



**Board Report
September 10, 2020**

AGENDA

JOHNSON COUNTY LIBRARY BOARD OF DIRECTORS
REGULAR MEETING, SEPTEMBER 10, 2020
4:00 p.m.

The Johnson County Library Board of Directors will meet using Zoom, an online meeting tool. The public can view the broadcast of the meeting on the Johnson County Library [Facebook page](#) 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 scruggsm@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.
- III. Remarks
 - A. Members of the Johnson County Library Board of Directors
 - B. Board Chair, Amy Ruo
 - C. Friends of the Library; written report presented by Karen Ristau4
 - D. Johnson County Library Foundation; written report presented by Stephanie Stollsteimer6
 - E. Liaison, Board of County Commissioners, Janeé Hanzlick
- IV. Reports
 - A. Board Counsel – Fred Logan
 - a) Open records requests
 - b) Explanation of Bond Documents under Items for Board Action35
 - B. County Librarian Report – Sean Casserley, County Librarian
 - 1. Finances and Statistics – Dave Vratny, Finance Director8
 - a) Trends in programming and outreach - Adam Wathen, Associate Director of Systemwide Services and Joseph Keehn, Programs and Events Coordinator 15
 - b) Fall programming – Joseph Keehn 19
 - 2. Comprehensive Library Master Plan – Scott Sime, Project Coordinator20
 - a) Central Staff Space Consolidation (CSSC)20
 - b) Overall Timeline24
 - 3. Updates – Sean Casserley, County Librarian
 - a) Reopening Team Report, Jennifer Mahnken and Nancy Birmingham
 - b) Lackman - Sean Casserley and Scott Sime
 - c) Date of the Board Retreat
 - d) Board of County Commissioners budget update
- V. Consent Agenda
 - A. Action Items:
 - 1. Minutes of the August 13, 2020 Regular Library Board meeting26
 - B. Information Items
 - 1. Financial and Personnel
 - a) The County Librarian and the Finance Director certify those payment vouchers and personnel authorizations for

July 2020 were handled in accordance with library and County policy.

- b) The July 2020 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 Report34

VI. Items for Board Action

- A. Resolution Authorizing the Designing, Constructing, Equipping and Furnishing of Improvements to the Central Resource Library; Approving the Issuance by the Public Building Commission of Johnson County, Kansas of Its Lease Purchase Revenue Bonds (Central Resource Library Project), Series 2020C to Pay the Costs of Such Improvements; Authorizing the Execution and Delivery of Certain Documents and the Taking of Certain Other Actions in Connection Therewith37
- B. First Amendment to First Amended and Restated Base Lease between the Library Board and the PBC41
- C. First Amendment to First Amended and Restated Sublease between the County and the Library Board52
- D. Review and approval of Third Supplemental Indenture dated as of November 1, 2020.....65
- E. 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 2020C Bonds are set forth85

VI. Adjournment

September 2020: Monthly Report
of the Friends of Johnson County Library
to the Board of Directors of Johnson County Library

Thank you, Madame Chair, and members of the Board, and Commissioner Hanzlick, and Mr. Casserley, for this time to report on Friends progress during the last 30 days.

In addition to the work with Sean on a subject later in your meeting, there are 3 subjects in this report today:

- Courier Review
- Internet Sales
- In-Kind Donations from Friends

1. Courier Review

The Friends rely on couriers to move material around the branches and our headquarters at Pine Ridge. We annually receive more than 555,000 weeded and donated items, which pass through the hands of librarians, volunteers, staff and couriers before ending up online or at one of our bookstores. Our current vendor is closing shop at the end of the year. The Library circulation team is assisting us on reviewing our processes and refining our search for a replacement within our current budget allowance.

2. Internet Sales

In August, we shipped 1541 items with an average per-item price of \$13.20. These sales are conducted through multiple listing sites including Amazon, Ebay, ABE, Biblio and Alibris Books. Our new listing software lists fewer overall items, but we are seeing about 80% sale rate among items listed. As soon as we are able to list more total items, I am confident we'll see sales increase online.

Significant internet sales:

• Starman Omnibus 3	\$248.47
• And I Was There: Pearl Harbor and Midway	132.77
• The Expedient Homemade Firearms	102.89

3. In-kind donations from Friends of Johnson County Library in support of JCL programs & outreach services

This activity has slowed somewhat due to pandemic shutdowns, but we are still actively supporting librarians and programs.

