Term. The Original Term will commence as of September 7, 2023 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 or her 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 Lease has terminated according to its terms.

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*, constitutes 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 2023B 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. The PBC has agreed in the Lease to enter into a contract or contracts with respect to the design, acquisition and/or construction of the Improvements (the “Construction Contracts”). The PBC has also agreed to 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 PBC has agreed to cause the Improvements to be acquired, constructed and installed in accordance with the Construction Contracts.

Section 4.3 Payment of Improvement Costs. 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 (or other funds available for such purpose), from time to time in accordance with the provisions of *Section 404* of the Indenture. The PBC has also agreed 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.

Section 4.4 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 4.5 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 4.6 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 4.7 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 it is 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 2023B 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.

(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 County has agreed to purchase, from the Construction Fund or from the County's or Library Board's own funds, a policy of owner's title insurance, insuring the PBC's leasehold interest in the Facility created by the Base Lease, subject to the Lease, this Sublease and Permitted Encumbrances, in an amount not less than \$[PRINCIPAL AMOUNT]. 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 tax-exempt status of interest on the Tax-Exempt Bonds. Any such subtenant must be an entity permitted to be a tenant 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 County, 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 County's Option to Purchase. In the event that the County purchases the PBC's interest in the Facility in accordance with the Lease, 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 County, 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 County'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 1* 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 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 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 25.5 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 25.6 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 25.7 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 25.8 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.

JOHNSON COUNTY, KANSAS

(SEAL)

ATTEST:

Mike Kelly, Chair

Lynda Sader
Deputy County Clerk

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF JOHNSON)

This instrument was acknowledged before me on September __, 2023, by Mike Kelly, Chair 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:

Bethany Griffith, Chair

Kelly Kilgore, Secretary

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF JOHNSON)

This instrument was acknowledged before me on September __, 2023, by Bethany Griffith, 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

LOT 3, VAVRA, SECOND PLAT, A SUBDIVISION IN THE CITY OF MERRIAM, JOHNSON COUNTY, KANSAS.

MEMORANDUM OF SUBLEASE

Dated as of September 1, 2023

Grantor:	Johnson County, Kansas Johnson County Administration Building 111 South Cherry, Suite 2300 Olathe, Kansas 66061-3441 Attention: Budget Director
Grantee:	Board of Directors of the Johnson County Library P.O. Box 2933 Shawnee Mission, Kansas 66201-1333 Attn: County Librarian
Real Property Legal Description:	See attached Schedule 1

MEMORANDUM OF SUBLEASE

THIS MEMORANDUM OF SUBLEASE (this “Memorandum”), dated as of September 1, 2023, is made and entered into as of September 1, 2023, by and between **JOHNSON COUNTY, KANSAS**, a political subdivision duly organized and existing under the constitution and laws of the State of Kansas, as lessor (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, as lessee (the “Library Board”).

RECITALS

1. 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 the hereinafter defined Sublease.

2. The Library Board 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 the Sublease.

3. 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 construct, equip and furnish the Merriam Plaza Library (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 September 1, 2023 (the “Base Lease”), whereby the PBC leases the Land, together with the Improvements (collectively, the “Facility”), from the Library Board for a term ending September 1, 2043 (subject to prior termination and extension as provided therein), upon the terms and conditions set forth therein.

5. The PBC and the County have entered into a Lease dated as of September 1, 2023 (the “Lease”), whereby the PBC leases the Facility to the County, for the purposes and upon the terms and conditions stated in the Lease.

6. The County and the Library Board have entered into a Sublease dated as of September 1, 2023 (the “Sublease”), whereby the County leases the Facility to the Library Board, upon the terms and conditions stated in the Sublease.

7. Pursuant to a Trust Indenture dated as of September 1, 2023 (the “Indenture”) between the PBC and Security Bank of Kansas City, as trustee, the PBC has issued Bonds to fund the Improvements and any Facility Additions.

8. Capitalized terms not otherwise defined in this Memorandum shall have the meanings set forth in the Indenture and the Lease.

9. The County and the Library Board desire to enter into this Memorandum in order to provide public notice of the Sublease.

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:

1. The County has rented, leased and let and does by these presents rent, lease and let the Facility to the Library Board, and the Library Board has rented, leased and let, and does hereby rent, lease

and hire the Facility from the County, for the rentals and upon and subject to the terms and conditions set forth in the Sublease and incorporated into this Memorandum by this reference, for an initial term ending December 31, 2023, with successive one-year renewal options exercisable by the Library Board subject to annual budget appropriations, and subject to prior termination as specified in the Sublease. The maximum term of the Sublease ends on the later of September 1, 2043 or 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.

2. In the event that the County purchases the PBC's interest in the Facility in accordance with the Lease, the Base Lease will be considered assigned to the Library Board and terminated through merger of the leasehold interest with the fee interest.

3. If there is any conflict between the terms of the Sublease and the terms of this Memorandum, the terms of the Sublease shall control.

4. Copies of the Base Lease, the Lease, the Sublease and the Indenture are on file in the office of the County Clerk.

5. The County and the Library Board hereby ratify and confirm the terms and conditions set forth in the Sublease.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

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

JOHNSON COUNTY, KANSAS

(Seal)

Mike Kelly, Chair

ATTEST:

Lynda Sader
Deputy County Clerk

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF JOHNSON)

This instrument was acknowledged before me on August __, 2023, by Mike Kelly, Chair 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:

Bethany Griffith, Chair

Kelly Kilgore, Secretary

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF JOHNSON)

This instrument was acknowledged before me on _____, 2023, by Bethany Griffith, 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 I TO MEMORANDUM OF SUBLEASE

LEGAL DESCRIPTION

LOT 3, VAVRA, SECOND PLAT, A SUBDIVISION IN THE CITY OF MERRIAM, JOHNSON COUNTY, KANSAS.

TAX COMPLIANCE AGREEMENT

Dated as of September 1, 2023

among

PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS

JOHNSON COUNTY, KANSAS

BOARD OF DIRECTORS OF THE JOHNSON COUNTY LIBRARY

and

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

**[\$[Principal Amount]
LEASE PURCHASE REVENUE BONDS
(LIBRARY PROJECT)
SERIES 2023B**

TAX COMPLIANCE AGREEMENT

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LIST OF EXHIBITS AND SCHEDULES TO TAX COMPLIANCE AGREEMENT

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Exhibit C	Project Description
Exhibit D-1	Sample Annual Compliance Checklist – PBC
Exhibit D-2	Sample Annual Compliance Checklist – Library Board
Exhibit E	List of Expenditures to be Reimbursed from Bond Proceeds
Exhibit F	Sample Final Written Allocation
Schedule I	Debt Service Schedule and Proof of Bond Yield

* * *

TAX COMPLIANCE AGREEMENT

THIS TAX COMPLIANCE AGREEMENT (the “**Tax Agreement**”), is entered into as of September 1, 2023, among 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**”), **JOHNSON COUNTY, KANSAS**, a political subdivision organized under the laws of the State of Kansas (the “**County**”), 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**”), and **SECURITY BANK OF KANSAS CITY**, a state banking corporation duly organized and existing under the laws of the State of Kansas, as trustee (the “**Trustee**”).

RECITALS

1. This Tax Agreement is being executed and delivered in connection with the issuance by the PBC of \$[Principal Amount] principal amount of Lease Purchase Revenue Bonds (Library Project), Series 2023B (the “**Bonds**”), under a Trust Indenture, dated as of September 1, 2023, between the PBC and the Trustee (the “**Indenture**”), for the purposes described in this Tax Agreement and the Indenture.

2. The Internal Revenue Code of 1986, as amended (the “**Code**”), and the applicable Regulations and rulings issued by the U.S. Treasury Department (the “**Regulations**”), impose certain limitations on the uses and investment of the Bond proceeds and of certain other money relating to the Bonds and set forth the conditions under which the interest on the Bonds will be excluded from gross income for federal income tax purposes.

3. The PBC, the County, the Library Board and the Trustee are entering into this Tax Agreement in order to set forth certain facts, covenants, representations, and expectations relating to the use of Bond proceeds and the property financed or refinanced with those proceeds and the investment of the Bond proceeds and of certain other related money, in order to establish and maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

4. The County has adopted a Post Issuance Compliance Policy (the “**Tax Compliance Policy**”) for the purpose of setting out general policies and procedures for the County and the Library Board to monitor and comply with the federal income tax requirements set out in the Code and the Regulations. This Tax Agreement is entered into as required by the Tax Compliance Policy to set out specific tax compliance policies and procedures applicable to the Bonds.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, covenants and agreements set forth in this Tax Agreement, the PBC, the County, the Library Board and the Trustee represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. Except as otherwise provided in this Tax Agreement or unless the context otherwise requires, capitalized words and terms used in this Tax Agreement have the same meanings as set forth in the Indenture, and certain other words and phrases have the meanings assigned in Code §§ 103, 141-150 and the Regulations. The following words and terms used in this Tax Agreement have the following meanings:

“Adjusted Gross Proceeds” means the Gross Proceeds reduced by amounts (a) in a Bona Fide Debt Service Fund or a reasonably required reserve or replacement fund, (b) that as of the Issue Date are not expected to be Gross Proceeds, but which arise after the end of the applicable spending period, and (c) representing grant repayments or sale or investment proceeds of any purpose Investment.

“Available Construction Proceeds” means the sale proceeds of the Bonds increased by (a) investment earnings on such sale proceeds, (b) earnings on amounts in a reasonably required reserve or replacement fund allocable to the Bonds but not funded from the Bonds, and (c) earnings on such earnings, reduced by sale proceeds (1) in any reasonably required reserve fund or (2) used to pay issuance costs of the Bonds.

“Bona Fide Debt Service Fund” means a fund, which may include Bond proceeds, that (a) is used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year; and (b) is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of (1) the earnings on the fund for the immediately preceding Bond Year, or (2) one-twelfth of the principal and interest payments on the Bonds for the immediately preceding Bond Year.

“Bond” or **“Bonds”** means any bond or bonds of the PBC’s Lease Purchase Revenue Bonds (Library Project), Series 2023B.

“Bond Compliance Officer” means the County’s Accounting and Financial Reporting Manager, or other person serving as the Post-Issuance Compliance Officer under the Tax Compliance Policy from time to time.

“Bond Counsel” means Gilmore & Bell, P.C., or other firm of nationally recognized bond counsel acceptable to the PBC and the County.

“Bond Year” means each one-year period (or shorter period for the first Bond Year) ending September 1, or another one-year period selected by the PBC.

“Code” means the Internal Revenue Code of 1986, as amended.

“Computation Date” means each date on which arbitrage rebate or yield-restriction for the Bonds is computed. The PBC may treat any date as a Computation Date, subject to the following limits:

- (a) the first rebate installment payment or yield reduction installment payment must be made for a Computation Date not later than 5 years after the Issue Date;
- (b) each such subsequent installment payment must be made for a Computation Date not later than five years after the previous Computation Date for which an installment payment was made; and
- (c) the date the last Bond is discharged is the final Computation Date.