Through the first 6 months of the year, we provided:

- almost 500 individual children & adult books; instructor review textbooks; and more to Librarian-facilitated programs with:

Johnson County Dept. of Corrections, Therapeutic Community Client Library

Johnson County Dept. of Corrections, Adult Residential Center

Johnson County Library, Latino Services Outreach;

and 7 boxes [40 +/- each] of mass market paperbacks to

Program Department, Sheriff's Office, Johnson County Detention Center

(Monthly Book Exchange);

and 244 advance reading copies to book groups at:

Blue Valley, Cedar Roe, Corinth, Gardner, Lenexa City Center, Oak Park, Spring Hill, Shawnee Libraries.

To: Library Board of Directors
From: Stephanie Stollsteimer
Date: September 10, 2020
Re: Johnson County Library Foundation update

Grants Received

- \$4,000 from Village Presbyterian for adult incarcerated services
- \$10,000 Freedom's Frontier National Heritage Foundation for Race Project KC.

Summer Reading: Disbursement for Books

\$27,578.50 = 5,516 books (\$5 a book)

I want to share the community support for this program by listing the mix of Funders.

- 5 Walmart grants: \$500-\$2,500
- 2 Dollar General grants: \$500 and \$3,000
- Anne Walter's giving group grant: \$2,000+
- Flarsheim Foundation Grant: \$10,000
- Friends of the Library, Library Lets Loose sales: \$500
- Library Lets Loose fund-a-need: 42 donors

Library Lets Loose

The date is upon us! This weekend, September 12, 7-9 p.m. we'll host a festive, FREE, fundraiser! The virtual reception starts at 6:30 p.m.

- We are so grateful and thrilled to have 43 sponsors and \$63,500 dollars. Other income sources are mail-in donations from the invitation, online donations on Eventbrite, and there will be an easy way to donate online during the event.
- This is a video production working with Harvest Productions and the Library's own ON24 online platform.
- Last week we recorded opening remarks by honorary hosts Cindy Wallis-Lage and Kent Kage, Sean Casserly, Foundation Board president Vickie Trott and some Black & Veatch MakerSpace virtual project!
- For planning, we could not do this without the support of the Foundation's Board of Directors and the 10-person committee of volunteers! Every step of the way needs input and they have helped at every turn.
- Library staff support has been tremendous. They always come through and this time with original programming! We are hosting 5 virtual rooms and we'll wrap it up with a virtual dance party!
 - Black & Veatch MakerSpace: original artwork using a steam roller
 - Behind the Scenes: Your support in action
 - Kids Room: Youth services librarians
 - Let's get Trivial: back by popular demand

Library

Briefing Sheet

- Celebrity Readers Series: Candice Millard, Steve Kraske, Will and Senia Shields, Nate Bukaty, Gary Lezak and Jeff Penner, Fire Chief Tony Lopez, Angela Cervantes, Ben Bliss (Met Opera)
 - If you've seen these wonderful readings on social media or on the Library or Foundation websites, you might have noticed the delightful closing voiceover by our very own Deputy County Librarian, Tricia Suellentrop. Thank you, Tricia!
- Learn more and register to attend at **LibraryLetsLoose.org!**

Thank you.

JOHNSON COUNTY LIBRARY: Summary of Expenditures by Cost Category (.75 Increase Only)
July 2020
58% of year lapsed

OPERATING FUND	Programs	2020 Budget
	Revenue	3,973,236
	Administrative Services	
	Information Technology	
	Collection Development	
	Branch/Systemwide Services	
	Transfer to Capital Projects	1,330,000
	Interfund Transfers	
TOTAL OPERATING FUND EXPENDITURES		<u>\$1,330,000</u>
TOTAL .75 INCREASE FUNDS REMAINING OPERATING		<u><u>\$2,643,236</u></u>
SPECIAL USE FUND		2020 Budget
	Revenue:	2,728,376
	Expenses:	
	Contractual Services (General Maintenance)	
	Commodities (Capital Equipment)	
	Transfer to Debt Payment	
	Transfer to Debt Payment - CLMP	496,252
	Transfer to Capital Projects	
TOTAL SPECIAL USE FUND EXPENDITURES		<u>\$496,252</u>
TOTAL .75 INCREASE FUNDS REMAINING SPECIAL USE		<u><u>\$2,232,124</u></u>
TOTAL .75 INCREASE FUNDS REMAINING ALL FUNDS		<u><u>\$4,875,360</u></u>