The PBC selects September 1, 2028 as the first Computation Date, but reserves the right to select a different date consistent with the Regulations.

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

“Final Written Allocation” means the written allocation of proceeds of the Bonds to expenditures for the Project, a sample form of which is set forth on **Exhibit F**.

“Financed Facilities” means that portion of the Project financed or refinanced with the proceeds of the Bonds, as described on **Exhibit C**.

“Gross Proceeds” means (a) sale proceeds (any amounts actually or constructively received from the sale of the Bonds, including amounts used to pay underwriting discount or fees, but excluding pre-issuance accrued interest), (b) investment proceeds (any amounts received from investing sale proceeds or other investment proceeds), (c) any amounts held in a sinking fund for the Bonds, (d) any amounts held in a pledged fund or reserve fund for the Bonds and (e) any other replacement proceeds. Specifically, Gross Proceeds includes (but is not limited to) amounts held in the following funds and accounts:

- (1) Construction Fund.
- (2) Principal and Interest Fund.
- (3) Costs of Issuance Fund.
- (4) Rebate Fund (to the extent funded with sale proceeds or investment proceeds of the Bonds).

“Guaranteed Investment Contract” is any Investment with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, including any agreement to supply Investments on two or more future dates (*e.g.*, a forward supply contract).

“Indenture” means the Trust Indenture, dated as of September 1, 2023, between the PBC and the Trustee, as amended and supplemented in accordance with the provisions thereof.

“Investment” means any security, obligation, annuity contract or other Investment-type property that is purchased directly with, or otherwise allocated to, Gross Proceeds. Such term does not include a tax-exempt bond, except for a “specified private activity bond” as such term is defined in Code § 57(a)(5)(C).

“IRS” means the United States Internal Revenue Service.

“Issue Date” means September 7, 2023.

“Lease” means the Lease dated September 1, 2023 between the PBC, as lessor, and the County, as lessee, as amended and supplemented in accordance with the provisions thereof.

“Library Board” means the Board of Directors of the Johnson County Library, and its successors and assigns.

“Management Agreement” means a legal agreement defined in Regulations § 1.141-3(b) as a management, service, or incentive payment contract with an entity that provides services involving all or a portion of any function of the Financed Facilities, such as a contract to manage any portion of the Financed Facilities. Contracts for services that are solely incidental to the primary governmental function of the Financed Facilities (for example, contracts for janitorial, office equipment repair, billing, or similar services), however, are not treated as Management Agreements.

“Measurement Period” means, with respect to each item of property financed as part of the Financed Facilities with proceeds of the Bonds, the period beginning on the later of (a) the Issue Date or

(b) the date the property is placed in service and ending on the earlier of (1) the final maturity date of the Bonds or (2) the expected economic useful life of the property.

“Minor Portion” means the lesser of \$100,000 or 5% of the sale proceeds of the Bonds.

“Municipal Advisor” means Baker Tilly Municipal Advisors LLC, St. Paul, Minnesota, as municipal advisor to the PBC and the County.

“Net Proceeds” means the sale proceeds (excluding pre-issuance accrued interest), less an allocable share of any proceeds deposited in a reasonably required reserve or replacement fund, plus an allocable share of all Investment earnings on such sale proceeds.

“Non-Qualified Use” means use of Bond proceeds or the Financed Facilities in a trade or business carried on by any Non-Qualified User. The rules set out in Regulations § 1.141-3 determine whether Bond proceeds or the Financed Facilities are “used” in a trade or business. Generally, ownership, a lease, or any other use that grants a Non-Qualified User a special legal right or entitlement with respect to the Financed Facilities, will constitute use under Regulations § 1.141-3.

“Non-Qualified User” means any person or entity other than a Qualified User.

“Opinion of Bond Counsel” means the written opinion of Gilmore & Bell, P.C. or other nationally recognized firm of bond counsel concluding that the action or proposed action or the failure to act or proposed failure to act for which the opinion is required will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

“PBC” means the Public Building Commission of Johnson County, Kansas, and its successors and assigns.

“Post-Issuance Tax Requirements” means those requirements imposed on the PBC, the County and the Library Board related to the use of Bond proceeds, the use of the Financed Facilities, and the investment of Gross Proceeds, that apply after the Issue Date of the Bonds.

“Project” means a new library to be located in the vicinity of the Merriam Community Center, as described on **Exhibit C**.

“Purchaser” means [_____], the original purchaser of the Bonds.

“Qualified Use Agreement” means any of the following:

(a) A lease or other short-term use by members of the general public who occupy the Financed Facilities on a short-term basis in the ordinary course of the parties’ governmental purposes.

(b) Agreements with Non-Qualified Users to use all or a portion of the Financed Facilities for a period up to 200 days in length pursuant to an arrangement whereby (1) the use of the Financed Facilities under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business and (2) the compensation for the use is determined based on generally applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed. Any Non-Qualified User using all or any portion of the Financed Facilities under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(c) Agreements with Non-Qualified Users to use all or a portion of the Financed Facilities for a period up to 100 days in length pursuant to arrangements whereby (1) the use of the property by the person would be general public use but for the fact that generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business, (2) the compensation for the use under the arrangement is determined based on applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed, and (3) the Financed Facilities were not constructed for a principal purpose of providing the property for use by that Non-Qualified User. Any Non-Qualified User using all or any portion of the Financed Facilities under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(d) Agreements with Non-Qualified Users to use all or a portion of the Financed Facilities for a period up to 50 days in length pursuant to a negotiated arm's-length arrangement at fair market value so long as the Financed Facilities were not constructed for a principal purpose of providing the property for use by that person.

“Qualified User” means a State, territory, possession of the United States, the District of Columbia, or any political subdivision thereof, or any instrumentality of such entity, but it does not include the United States or any agency or instrumentality of the United States.

“Reasonable Retainage” means Gross Proceeds retained by the PBC or the Library Board for reasonable business purposes, such as to ensure or promote compliance with a construction contract; provided that such amount may not exceed (a) for purposes of the 18-month spending test, 5% of net sale proceeds of the Bonds on the date 18 months after the Issue Date, or (b) for purposes of the 2-year spending test, 5% of the Available Construction Proceeds as of the end of the 2-year spending period.

“Rebate Analyst” means Baker Tilly Municipal Advisors LLC or any successor Rebate Analyst selected pursuant to this Tax Agreement.

“Regulations” means all Regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to the Bonds.

“Sublease” means the Sublease dated as of September, 1, 2023 between the County, as lessor, and the Library Board, as lessee, as amended and supplemented in accordance with the provisions thereof.

“Tax Agreement” means this Tax Compliance Agreement as it may from time to time be amended and supplemented in accordance with its terms.

“Tax Compliance Policy” means the County’s Post Issuance Compliance Policy.

“Tax-Exempt Bond File” means documents and records for the Bonds maintained by the Bond Compliance Officer pursuant to the Tax Compliance Policy.

“Transcript” means the Transcript of Proceedings relating to the authorization and issuance of the Bonds.

“Trustee” means Security Bank of Kansas City, and any successors or assigns.

“Yield” means Yield on the Bonds, computed under Regulations § 1.148-4, and Yield on an Investment, computed under Regulations § 1.148-5.

ARTICLE II

GENERAL REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants of the PBC. The PBC represents and covenants as follows:

- (a) *Organization and Authority.* The PBC (1) is a municipal corporation duly organized and existing under the laws of the State of Kansas, and (2) has lawful power and authority to issue the Bonds on behalf of the County for the purposes set forth in the Indenture, to enter into, execute and deliver the Indenture, the Lease, the Bonds and this Tax Agreement and to carry out its obligations under this Tax Agreement and under such documents, and (3) by all necessary action has been duly authorized to execute and deliver the Indenture, the Lease, the Bonds, and this Tax Agreement, acting by and through its duly authorized officials.
- (b) *Issuance of Bonds on Behalf of the County.* The PBC is issuing the Bonds on behalf of the County, a political subdivision of the State of Kansas and, in accordance therewith, represents and certifies as follows:
 - (1) the PBC is a public corporation authorized by K.S.A. 12-1757 *et seq.*, formed by and at the direction of the County for the purpose of financing certain projects and holding property in trust for the County;
 - (2) the PBC was formed by the Board of County Commissioners of the County (the governing body of the County), which formally approved the creation of the PBC by resolution; and
 - (3) the PBC is authorized under Kansas law to issue bonds in furtherance of its corporate purposes, which include the power to finance and lease the Project to the County.
- (c) *Tax-Exempt Status of Bonds—General Covenant.* In order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes, the PBC (to the extent within its power or direction) will take whatever action, and refrain from whatever action, necessary to comply with the applicable requirements of the Code, and will not use or permit the use of any Bond proceeds or other funds of the PBC, directly or indirectly, in any manner, or take or permit to be taken any other action, that would cause interest on the Bonds to be included in gross income for federal income tax purposes.
- (d) *IRS Form 8038.* Attached to this Tax Agreement as **Exhibit A** is a copy of IRS Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) prepared by Bond Counsel based on information provided by the PBC, the County and the Library Board that is to be executed by a representative of the PBC and filed with the IRS in connection with the issuance of the Bonds, as required by Code § 149(e). The PBC does not know of any inaccuracies in the Form 8038-G included as **Exhibit A**. The PBC will timely execute and return to Bond Counsel the execution copy of IRS Form 8038-G for filing with the IRS. The PBC will execute any other IRS Forms (such as IRS Form 8038T, Arbitrage Rebate,

Yield Reduction and Penalty in Lieu of Arbitrage Rebate) in the future, based on the instructions of Bond Counsel or the Rebate Analyst.

- (e) *No Hedge Bonds.* The PBC (1) reasonably expects that at least 85% of the net sale proceeds (the sale proceeds less any sale proceeds invested in a reserve fund) of the Bonds will be used to carry out the governmental purpose of the Bonds within 3 years after the Issue Date, and (2) not more than 50% of the proceeds of the Bonds will be invested in investments having a substantially guaranteed yield for 4 years or more.
- (f) *Reimbursement of Expenditures.* On September 17, 2020, the PBC adopted a resolution (contained as Tab 9 of the Transcript) declaring the PBC's intent to finance the Financed Facilities with tax-exempt obligations for the benefit of the Library Board and to reimburse the PBC, the County or Library Board for expenditures made for the Financed Facilities prior to the issuance of such obligations. The PBC expects to reimburse from Bond proceeds for expenditures made for the Financed Facilities paid prior to the Issue Date in the amount of \$[_____], as shown on **Exhibit E**; provided that, except as otherwise permitted by Regulations § 1.150-2(f) (relating to *de minimis* amounts and preliminary expenditures), (1) no Bond proceeds will be used to reimburse an expenditure paid by the PBC, the County or the Library Board more than 60 days prior to the date said resolution was adopted, (2) no reimbursement allocation will be made more than 18 months following the later of the date the expenditure was paid or the date the Financed Facilities were placed in service, and (3) no reimbursement allocation will be made for an expenditure paid more than three years prior to the date of the reimbursement allocation.
- (g) *Registered Bonds.* The Indenture requires that all of the Bonds will be issued and held in registered form within the meaning of Code § 149(a).
- (h) *Guaranteed Investment Contract.* As of the Issue Date, the PBC does not expect to enter into a Guaranteed Investment Contract for the investment of any Gross Proceeds of the Bonds. The PBC will not enter into any such arrangement in the future without consulting with Bond Counsel.
- (i) *Interest Rate Swap.* As of the Issue Date, the PBC has not entered into an interest rate swap agreement or any other similar arrangement designed to modify its interest rate risk with respect to the Bonds. The PBC will not enter into any such arrangement in the future without consulting with Bond Counsel.
- (j) *Bank Qualified Tax-Exempt Obligations.* The Bonds are *not* "qualified tax-exempt obligations" under Code § 265(b)(3).
- (k) *Compliance with Future Tax Requirements.* The PBC understands that the Code and the Regulations may impose new or different restrictions and requirements on the PBC in the future. The PBC will comply with such future restrictions that are necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes.
- (l) *PBC Reliance on Other Parties.* The expectations, representations and covenants of the PBC described in this Tax Agreement and other matters are based in whole or in part upon covenants, representations and certifications of the County and the Library Board set forth in this Tax Agreement. Although the PBC has made no independent investigation of the

representations of the County or the Library Board, the PBC is not aware of any facts or circumstances that would cause it to question the accuracy or reasonableness of any representation made in this Tax Agreement.

Section 2.2. Representations and Covenants of the County. The County represents and covenants as follows:

- (a) *Organization and Authority.* The County (1) is a political subdivision organized and existing under the laws of the State of Kansas, (2) has lawful power to enter into, execute and deliver the Lease, the Sublease and this Tax Agreement and to carry out its obligations under the Lease, the Sublease and this Tax Agreement, and (3) by all necessary action has been duly authorized to execute and deliver the Lease, the Sublease and this Tax Agreement, acting by and through its duly authorized officials.
- (b) *Tax-Exempt Status of Bonds—General Representation and Covenants.* In order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes, the County (to the extent within its power or direction) will take whatever action, and refrain from whatever action, necessary to comply with the applicable requirements of the Code, and will not use or permit the use of any Bond proceeds or other funds of the County, directly or indirectly, in any manner, or take or permit to be taken any other action, that would cause interest on the Bonds to be included in gross income for federal income tax purposes.
- (c) *Governmental Obligations.* The Financed Facilities will be leased to the County under the Lease, and the County will, in turn, sublease the Financed Facilities to the Library Board under the Sublease. If the Sublease is terminated or is otherwise no longer in effect, and the County either assumes direct operation and control of the Financed Facilities or subleases or enters into a management or operating agreement with another entity related to the operations of the Financed Facilities, then, in either case, the County will comply with, or require any subsequent sublessee or operator to comply with, the covenants and representations made by the Library Board relating to the use and operation of the Financed Facilities, as set forth in **Section 2.3** of this Tax Agreement.
- (d) *IRS Forms.* The County will instruct and assist the PBC, as necessary, in filing all appropriate returns, reports and attachments to income tax returns required by the Code, including without limitation IRS Form 8038-G (Information Return for Tax-Exempt Governmental Obligations).
- (e) *Guaranteed Investment Contract.* As of the Issue Date, the County does not expect to enter into a Guaranteed Investment Contract for any Gross Proceeds of the Bonds. The County will not enter into any such arrangement in the future without consulting with Bond Counsel.
- (f) *Interest Rate Swap.* As of the Issue Date, the County has not entered into an interest rate swap agreement or any other similar arrangement designed to modify its interest rate risk with respect to the Bonds. The County will not enter into any such arrangement in the future without consulting with Bond Counsel.
- (g) *Bank Qualified Tax-Exempt Obligation.* The County acknowledges and understands that the Bonds are not “qualified tax exempt obligations” under Code § 265(b)(3).

- (h) *Compliance with Future Tax Requirements.* The County understands that the Code and the Regulations may impose new or different restrictions and requirements on the County in the future. The County will comply with such future restrictions that are necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

Section 2.3. Representations and Covenants of the Library Board. The Library Board represents and covenants as follows:

- (a) *Organization and Authority.* The Library Board (1) is a body corporate and politic organized and existing under the laws of the State of Kansas, (2) has lawful power to enter into, execute and deliver the Sublease and this Tax Agreement and to carry out its obligations under the Sublease and this Tax Agreement, and (3) by all necessary action has been duly authorized to execute and deliver the Sublease and this Tax Agreement, acting by and through its duly authorized officials.
- (b) *Tax-Exempt Status of Bonds—General Covenant.* In order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes, the Library Board will take whatever action, and refrain from whatever action, necessary to comply with the applicable requirements of the Code, and will not use or permit the use of any Bond proceeds or other funds of the PBC, directly or indirectly, in any manner, or take or permit to be taken any other action, that would cause interest on the Bonds to be included in gross income for federal income tax purposes.
- (c) *Governmental Obligations—Use of Proceeds.* Throughout the Measurement Period: (1) all of the Financed Facilities are expected to be owned by a Qualified User, (2) no portion of the Financed Facilities is expected to be used in a Non-Qualified Use, and (3) the Library Board will not permit any Non-Qualified Use of the Financed Facilities without first obtaining an Opinion of Bond Counsel.
- (d) *Governmental Obligations—Private Security or Payment.* As of the Issue Date, the Library Board expects that none of the principal of and interest on the Bonds will be (under the terms of the Bonds or any underlying arrangement) directly or indirectly:
 - (1) secured by (A) any interest in property used or to be used for a Non-Qualified Use, or (B) any interest in payments in respect of such property; or
 - (2) derived from payments (whether or not such payments are made to the PBC, the County or the Library Board) in respect of property, or borrowed money, used or to be used for a Non-Qualified Use.

For purposes of the foregoing, taxes of general application, including payments in lieu of taxes, are not treated as private payments or as private security. The Library Board will not permit any private security or payment with respect to the Bonds without first obtaining an Opinion of Bond Counsel.

- (e) *No Private Loan.* Not more than 5% of the net proceeds of the Bonds will be loaned directly or indirectly to any Non-Qualified User.

- (f) *Management Agreements.* As of the Issue Date, the Library Board has not entered into any Management Agreements for the Financed Facilities with Non-Qualified Users. During the Measurement Period, the Library Board will not enter into or renew any Management Agreement for the Financed Facilities with any Non-Qualified User without first obtaining an Opinion of Bond Counsel.
- (g) *Leases.* As of the Issue Date, the Library Board has not entered into any leases of any portion of the Financed Facilities with Non-Qualified Users (disregarding the Base Lease and the Sublease for this purpose). During the Measurement Period, the Library Board will not enter into or renew any lease or similar agreement or arrangement of any portion of the Financed Facilities with a Non-Qualified User, other than a Qualified Use Agreement, without first obtaining an Opinion of Bond Counsel.
- (h) *No Hedge Bonds.* The Library Board (1) reasonably expects that at least 85% of the net sale proceeds (the sale proceeds less any sale proceeds invested in a reserve fund) of the Bonds will be used to carry out the governmental purpose of the Bonds within 3 years after the Issue Date, and (2) not more than 50% of the proceeds of the Bonds will be invested in investments having a substantially guaranteed yield for 4 years or more.
- (i) *Limit on Maturity of Bonds.* A list of the assets included in the Financed Facilities and a computation of the “average reasonably expected economic life” is attached to this Tax Agreement as **Exhibit C**. The “average maturity” of the Bonds of [] years, as computed by the Municipal Advisor, does not exceed 120% of the average reasonably expected economic life of the Financed Facilities.
- (j) *Bonds Not Federally Guaranteed.* The Library Board will not take any action or permit any action to be taken which would cause any Bond to be “federally guaranteed” within the meaning of Code § 149(b).
- (k) *IRS Forms.* The Library Board will instruct and assist the PBC and the County in filing all appropriate returns, reports and attachments to income tax returns required by the Code, including without limitation IRS Form 8038-G (Information Return for Tax-Exempt Governmental Obligations). The information contained in Parts II through VI of IRS Form 8038-G attached as **Exhibit A** was provided to the PBC, the County and Bond Counsel by the Library Board, and such information is true, complete and correct as of the Issue Date.
- (l) *Compliance with Future Tax Requirements.* The Library Board understands that the Code and the Regulations may impose new or different restrictions and requirements on the County in the future. The Library Board will comply with such future restrictions that are necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

Section 2.4. Representations and Covenants of the Trustee. The Trustee represents and covenants as follows:

- (a) The Trustee will comply with the provisions of this Tax Agreement that apply to it as Trustee and any written letter or Opinion of Bond Counsel, specifically referencing the Bonds and received by the Trustee, that sets forth any action necessary to comply with any statute, regulation or ruling that may apply to it as Trustee and relating to reporting requirements or other requirements necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

- (b) The Trustee, acting on behalf of the PBC, the County or the Library Board, may from time to time cause a firm of attorneys, consultants or independent accountants or an Investment banking firm to provide the Trustee with such information as it may request in order to determine all matters relating to (1) the Yield on the Bonds as it relates to any data or conclusions necessary to verify that the Bonds are not “arbitrage bonds” within the meaning of Code § 148, and (2) compliance with arbitrage rebate requirements of Code § 148(f). The Library Board will pay all costs and expenses incurred in connection with supplying the foregoing information.
- (c) The Trustee, acting on behalf of the PBC, the County or the Library Board, will retain records related to the investment and expenditure of Gross Proceeds held in funds and accounts maintained by the Trustee and any records provided to the Trustee by the PBC, the County or the Library Board related to the Post-Issuance Tax Requirements. The Trustee will retain these records until three years following the final maturity of (1) the Bonds or (2) any obligations issued to refund the Bonds; provided, however, if the Trustee is not retained to serve as trustee for any obligations issued to refund the Bonds, then the Trustee may satisfy its record retention duties under this subsection (c) by providing copies of all records in its possession related to the Bonds to the trustee for any such refunding obligations or another party designated by the PBC, the County or the Library Board.

Section 2.5. Survival of Representations and Covenants. All representations, covenants and certifications of the PBC, the County, the Library Board and the Trustee contained in this Tax Agreement or in any certificate or other instrument delivered by such parties under this Tax Agreement, will survive the execution and delivery of such documents and the delivery of the Bonds, as representations of facts existing as of the date of execution and delivery of the instruments containing such representations. The foregoing covenants of this Section will remain in full force and effect notwithstanding the defeasance of the Bonds.