Expenditure of Friends of the JCL Donations 2020

<i>Expenditure Details</i>	<i>July</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	0.00
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	\$ -	\$ -

JOHNSON COUNTY LIBRARY TOTAL REVENUE REPORT

July 2020

58% of Year Lapsed

REVENUE ALL FUNDS	2020 Year to Date	2020 Budget	% Budget Year to Date	% Budget YTD Prior Year
Ad Valorem	33,882,707	34,859,880	97%	98%
Ad Valorem Delinquent	103,968	306,306	34%	121%
Motor Vehicle	1,534,356	3,291,677	47%	52%
Library Generated - Copying/Printing	28,077	101,241	28%	62%
Library Generated - Overdues / Fees	147,731	746,421	20%	46%
Sale of Library Books	0	50,000	0%	50%
Misc Other	642	19,703	3%	7%
Reimbursement	45,531	330,043	14%	10%
Library Generated - Other Charges	0	3,641	0%	0%
Investment	214,213	352,221	61%	79%
Unencumbered Balance Forward	0	10,000	0%	0%
Recreational Vehicle Tax	10,360	11,883	87%	102%
Commercial Vehicle Tax	51,904	60,438	86%	80%
Heavy Trucks Tax	3,776	3,261	116%	195%
Rental Excise Tax	18,832	38,669	49%	49%
State and Federal Grants	129,518	257,901	50%	51%
TOTAL REVENUE	36,171,616	40,443,285	89%	93%

Expenses ALL FUNDS with Collection Encumbrance	2020 Year to Date	2020 Budget	% Categories Expended
Salaries and Benefits	10,960,274	21,720,354	50%
Contractual Services	2,653,857	5,726,581	46%
Commodities	2,937,166	4,662,343	63%
Risk Management Charges	31,350	142,737	22%
Capital / Maintenance / Repair	521,266	2,728,376	19%
Transfer to Debt Payment	4,859	334,718	1%
Transfer to Capital Projects	1,330,000	4,367,527	30%
Grants	129,568	257,901	50%
Interfund Transfer	0	502,748	0%
TOTAL EXPENDITURES	18,568,340	40,443,285	46%

Revenue - Expenses as of July 31, 2020 17,603,276

RESERVES ALL FUNDS	As of 12/31/19
Reserves Operating Fund	9,557,491
Reserves Special Use Fund	1,572,099
Total JCL Reserves	<u><u>11,129,590</u></u>

Scheduled Replacement Plan Funding

	<u>REVENUE RECEIVED TO DATE</u>
-	
2015 Fund Transfer	350,000
2016 Fund Transfer	699,000
2017 Fund Transfer	1,130,250
2018 Fund Transfer	1,147,850
2019 Fund Transfer	1,131,100
Total Revenue	<u>4,458,200</u>

2020

Contractual Services	1,584,927
Building Repair	585,616
Architectural Services	68,820
Furnishings and Office Equipment	73,032
HVAC	178,193
Sorter Parts and Labor	4,113
Security System Maint & Repair	33,549
Vehicles	119,310
AED Equipment	9,613
Interfund Transfer	1,767,934
	<u>4,425,107</u>
Budget Remaining	<u>33,093</u>

JOHNSON COUNTY LIBRARY: Summary of Expenditures by Cost Category
July 2020
58% Year Lapsed

OPERATING FUND	2020	2020	% Program
Programs	Year to Date	Budget	Expended
Administrative Services	1,826,368	6,016,829	30%
Information Technology	1,717,583	3,192,515	54%
Collection Development	1,750,226	3,399,711	51%
Branch/Systemwide Services	9,511,264	19,168,068	50%
Risk Management Charges	31,351	143,587	22%
Grants *	129,568	257,901	50%
Transfer to Capital Projects	1,330,000	4,367,527	30%
Interfund Transfer	0	502,748	0%
TOTAL OPERATING FUND EXPENDITURES	16,296,359	37,048,886	44%

SPECIAL USE FUND	2020	2020	% Budget
	Year to Date	Budget	Expended
Contractual Services (General Maintenance)	134,023	16,305	822%
Commodities (Capital Equipment)	43,201	315,000	14%
Transfer to Debt Payment	4,859	334,718	1%
Transfer to Capital Projects	496,252	2,728,376	18%
TOTAL SPECIAL USE FUND EXPENDITURES	678,334	3,394,399	20%