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

Section 3.1. General. The purpose of this Article III is to certify, under Regulations § 1.148-2(b), the expectations of the PBC, the County and the Library Board as to the sources, uses and investment of Bond proceeds and other money, in order to support the PBC’s conclusion that the Bonds are not arbitrage bonds. The person executing this Tax Agreement on behalf of the PBC, the County and the Library Board are officers of such parties responsible for the issuance of the Bonds.

Section 3.2. Reasonable Expectations. The facts, estimates and expectations set forth in this Article are based upon and in reliance upon the PBC’s understanding of the documents and certificates that comprise the Transcript, and the representations, covenants and certifications of the parties contained therein. To the PBC’s knowledge, the facts and estimates set forth in this Tax Agreement are accurate, and the expectations of the PBC set forth in this Tax Agreement are reasonable. None of the PBC, the County or the Library Board has any knowledge that would cause any such party to believe that the representations, warranties and certifications described in this Tax Agreement are unreasonable or inaccurate or may not be relied upon.

Section 3.3. Purpose of Financing. The Bonds are being issued for the purpose of providing funds to finance the Project for the benefit of the Library Board.

Section 3.4. Funds and Accounts. The following funds and accounts have been established under the Indenture:

- (a) Construction Fund
- (b) Principal and Interest Fund.
- (c) Costs of Issuance Fund.
- (d) Rebate Fund.

Section 3.5. Amount and Use of Bond Proceeds and Other Money.

(a) *Amount of Bond Proceeds.* The total proceeds to be received by the Trustee from the sale of the Bonds are as follows:

Principal Amount	\$[Principal Amount].00
Original Issue Premium/Discount	
Less Underwriting Discount	<u>0</u>
Total Proceeds Received by the Trustee	\$

(b) *Use of Bond Proceeds.* The Bond proceeds are expected to be allocated to expenditures as follows:

- (1) \$_____ of Bond proceeds will be deposited in the Costs of Issuance Fund and used to pay the costs of issuing the Bonds.
- (2) \$_____ of Bond proceeds will be deposited in the Construction Fund and used to pay costs of the Financed Facilities.

Section 3.6. No Multipurpose Issue. The Bonds are being issued for the single purpose of financing the Project.

Section 3.7. No Advance Refunding. No proceeds of the Bonds will be used more than 90 days following the Issue Date to pay principal of or interest on any other debt obligation.

Section 3.8. No Current Refunding. No proceeds of the Bonds will be used to pay principal of or interest on any other debt obligation.

Section 3.9. Project Completion. The PBC has incurred, or will incur within 6 months after the Issue Date, a substantial binding obligation to a third party to spend at least 5% of the Net Proceeds of the Bonds on the Financed Facilities. The completion of the Financed Facilities and the allocation of the Net Proceeds of the Bonds to expenditures will proceed with due diligence. At least 85% of the Net Proceeds of the Bonds will be allocated to expenditures on the Financed Facilities within 3 years after the Issue Date.

Section 3.10. Sinking Funds. The PBC is making the Financed Facilities available to the County under the Lease, and the County is in turn making the Financed Facilities available to the Library Board under the Sublease. The Library Board is required under the Sublease to make periodic payments in amounts sufficient to pay the principal of and interest on the Bonds, which payments will be deposited in

the Principal and Interest Fund. Except for the Principal and Interest Fund, no sinking fund or other similar fund that is expected to be used to pay principal of or interest on the Bonds has been established or is expected to be established. The Principal and Interest Fund is used primarily to achieve a proper matching of revenues with principal and interest payments on the Bonds within each Bond Year, and the PBC, the County and the Library Board expect that the Principal and Interest Fund will qualify as a Bona Fide Debt Service Fund.

Section 3.11. Reserve, Replacement and Pledged Funds.

- (a) *Debt Service Reserve Fund.* No reserve or replacement fund has been established for the Bonds.
- (b) *No Other Replacement or Pledged Funds.* None of the Bond proceeds will be used as a substitute for other funds that were intended or earmarked to pay costs of the Financed Facilities, and that instead has been or will be used to acquire higher Yielding Investments. Except for the Principal and Interest Fund, there are no other funds pledged or committed in a manner that provides a reasonable assurance that such funds would be available for payment of the principal of or interest on the Bonds if the PBC, the County or the Library Board encounters financial difficulty.

Section 3.12. Purpose Investment Yield. The proceeds of the Bonds will not be used to purchase an Investment for the purpose of carrying out the governmental purpose of the financing.

Section 3.13. Issue Price and Yield on Bonds.

- (a) *Issue Price.* Based on the Purchaser’s certifications in the Underwriter’s Receipt for Bonds and Closing Certificate attached as **Exhibit B-1** and the Municipal Advisor’s certifications in the Municipal Advisor’s Certificate Regarding Competitive Sale attached as **Exhibit B-2**, the PBC and the County hereby elect to establish the issue prices of the Bonds pursuant to Regulations § 1.148-1(f)(2)(i) (relating to the so-called “general rule”). Therefore, the aggregate issue price of the Bonds is \$ _____.
- (b) *Bond Yield.* Based on the issue price of the Bonds, the Yield on the Bonds is ____%, as computed by the Municipal Advisor and shown on **Schedule I**.

Section 3.14. Miscellaneous Arbitrage Matters.

- (a) *No Abusive Arbitrage Device.* The Bonds are not and will not be part of a transaction or series of transactions that has the effect of (1) enabling the PBC, the County or the Library Board to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (2) overburdening the tax-exempt bond market.
- (b) *No Over-Issuance.* The sale proceeds of the Bonds, together with expected investment earnings thereon and other money contributed by the PBC, the County or the Library Board, do not exceed the cost of the governmental purpose of the Bonds as described above.
- (c) *Single Issue; No Other Issues.* The Bonds constitute a single “issue” under Regulations § 1.150-1(c). No other debt obligations of the PBC, the County or the Library Board are being sold within 15 days of the sale of the Bonds, are being sold under the same plan of

financing as the Bonds, and are expected to be paid from substantially the same source of funds as the Bonds (disregarding guarantees from unrelated parties, such as bond insurance).

- (1) Series 2023A PBC Bonds. For purposes of this subsection (c), the PBC has sold and is issuing its Lease Purchase Revenue Bonds, Series 2023A, but such Series 2023A Bonds were sold under a different plan of financing than the Bonds, and therefore constitute a separate “issue” from the Bonds under Regulations § 1.150-1(c). A separate Tax Compliance Agreement and IRS Form 8038-G are being executed in connection with the issuance of such Series 2023A Bonds.
- (2) General Obligation Bonds. For purposes of this subsection (c), the County has sold and issuing its General Obligation Internal Improvement Bonds, Series 2023A simultaneously with the Bonds, but such General Obligation Bonds were sold under a different plan of financing than the Bonds, and therefore constitute a separate “issue” from the Bonds under Regulations § 1.150-1(c). A separate Federal Tax Certificate and IRS Form 8038-G are being executed in connection with the issuance of such General Obligation Bonds.

Section 3.15. Conclusion. On the basis of the facts, estimates and circumstances set forth in this Tax Agreement, the PBC does not expect that the Bond proceeds will be used in a manner that would cause any Bond to be an “arbitrage bond” within the meaning of Code § 148 and the Regulations.

ARTICLE IV

POST-ISSUANCE TAX REQUIREMENTS, POLICIES AND PROCEDURES

Section 4.1. General.

- (a) *Purpose of Article.* The purpose of this Article IV is to supplement the Tax Compliance Policy and to set out specific policies and procedures governing compliance with the federal income tax requirements that apply after the Bonds are issued. The PBC, the County and the Library Board recognize that interest on the Bonds will remain excludable from gross income only if Post-Issuance Tax Requirements are followed after the Issue Date. The PBC, the County and the Library Board further acknowledge that written evidence substantiating compliance with Post-Issuance Tax Requirements must be retained in order to permit the Bonds to be refinanced with tax-exempt obligations and support the position that interest on the Bonds is exempt from gross income in the event of an audit of the Bonds by the IRS.
- (b) *Written Policies and Procedures.* The PBC, the County and the Library Board intend for the Tax Compliance Policy, as supplemented by this Tax Agreement, to be the primary written policies and procedures for monitoring compliance with the Post-Issuance Tax Requirements for the Bonds and to supplement any other formal policies and procedures related to tax compliance otherwise established. The provisions of this Tax Agreement are intended to be consistent with the Tax Compliance Policy. In the event of any inconsistency between the Tax Compliance Policy and this Tax Agreement, the terms of this Tax Agreement will govern.

- (c) *Responsibilities for Post-Issuance Tax Requirements.* The PBC, the County and the Library Board acknowledge that the investment and expenditure of proceeds of the Bonds are primarily within the control of the PBC, but that substantially all of the Financed Facilities will be operated and controlled by the Library Board. For these reasons, the parties are relying on each other to carry out the respective Post-Issuance Tax Requirements applicable to each, in accordance with this Tax Agreement and the Tax Compliance Policy.
- (d) *Bond Compliance Officer.* The Bond Compliance Officer will be responsible for working with the PBC, the County and other Library Board officials, departments and administrators and for consulting with Bond Counsel, other legal counsel and outside experts to the extent necessary to carry out the Post-Issuance Tax Requirements for the Bonds. The Bond Compliance Officer is responsible for obtaining and delivering to the PBC, the County and the Library Board any Opinion of Bond Counsel required under the provisions of this Tax Agreement or the Tax Compliance Policy.
- (e) *Future Action; Costs.* The PBC and the County will, if necessary to fulfill its Post-Issuance Tax Requirements, sign Form 8038-T in connection with the payment of arbitrage rebate or yield reduction payments, participate in any federal income tax audit of the Bonds or related proceedings under a voluntary compliance agreement procedure (VCAP) or undertake a remedial action procedure pursuant to Regulations § 1.141-12. The parties to this Tax Agreement understand and intend that all such costs of the Post-Issuance Tax Requirements will be paid or reimbursed by the party responsible for that aspect of the Post-Issuance Tax Requirements.

Section 4.2. Record Keeping; Use of Bond Proceeds and Use of Financed Facilities.

- (a) *Record Keeping.* The Bond Compliance Officer will maintain the Tax-Exempt Bond File for the Bonds in accordance with the Tax Compliance Policy. Unless otherwise specifically instructed in a written Opinion of Bond Counsel or to the extent otherwise provided in this Tax Agreement, the Bond Compliance Officer shall retain records related to Post-Issuance Tax Requirements until 3 years following the final maturity of the Bonds or any obligation issued to refund the Bonds. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (1) ensure an accurate and complete transfer of the hardcopy records which indexes, stores, preserves, retrieves and reproduces the electronic records, (2) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (3) exhibit a high degree of legibility and readability both electronically and in hardcopy, (4) provide support for other books and records of the Library Board, and (5) not be subject to any agreement that would limit the ability of the IRS to access and use the electronic storage system on the Library Board's premises.
- (b) *Accounting and Allocation of Bond Proceeds to Expenditures.* Bond proceeds and other money will be used as described in **Section 3.5** hereof. The PBC will account for the investment and expenditure of Bond proceeds as part of the Tax-Exempt Bond File. The expected allocation of Bond proceeds to Project expenditures is set forth on **Exhibit C**; the PBC will supplement this expected allocation with a Final Written Allocation, a sample form of which is attached as **Exhibit F**.

- (c) *Annual Compliance Checklist.* Attached as **Exhibits D-1** and **D-2** are sample compliance checklists for the Bonds. The PBC and the Library Board will each prepare and complete a compliance checklist for the Bonds and the Financed Facilities at least annually in accordance with the Tax Compliance Policy. In the event the compliance checklist identifies a deficiency in compliance with the requirements of this Tax Agreement, the parties will take the actions identified in an Opinion of Bond Counsel or the Tax Compliance Policy to correct any deficiency.

Section 4.3. Temporary Periods/Yield Restriction. Except as described below, Gross Proceeds must not be invested at a Yield greater than the Yield on the Bonds:

- (a) *Construction Fund; Costs of Issuance Fund.* Bond proceeds deposited in the Construction Fund or the Costs of Issuance Fund, and investment earnings on those proceeds, may be invested without Yield restriction for up to 3 years following the Issue Date. If any such unspent proceeds remain after 3 years, those amounts may continue to be invested without Yield restriction so long as the County or the Library Board pays to the IRS all Yield reduction payments in accordance with Regulations § 1.148-5(c).
- (b) *Principal and Interest Fund.* To the extent that the Principal and Interest Fund qualifies as a Bona Fide Debt Service Fund, money in such account may be invested without Yield restriction for 13 months after the date of deposit. Earnings on such amounts may be invested without Yield restriction for one year after the date of receipt of such earnings.
- (c) *Minor Portion.* In addition to the amounts described above, Gross Proceeds not exceeding the Minor Portion may be invested without Yield restriction.

Section 4.4. Fair Market Value.

- (a) *General.* No Investment may be acquired with Gross Proceeds for an amount (including transaction costs) in excess of the fair market value of such Investment, or sold or otherwise disposed of for an amount (including transaction costs) less than the fair market value of the Investment. The fair market value of any Investment is the price a willing buyer would pay to a willing seller to acquire the Investment in a bona fide, arm's-length transaction. Fair market value will be determined in accordance with § 1.148-5 of the Regulations.
- (b) *Established Securities Market.* Except for Investments purchased for a Yield-restricted defeasance escrow, if an Investment is purchased or sold in an arm's-length transaction on an established securities market (within the meaning of Code § 1273), the purchase or sale price constitutes the fair market value. Where there is no established securities market for an Investment, market value must be established using one of the paragraphs below. The fair market value of Investments purchased for a Yield-restricted defeasance escrow must be determined in a bona fide solicitation for bids that complies with § 1.148-5 of the Regulations.
- (c) *Certificates of Deposit.* The purchase price of a certificate of deposit (a "CD") is treated as its fair market value on the purchase date if (1) the CD has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, (2) the Yield on the CD is not less than the Yield on reasonably comparable direct obligations of the United States, and (3) the Yield is not less than the highest Yield published or posted by the CD issuer to be currently available on reasonably comparable CDs offered to the public.

- (d) *Guaranteed Investment Contracts.* The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if all of the following requirements are met:
- (1) Bona Fide Solicitation for Bids. The PBC or the Trustee makes a bona fide solicitation for the Guaranteed Investment Contract, using the following procedures:
 - (A) The bid specifications are in writing and are timely forwarded to potential providers, or are made available on an internet website or other similar electronic media that is regularly used to post bid specifications to potential bidders. A writing includes a hard copy, a fax, or an electronic e-mail copy.
 - (B) The bid specifications include all “material” terms of the bid. A term is material if it may directly or indirectly affect the Yield or the cost of the Guaranteed Investment Contract.
 - (C) The bid specifications include a statement notifying potential providers that submission of a bid is a representation (i) that the potential provider did not consult with any other potential provider about its bid, (ii) that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the PBC, the County, the Library Board, the Trustee or any other person (whether or not in connection with the bond issue), and (iii) that the bid is not being submitted solely as a courtesy to the PBC, the County, the Library Board, the Trustee or any other person, for purposes of satisfying the requirements of the Regulations.
 - (D) The terms of the bid specifications are “commercially reasonable.” A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the Yield of the Guaranteed Investment Contract.
 - (E) The terms of the solicitation take into account the reasonably expected deposit and draw-down schedule for the amounts to be invested.
 - (F) All potential providers have an equal opportunity to bid. If the bidding process affords any opportunity for a potential provider to review other bids (*i.e.*, a last look) before providing a bid, then providers have an equal opportunity to bid only if all potential providers have an equal opportunity to review other bids. Thus, no potential provider may be given an opportunity to review other bids that is not equally given to all potential providers (that is no exclusive “last look”).
 - (G) At least three “reasonably competitive providers” are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of Investments being purchased.

- (2) Bids Received. The bids received must meet all of the following requirements:
- (A) At least three bids are received from providers that were solicited as described above and that do not have a “material financial interest” in the issue. For this purpose, (i) a lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the Issue Date of the issue, (ii) any entity acting as a financial advisor with respect to the purchase of the Guaranteed Investment Contract at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue, and (iii) a provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.
 - (B) At least one of the three bids received is from a reasonably competitive provider, as defined above.
 - (C) If an agent or broker is used to conduct the bidding process, the agent or broker did not bid to provide the Guaranteed Investment Contract.
- (3) Winning Bid. The winning bid is the highest Yielding bona fide bid (determined net of any broker’s fees).
- (4) Fees Paid. The obligor on the Guaranteed Investment Contract certifies the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the Guaranteed Investment Contract.
- (5) Records. The PBC or the Trustee retains the following records with the bond documents until three years after the last outstanding Bond is redeemed:
- (A) A copy of the Guaranteed Investment Contract.
 - (B) The receipt or other record of the amount actually paid for the Guaranteed Investment Contract, including a record of any administrative costs paid by the PBC, and the certification as to fees paid, described in paragraph (d)(4) above.
 - (C) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results.
 - (D) The bid solicitation form and, if the terms of Guaranteed Investment Contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.
- (e) *Other Investments*. If an Investment is not described above, the fair market value may be established through a competitive bidding process, as follows:
- (1) at least three bids on the Investment must be received from persons with no financial interest in the Bonds (*e.g.*, as underwriters or brokers); and

- (2) the Yield on the Investment must be equal to or greater than the Yield offered under the highest bid.

Section 4.5. Certain Gross Proceeds Exempt from the Rebate Requirement.

- (a) *General.* A portion of the Gross Proceeds of the Bonds may be exempt from rebate pursuant to one or more of the following exceptions. The exceptions typically will not apply with respect to all Gross Proceeds of the Bonds and will not otherwise affect the application of the Investment limitations described in **Section 4.3**. Unless specifically noted, the obligation to compute, and if necessary, to pay rebate as set forth in **Section 4.6** applies even if a portion of the Gross Proceeds of the Bonds is exempt from the rebate requirement. To the extent all or a portion of the Bonds is exempt from rebate the Rebate Analyst may account for such fact in connection with its preparation of a rebate report described in **Section 4.6**.
- (b) *Applicable Spending Exceptions.* The following optional rebate spending exceptions can apply to the Bonds:
 - (1) 6-month exception (Code § 148(f)(4)(B) and Regulations § 1.148-7(c)).
 - (2) 18-month exception (Regulations § 1.148-7(d)).
 - (3) 2-year exception (Code § 148(f)(4)(C) and Regulations § 1.148-7(e)).
- (c) *Special Elections Made with Respect to Spending Exception Elections.* No special elections are being made in connection with the application of the spending exceptions.
- (d) *Bona Fide Debt Service Fund.* To the extent that the Principal and Interest Fund qualifies as a Bona Fide Debt Service Fund, Investment earnings in the account cannot be taken into account in computing arbitrage rebate.
- (e) *Documenting Application of Spending Exception.* At any time prior to the first Computation Date, the PBC may engage the Rebate Analyst to determine whether one or more spending exceptions has been satisfied, and the extent to which the parties must continue to comply with **Section 4.5** hereof.
- (f) *General Requirements for Spending Exception.* The following general requirements apply in determining whether a spending exception is met.
 - (1) Using Adjusted Gross Proceeds or Available Construction Proceeds to pay principal of any Bonds is not taken into account as an expenditure for purposes of meeting any of the spending tests.
 - (2) The 6-month spending exception generally is met if all Adjusted Gross Proceeds of the Bonds are spent within 6 months following the Issue Date. The test may still be satisfied even if up to 5% of the sale proceeds remain at the end of the initial 6-month period, so long as this amount is spent within 1 year of the Issue Date.
 - (3) The 18-month spending exception generally is met if all Adjusted Gross Proceeds of the Bonds are spent in accordance with the following schedule:

Time Period After the Issue Date	Minimum Percentage of Adjusted Gross Proceeds Spent
6 months	15%
12 months	60%
18 months (Final)	100%

- (4) The 2-year spending exception generally is met if all Available Construction Proceeds are spent in accordance with the following schedule:

Time Period After the Issue Date	Minimum Percentage of Available Construction Proceeds Spent
6 months	10%
12 months	45%
18 months	75%
24 months (Final)	100%

- (5) For purposes of applying the 18-month and 2-year spending exceptions only, the failure to satisfy the **final** spending requirement is disregarded if the PBC and the County use due diligence to complete the Financed Facilities and the failure does not exceed the lesser of 3% of the aggregate issue price of the Bonds or \$250,000. **No such exception applies for any other spending period.**
- (6) For purposes of applying the 18-month and 2-year spending exceptions only, the Bonds meet the applicable spending test even if, at the end of the final spending period, proceeds not exceeding a Reasonable Retainage remain unspent, so long as such Reasonable Retainage is spent within 30 months after the Issue Date in the case of the 18-month exception or 3 years after the Issue Date in the case of the 2-year spending exception. **No such exception applies for any other spending period.**

Section 4.6. Computation and Payment of Arbitrage Rebate.

- (a) *Rebate Fund.* The Trustee will keep the Rebate Fund separate from all other funds and will administer the Rebate Fund under this Tax Agreement. Any Investment earnings derived from the Rebate Fund will be credited to the Rebate Fund, and any Investment loss will be charged to the Rebate Fund.
- (b) *Computation of Rebate Amount.* The PBC, the County, the Library Board and the Trustee will provide the Rebate Analyst Investment reports relating to each fund held by any such party that contains Gross Proceeds of the Bonds annually as of the end of each Bond Year and not later than ten days following each Computation Date. Each Investment report provided to the Rebate Analyst will contain a record of each Investment, including (1) purchase date, (2) purchase price, (3) information establishing the fair market value on the date such Investment was allocated to the Bonds, (4) any accrued interest paid, (5) face amount, (6) coupon rate, (7) frequency of interest payments, (8) disposition price, (9) any accrued interest received, and (10) disposition date. The Rebate Analyst will compute

rebate following each Computation Date and deliver a written report to the PBC, the County, the Library Board and the Trustee, together with an opinion or certificate of the Rebate Analyst stating that arbitrage rebate was determined in accordance with the Regulations. Each report and opinion will be provided not later than 45 days following the Computation Date to which it relates. In performing its duties, the Rebate Analyst may rely, in its discretion, on the correctness of financial analysis reports prepared by other professionals. If the sum of the amount on deposit in the Rebate Fund and the value of prior rebate payments is less than the arbitrage rebate due, the County will, within 55 days after such Computation Date, pay the amount of the deficiency for deposit into the Rebate Fund. If the sum of the amount on deposit in the Rebate Fund and the value of prior rebate payments is greater than the Rebate Amount such surplus in the Rebate Fund shall be transferred to the Principal and Interest Fund. After the final Computation Date or at any other time if the Rebate Analyst has advised the PBC and the County, any money left in the Rebate Fund will be paid to the County and may be used for any purpose not prohibited by law.

- (c) *Rebate Payments.* Within 60 days after each Computation Date, the County will pay the Trustee for deposit into the Rebate Fund, or will pay directly to the United States, the rebate amount then due, determined in accordance with the Regulations. Each payment must be (1) accompanied by IRS Form 8038-T and such other forms, documents or certificates as may be required by the Regulations, and (2) mailed or delivered to the IRS at the address shown below, or to such other location as the IRS may direct:

Internal Revenue Service Center
Ogden, UT 84201

- (d) *Successor Rebate Analyst.* If the firm acting as the Rebate Analyst resigns or becomes incapable of acting for any reason, or if the PBC desires that a different firm act as the Rebate Analyst, then the PBC, by an instrument in writing delivered to the firm then serving as the Rebate Analyst and any other party to this Tax Agreement, will engage a successor Rebate Analyst. In each case the successor Rebate Analyst must be a firm of nationally recognized bond counsel or a firm of independent certified public accountants and such firm must expressly agree to undertake the responsibilities assigned to the Rebate Analyst hereunder.
- (e) *Survival After Defeasance.* Notwithstanding anything in the Indenture, the Lease or the Sublease to the contrary, the obligation to pay arbitrage rebate and yield reduction amounts to the United States will survive the payment or defeasance of the Bonds.

Section 4.7. Filing Requirements. The PBC, the County and the Library Board will file or cause to be filed with the Internal Revenue Service such reports or other documents as are required by the Code in accordance with an Opinion of Bond Counsel.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Term of Tax Agreement. This Tax Agreement will be effective concurrently with the issuance and delivery of the Bonds and will continue in force and effect until the principal of, redemption

premium, if any, and interest on all Bonds have been fully paid and all such Bonds are cancelled; provided that, the provisions of **Section 4.6** of this Tax Agreement regarding payment of arbitrage rebate and yield reduction amounts and all related penalties and interest will remain in effect until all such amounts are paid to the United States and the provisions of **Section 4.2** of this Tax Agreement relating to record keeping shall continue in force for the period described therein for records to be retained.

Section 5.2. Amendments. This Tax Agreement may be amended from time to time by the PBC, the County, the Library Board and the Trustee without notice to or the consent of any of the owners of the Bonds, but only if such amendment is in writing and is accompanied by an Opinion of Bond Counsel to the effect that, under then-existing law, assuming compliance with this Tax Agreement as so amended such amendment will not cause interest on any Bond to be included in gross income for federal income tax purposes. No such amendment will become effective until the PBC, the County, the Library Board and the Trustee receive this Opinion of Bond Counsel.

Section 5.3. Opinion of Bond Counsel. The PBC, the County, the Library Board and the Trustee may deviate from the provisions of this Tax Agreement if furnished with an Opinion of Bond Counsel to the effect that the proposed deviation will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. The PBC, the County, the Library Board and the Trustee will comply with any further or different instructions provided in an Opinion of Bond Counsel to the effect that the further or different instructions need to be complied with in order to maintain the validity of the Bonds or the exclusion from federal gross income of the interest on the Bonds.

Section 5.4. Reliance. In delivering this Tax Agreement the PBC, the County, the Library Board and the Trustee are making only those certifications, representations and agreements as are specifically attributed to it in this Tax Agreement. None of the PBC, the County, the Library Board or the Trustee is aware of any facts or circumstances which would cause it to question the accuracy of the facts, circumstances, estimates or expectations of any other party providing certifications as part of this Tax Agreement and, to the best of their knowledge, those facts, circumstances, estimates and expectations are reasonable. The parties providing certifications or representations to this Tax Agreement, including the PBC, understand that their certifications will be relied upon by the law firm of Gilmore & Bell, P.C., in rendering its opinion as to the validity of the Bonds and the exclusion from federal gross income of the interest on the Bonds.

Section 5.5. Severability. If any provision in this Tax Agreement or in the Bonds is determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not be affected or impaired.

Section 5.6. Benefit of Agreement. This Tax Agreement is binding upon the PBC, the County, the Library Board and the Trustee, and their respective successors and assigns, and inures to the benefit of the owners of the Bonds and to such parties. Nothing in this Tax Agreement or in the Indenture, the Lease, the Sublease or the Bonds, express or implied, gives to any person, other than the PBC, the County, the Library Board and the Trustee, and their respective successors and assigns, and the owners of the Bonds, any benefit or any legal or equitable right, remedy or claim under this Tax Agreement.

Section 5.7. Default; Breach and Enforcement. Any misrepresentation of a party contained herein or any breach of a covenant or agreement contained in this Tax Agreement may be pursued by the owners of the Bonds pursuant to the terms of the Indenture, the Lease, the Sublease or any other document which references this Tax Agreement and gives remedies for a misrepresentation or breach thereof.

Section 5.8. Execution in Counterparts. This Tax Agreement may be executed in any number of counterparts, each of which so executed will be deemed to be an original, but all such counterparts will together constitute the same instrument.

Section 5.9. Governing Law. This Tax Agreement will be governed by and construed in accordance with the laws of the State of Kansas.

Section 5.10. Electronic Transactions. The transaction described in this Tax Agreement may be conducted, and related documents may be stored, by electronic means.

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The parties to this Tax Agreement have caused this Tax Compliance Agreement to be duly executed by their duly authorized officers as of the Issue Date of the Bonds.

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

By: _____
Mike Kelly, Chair

JOHNSON COUNTY, KANSAS

By: _____
Mike Kelly, Chair

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

By: _____
Bethany Griffith, Chair

SECURITY BANK OF KANSAS CITY
as Trustee

By: _____
Pete Gardner, Senior Vice President

EXHIBIT A

IRS FORM 8038-G

ATTACHMENT TO IRS FORM 8038-G

**[\$[Principal Amount]
PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS
LEASE PURCHASE REVENUE BONDS
(LIBRARY PROJECT)
SERIES 2023B**

**Issuer Name: Public Building Commission of Johnson County, Kansas
Issuer EIN: 48-1089371**

PART II: Type of Issue

Form 8038-G Line Number	User Name	Employer Identification Number	Governmental or Nongovernmental Entity	Summary of Use
18	Johnson County, Kansas	48-6034760	Governmental	Governmental Owner and Operator of Financed Property

EXHIBIT B

UNDERWRITER'S RECEIPT FOR BONDS AND CLOSING CERTIFICATE

**[\$[Principal Amount]
PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS
LEASE PURCHASE REVENUE BONDS
(LIBRARY PROJECT)
SERIES 2023B
DATED SEPTEMBER 7, 2023**

The undersigned, on behalf of _____ (the "Original Purchaser") and an Underwriter of the above-described bonds (the "Bonds"), being issued on the date of this Certificate by the Public Building Commission of Johnson County, Kansas (the "Issuer"), certifies and represents as follows:

1. Receipt for Bonds. The Original Purchaser acknowledges receipt on the date hereof of all of the Bonds, consisting of fully registered Bonds in authorized denominations in a form acceptable to the Original Purchaser.

2. Issue Price.

(a) *Public Offering.* The Original Purchaser offered all of the Bonds to the Public (as defined below) in a bona fide initial offering.

(b) *Reasonably Expected Initial Offering Price.* As of the sale date of the Bonds (October 27, 2021), the reasonably expected initial offering prices of the Bonds to the Public by the Original Purchaser are the prices listed in **Attachment 1** (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Original Purchaser in formulating its bid to purchase the Bonds.

(c) *Defined Terms.*

(i) The term "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(ii) The term "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" is defined in U.S. Treasury Regulation § 1.150-1(b) which generally provides that the term related party means any two or more persons who have a greater than 50 percent common ownership, directly or indirectly.

(iii) The term "Underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a

party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this Certificate represents the Original Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the certifications contained herein will be relied upon by the Issuer in executing and delivering the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Gilmore & Bell, P.C., Bond Counsel to the Issuer, in rendering its opinion relating to the exclusion from federal gross income of the interest on the Bonds and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: September 7, 2023.

[UNDERWRITER]

By: _____
Title: _____

Attachment A
Initial Offering Prices

EXHIBIT B-2

MUNICIPAL ADVISOR’S CERTIFICATE REGARDING COMPETITIVE SALE

**[\$[Principal Amount]
PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS
LEASE PURCHASE REVENUE BONDS
(LIBRARY PROJECT)
SERIES 2023B
DATED SEPTEMBER 7, 2023**

The undersigned, on behalf of Baker Tilly Municipal Advisors, LLC, Saint Paul, Minnesota (the “Municipal Advisor”), as the Municipal Advisor to the Public Building Commission of Johnson County, Kansas (the “Issuer”) in connection with the issuance of the above-described bonds (the “Bonds”), has assisted the Issuer in soliciting and receiving bids from potential underwriters in connection with the sale of the Bonds in a competitive bidding process in which bids were requested for the purchase of the Bonds at specified written terms, and hereby certifies as set forth below with respect to the bidding process and award of the Bonds:

1. The Bonds were offered for sale at specified written terms more particularly described in the Notice of Bond Sale, which was distributed to potential bidders, a copy of which is attached to this Certificate as **Attachment 1**.

2. The Notice of Bond Sale was disseminated electronically as included in the Preliminary Official Statement dated _____, which was made widely available to potential bidders and posted to the Municipal Advisor’s website on or about _____. The Notice of Bond Sale appeared in the calendar of bond sales in The Bond Buyer newspaper prior to the sale. The methods of distribution of the Notice of Bond Sale are regularly used for purposes of disseminating notices of sale of new issuances of municipal bonds, and notices disseminated in such manner are widely available to potential bidders.

3. To the knowledge of the Municipal Advisor, all bidders were offered an equal opportunity to bid to purchase the Bonds, and the bidding process did not afford any opportunity for bidders to review other bids before providing a bid (that is, no “last-look”).

4. The Issuer received bids from at least three bidders who represented that each has an established industry reputation for underwriting new issuances of municipal bonds. Based upon the Municipal Advisor’s knowledge and experience in acting as the Municipal Advisor for other municipal issues, the Municipal Advisor believes those representations to be accurate. Copies of the bids received are attached to this Certificate as **Attachment 2**.

5. The winning bidder was _____ (the “Original Purchaser”), whose bid was determined to be the best conforming bid in accordance with the terms set forth in the Notice of Bond Sale, as shown in the bid comparison attached as **Attachment 3** to this Certificate. The Issuer awarded the Bonds to the Original Purchaser.

The representations set forth in this certificate are limited to factual matters only. Nothing in this Certificate represents the Municipal Advisor's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the certifications contained herein will be relied upon by the County in executing and delivering the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Gilmore & Bell, P.C., Bond Counsel to the County, in rendering its opinion relating to the exclusion from federal gross income of the interest on the Bonds and other federal income tax advice that it may give to the County from time to time relating to the Bonds.

Dated: September 7, 2023.

**BAKER TILLY MUNICIPAL ADVISORS, LLC
SAINT PAUL, MINNESOTA**

By: _____
Title: _____

EXHIBIT C

PROJECT DESCRIPTION

Description	Expected Placed in Service Date	Estimated Useful Life	Total Cost	Amount From Tax-Exempt Bonds
Merriam Library		40 years	\$	\$

EXHIBIT D-1

SAMPLE ANNUAL COMPLIANCE CHECKLIST – PBC

Name of tax-exempt obligations (“Bonds”) financing Project:	PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS LEASE PURCHASE REVENUE BONDS (LIBRARY PROJECT) SERIES 2023B
Issue Date of Bonds:	<u>September 7, 2023</u>
Name and title of person completing request:	_____
Period covered by request (“Annual Period”):	_____

1 Arbitrage & Rebate	Has the rebate and yield reduction calculation been prepared for the current year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If No, contact Rebate Analyst and incorporate report or include description of resolution in the Tax-Exempt Bond File.	

Bond Compliance Officer: _____
Date Completed: _____

EXHIBIT D-2

SAMPLE ANNUAL COMPLIANCE CHECKLIST – LIBRARY BOARD

Name of tax-exempt obligations (“Bonds”) financing Project:	PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS LEASE PURCHASE REVENUE BONDS (LIBRARY PROJECT) SERIES 2023B
Issue Date of Bonds:	<u>September 7, 2023</u>
Placed in service date(s) of Project:	_____
Name and title of person completing request:	_____
Period covered by request (“Annual Period”):	_____

Item	Question	Response
1 Ownership	Was the Project owned by the PBC, the County or the Library Board during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “No,” was an Opinion of Bond Counsel obtained prior to the transfer? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

2 Leases & Other Rights to Possession	During the Annual Period, was any part of the Project leased at any time pursuant to a lease or similar agreement for more than 50 days (other than the Base Lease between the Library Board and the PBC, the Lease between the PBC and the County and the Sublease between the County and the Library Board)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “Yes,” was an Opinion of Bond Counsel obtained prior to entering into the lease or other arrangement? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Item	Question	Response
3 Management or Service Agreements	During the Annual Period, has the management of all or any part of the operations of the Financed Facilities (e.g., coffee shop) been assumed by or transferred to another entity?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “Yes,” was an Opinion of Bond Counsel obtained prior to entering into the management agreement? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

4 Other Use	Was any other agreement entered into with an individual or entity that grants special legal rights to the Financed Facilities?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “Yes,” was an Opinion of Bond Counsel obtained prior to entering into the agreement? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Authorized Library Board Representative: _____

Date Completed: _____

EXHIBIT E

LIST OF EXPENDITURES TO BE REIMBURSED FROM BOND PROCEEDS

EXHIBIT F

SAMPLE FINAL WRITTEN ALLOCATION

**[\$[Principal Amount]
PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS
LEASE PURCHASE REVENUE BONDS
(LIBRARY PROJECT)
SERIES 2023B
DATED SEPTEMBER 7, 2023**

Final Written Allocation

The undersigned is the _____ of the Public Building Commission of Johnson County, Kansas (the “PBC”), and in that capacity has been authorized to prepare and execute this final allocation on behalf of the PBC, Johnson County, Kansas (the “County”) and the Board of Directors of the Johnson County Library (the “Library Board”) with respect to the above-referenced bonds (the “Bonds”). This allocation of the proceeds of the Bonds is necessary for the PBC, the County and the Library Board to satisfy ongoing reporting and compliance requirements under federal income tax laws.

Purpose. This document, together with the schedules and records referred to below, is intended to memorialize allocations of Bond proceeds to expenditures for purposes of §§ 141 and 148 of the Internal Revenue Code (the “Code”). All allocations are or were previously made no later than 18 months following the date the expenditure was made by the PBC or, if later, the date the “project” was “placed in service” (both as defined below), and no later than 60 days following the 5th anniversary of the issue date of the Bonds.

Background. The Bonds were issued on September 7, 2023 (the “Issue Date”) by the PBC under a Trust Indenture, dated as of September 1, 2023, between the PBC and Security Bank of Kansas City, as trustee (the “Indenture”). The Bonds were issued to finance a new library located in the vicinity of the Merriam Community Center (the “Project”). The PBC leases the Project to the County under the First Amended and Restated Lease dated October 1, 2016, as amended by the Amendment to Lease, dated as of September 1, 2023, between the PBC, as lessor, and the County, as lessee. The County, in turn, subleases the Project to the Library Board under the First Amended and Restated Sublease dated October 1, 2016, as amended by the First Amendment to First Amended and Restated Sublease, dated as of September 1, 2023, between the County, as lessor, and the Library Board, as lessee. Bond proceeds were deposited to the Construction Fund and the Costs of Issuance Fund established under the Indenture.

Sources Used to Fund Project Costs and Allocation of Bond Proceeds to Project Costs. A portion of Project costs was paid from sale and investment proceeds of the Bonds and the remaining portion of Project costs was paid from other money contributed by the PBC, the County or the Library Board, as shown on **Exhibit 1** to this Final Written Allocation. The portion of the Project financed from Bond proceeds (*i.e.*, the “Financed Facilities” referenced in the Tax Compliance Agreement) is shown on **Exhibit 2** to this Final Written Allocation.

Identification and Timing of Expenditures for Arbitrage Purposes. For purposes of complying with the arbitrage rules of Code § 148, the PBC allocates the proceeds of the Bonds to the various expenditures described in the invoices, requisitions or other evidences of substantiation attached as **Exhibit 2** to this

Final Written Allocation. In each case, the cost requisitioned either was paid directly to a third party or reimbursed to the PBC, the County or the Library Board for an amount previously paid or incurred. Amounts received from the sale of the Bonds and retained as underwriter's discount are allocated to that purpose and spent on the Issue Date. Amounts allocated to interest expense are treated as paid on the interest payment dates for the Bonds.

Placed In Service. The Project was "placed in service" on the date(s) set out on **Exhibit 2** to this Final Written Allocation. For this purpose, each component of the Project is considered to be "placed in service" as of the date on which, based on all the facts and circumstances: (1) the constructing and equipping of the asset has reached a degree of completion which would permit its operation at substantially its design level; and (2) the asset is, in fact, in operation at that level.

This allocation has been prepared based on statutes and regulations existing as of this date. The PBC reserves the right to amend this allocation to the extent permitted by future Treasury Regulations or similar authorities.

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

By: _____
Title: _____

Dated: _____

Name of Legal Counsel/Law Firm Reviewing Final Written Allocation:

Date of Review: _____

**EXHIBIT 1
TO FINAL WRITTEN ALLOCATION**

ALLOCATION OF SOURCES AND USES

	<i>Estimated at Closing</i>	<i>Actual</i>
Sources of Funds:		
Principal Amount of the Bonds	\$[Principal Amount].00	\$[, __, 000.00]
Investment earnings	_____.	_____.
Original Issue Premium/Discount		[, __.]
Total	\$	\$_____.
Uses of Funds:		
Construction Fund	\$	\$_____.
Underwriting Discount		[, __.]
Costs of Issuance		[_____.]
Total	\$	\$/_____./

**EXHIBIT 2
TO FINAL WRITTEN ALLOCATION**

**IDENTIFICATION OF FINANCED FACILITIES
&
DETAILED LISTING OF EXPENDITURES**

To: Library Board of Directors
From: Tricia Suellentrop
Date: July 13, 2023
Re: Strawberry Week Society Memorandum of Understanding for Information

Issue: Partnering with organization Strawberry Week Society (Strawberry Week) to provide free period products in Johnson County Library public restrooms.

Suggested Motion: No motion necessary, informational purposes only as action will be requested at the August 10, 2023, Library Board Meeting.

Background: The Library seeks to enter into partnership with the nonprofit organization Strawberry Week, which will provide the Library a quarterly supply of period products at no charge to the Library for distribution in all public restrooms across its 14 locations. Strawberry Week seeks to decrease period poverty across the Kansas City metropolitan region by partnering with local agencies and organizations to provide free tampons, pads, and liners to the general public via schools, hospitals, libraries, and community groups.

Johnson County, KS Facilities Department does not currently provide period products to any Johnson County, KS government buildings, thus this partnership will serve to empower library patrons and increase access to our buildings by supplying often-needed products.

Analysis: The annual cost of products Strawberry Week agrees to supply would save the Library approximately \$3,171.16 on 10,000 pads and 6,000 tampons if the Library were to purchase supplies directly from County approved vendors. Staff's initial proposal also considered partnership with another distribution organization, Aunt Flow, which would have cost the Library \$4,000 annually for the same amount of product. An advantage of partnering with Strawberry Week is their willingness to increase our product quantities if it is found we need more in certain library locations. This partnership offers many advantages, including reinforcing a proactive and impactful approach to providing more seamless customer service, fostering a welcoming environment, safeguarding privacy and confidentiality by making products available without a patron needing to ask, and ensuring prolonged, comfortable access to information and library resources in our spaces.

Funding Overview: The Associate Director of Branch Services has approved a one-time budget allowance of approximately \$374.82 for containers to hold the provided products.

Alternatives: Not approve the MOU and continue to not provide period products for patrons in the library public restrooms.

Recommendation: This is being presented to the Library Board in July for informational purposes. Motion to consider this MOU is anticipated to occur at the August 2023 meeting.

Budget Review: The cost to the library will be approximately \$375.00 It will come out of the Branch Services Budget.

Legal Review: The agreement has been reviewed and certified by legal counsel.

Memorandum of Understanding (MOU) between the Johnson County Library and Strawberry Week Society

This Memorandum of Understanding (MOU) is intended to document the relationship between the Johnson County Library (JCL) and Strawberry Week Society d/b/a Strawberry Week (Strawberry Week), a Kansas not for profit corporation, in support of our mutual efforts to provide free menstrual and period products to the public in all public restrooms of the branches of JCL. This will foster a welcoming environment which deepens a customer experience designed to empower patrons to thrive and prosper through increased convenience and guaranteed access to library resources. This MOU is in effect from the date of JCL's execution below through December 31, 2023.

Any party to the MOU may terminate their participation in this MOU by giving a 30-day written notice of termination to the other party.

Johnson County Library Responsibilities

- Stock free period products in every public restroom containing sufficient counter space across the 14 branches of JCL
- Provide containers to hold products for all public restrooms with counter space in all branches of JCL at a cost to JCL of approximately \$375.00, which is the total amount incurred by JCL under this MOU
- Promote partnership with Strawberry Week via JCL channels including but not limited to the website and social media accounts
- Create signage for promotion in restrooms cobranded with Strawberry Week and JCL logos
- Recognize that Strawberry Week has limited resources and any products provided will be subject to Strawberry Week's available inventory at the reasonable efforts of Strawberry Week who must balance the needs of all of their partners

Strawberry Week Responsibilities

- Deliver pads and tampons to the Central Resource Library once per quarter
- Provide language, information cards and marketing material for promotion
- Promote partnership with JCL on Strawberry Week's social media accounts in conjunction with JCL's external communications team. Any use of JCL name, library branch facility name, or logo by Strawberry Week is subject to the prior written approval of JCL.
- Notify JCL if Strawberry Week must stop providing products with as much notice as possible

About Strawberry Week

Strawberry Week is an organization that is focused on addressing period poverty in our community through collecting and distributing products across the metro through partnership with local organizations, libraries, and schools. Strawberry Week is the only 501(c)(3) nonprofit organization that serves Kansas and Missouri whose mission is 100% focused on addressing period poverty by improving accessibility to period products to both underserved populations and the general public.

Micheala Miller
Founder, Chief Executive Officer
Strawberry Week Society

Date:

Tricia Suellentrop
County Librarian,
Johnson County Library

Date: _____

To: Library Board of Directors
From: Tricia Suellentrop, County Librarian
Date: July 13, 2023
Re: Johnson County Library Strategic Plan 2024-2028

Issue: This is being presented for informational purposes in July. Johnson County Library received approval from the Johnson County Library Board in October of 2021 to renew the strategic plan for the years 2024-2028 with existing Key Performance Areas (Community, Convenience, Education, Operations, Communication). The Library has been working to update the plan, making language and definitions more approachable so that patrons, staff and the community can see themselves in the Strategic Plan and the impact of the work we are doing. This update will make reporting on our progress easier through all channels of communication.

Suggested Motion: No motion necessary, informational purposes only as action will be requested for approval at the August 10, 2023 Library Board Meeting.

Background: Johnson County Library developed the 2014-2018 Strategic Plan in 2013 by gathering community data and staff input. This Strategic Plan had three Key Performance Areas (Community, Convenience, Education). In 2018 the Library worked with The University of Kansas Public Management Center to update the strategic plan and add two additional Key Performance Areas (Operations, Community). Throughout 2022 and 2023 we have been taking steps toward another renewal of this plan, keeping our five existing Key Performance Areas, and adjusting the language as you see in the slides.

Analysis: The current strategic plan expires at the end of 2023 and new language for the Strategic Plan Key Performance Areas for 2024-2028 is being presented to the Library Board for approval in August 2023.

Funding Overview: N/A

Alternatives: The Library Board could recommend the Library take another path and not approve the new language for the Key Performance Areas for the 2024-2028 Johnson County Library Strategic Plan.

Recommendation: This is being presented to the Library Board in July for informational purposes. Approval of the 2024-2028 Strategic Plan Key Performance Areas will be requested for action in August.

Purchasing Review: N/A

Budget Review: N/A

Legal Review: N/A

2024-2028 Strategic Plan Update

July 2023

JOHNSON COUNTY LIBRARY

2013

Development of 2014-2018 Strategic Plan

- Community data gathered
- All staff input sessions
- Manager developed goals, staff developed tactics
- KPAs:
 - Community
 - Convenience
 - Education

2018

Strategic Plan updated for 2019-2023

- Manager-led community/partner focus groups
- Online Staff input
- Manager developed goals
- Manager stakeholder workshops
- KPAs added:
 - Operations
 - Communication

2021

Strategic Plan Updated for 2024-2028

- Board approves 5 KPAs

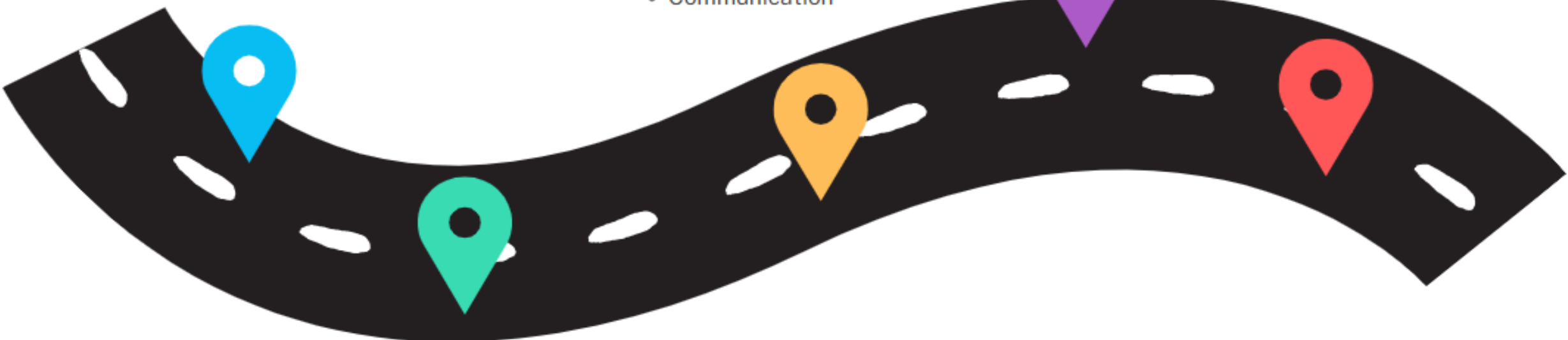
2022

Strategic Plan Updated for 2024-2028

- Manager work groups update goals

2023

KPA Language Updated



Formatting Update

2019-2023 Strategic Plan

- Mission/Vision/Values
- Key Performance Area
 - Strategic Vision
 - Outcome
 - Executive Goal

Included in guide:

- Goals
- Tactics

2024-2028 Strategic Plan

- Mission/Vision/Values
- Key Performance Area
 - Objective

Included in guide:

- Organizational Priorities
- Action Items



Community – 2019

Strategic Vision

Johnson County Library offers neutral spaces and opportunities where all voices are equal and connections are forged.

Outcome

People will thrive and prosper.

Goal

4. Annually review and align the 2019-2023 strategic partnerships to continue to support the mission of Johnson County Library.

Community – 2024

*At Johnson County
Library...*

We ensure everyone in our community is represented and welcomed.

Annual Prioritized Action Items



Convenience – 2019

Strategic Vision

Johnson County Library delivers services and materials how, when and where patrons want.

Outcome

People will be surprised and delighted.

Goal

2. Lead and administer the 20 year Comprehensive Library Master Plan with provided resources.

Convenience – 2024

*At Johnson County
Library...*

We make it easy for our community to incorporate library services into their lives.

Annual Prioritized Action Items



Education – 2019

Strategic Vision

Johnson County Library creates inclusive and welcoming environments that spark curiosity and learning.

Outcome

People will learn about themselves and the world.

Goal

5. Provide a premier customer experience by improving and annually reviewing all defined Johnson County Library services.

Education – 2024

*At Johnson County
Library...*

We connect our community to resources that foster curiosity and lifelong learning.

Annual Prioritized Action Items



Operations – 2019

Strategic Vision

Johnson County Library offers neutral spaces and opportunities where all voices are equal and connections are forged.

Outcome

People will thrive and prosper.

Goal

1. Develop and review the annual budget, allocating resources to align with strategic goals and tactics.

Operations – 2024

*At Johnson County
Library...*

We apply resources in ways that support our community's needs.

Annual Prioritized Action Items



Communication – 2019

Strategic Vision

Johnson County Library listens to and shares information with all, building strong connections and relationships.

Outcome

People will be connected.

Goal

3. Set and annually review the communication vision and mission for Johnson County Library.

Communication – 2024

*At Johnson County
Library...*

We foster our community's relationship with the library.

Annual Prioritized Action Items



JOHNSON COUNTY LIBRARY

COMMUNITY

We ensure everyone in our community is represented and welcomed.

CONVENIENCE

We make it easy for our community to incorporate library services into their lives.

EDUCATION

We connect our community to resources that support curiosity and lifelong learning.

OPERATIONS

We apply resources in ways that support our community's needs.

COMMUNICATION

We foster our community's relationship with the library.

Timeline

- **August:** Board vote
- **September:** Finalize collateral
- **October/November:** Rollout to staff
- **November/December:** Rollout to public
- **January 2024:** Implementation begins



Briefing Sheet

To: Johnson County Library Board of Directors
From: Tricia Suellentrop, County Librarian
Date: July 13, 2023
Re: Merriam Plaza Library: Easement Conveyance with Evergy, Inc.

Issue: Consider approving an Easement Conveyance with Evergy, Inc., for the Merriam Plaza Library project.

Suggested Motion: I move to approve an Easement Conveyance between Board of Director of the Johnson County Library and Evergy Metro Inc., for the Merriam Plaza Library project.

Background: As part of the construction of the Merriam Plaza Library, Evergy, Inc. requires this easement to be signed prior to placing the project in their queue to set the transformer for permanent power. The Library is awaiting easement documents from Evergy, Inc. and Titan Built, LLC. Easement documents will be provided to the Board before consideration at the Board Meeting.

Analysis: This easement allows Evergy, Inc. to access their power lines and equipment for the purpose of maintenance.

Budget Review: There is no new funding required for this item. The costs are included in the Merriam Plaza project.

Legal Review: Library legal counsel has reviewed and approved this item.

Alternatives: No alternatives are available.

Recommendation: To approve an Easement Conveyance with Evergy, Inc., for the Merriam Plaza Library project.

Suggested Motion: I move to approve an Easement Conveyance with Evergy, Inc., for the Merriam Plaza Library project.