TOTAL EXPENDITURES	16,974,693	40,443,285	42%
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JOHNSON COUNTY LIBRARY: Summary of Expenditures by Type
July 2020
58% Year Lapsed

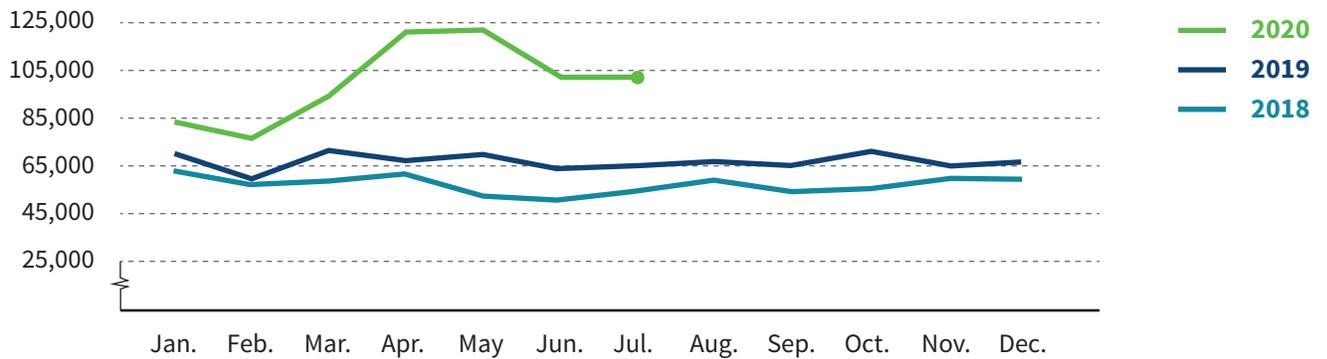
ALL FUNDS	2020	2020	% Categories
Categories	Year to Date	Budget	Expended
Salaries and Benefits	10,960,274	21,720,354	50%
Contractual Services	2,246,394	5,725,731	39%
Commodities	1,750,982	4,662,343	38%
Risk Management Charges	31,351	143,587	22%
Capital / Maintenance / Repair	1,355,014	4,367,527	31%
Transfer to Debt Payment	4,859	334,718	1%
Transfer to PBC Capital Leases	496,252	2,728,376	18%
Grants	129,568	257,901	50%
Interfund Transfer	0	502,748	0%
TOTAL EXPENDITURES	16,974,693	40,443,285	42%

GRANTS*	Expenditures through 7/31/2020	Source	Received	Expenditures	Grant Award	Budget Remaining
285000085	State Aid 2020	State	2/21/2020	\$32,166.95	\$129,518.04	\$97,351.09

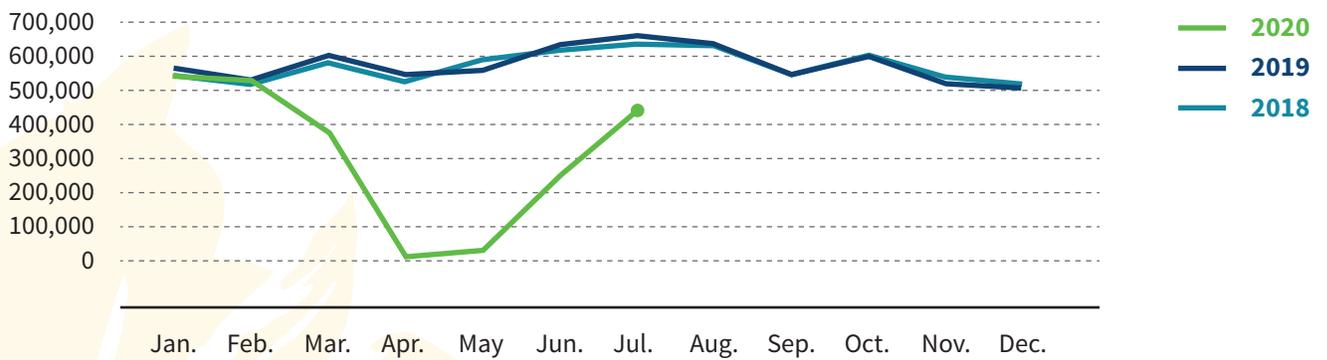
*Includes all expenditures and revenues over the life of the grant.

Core Operational Statistics

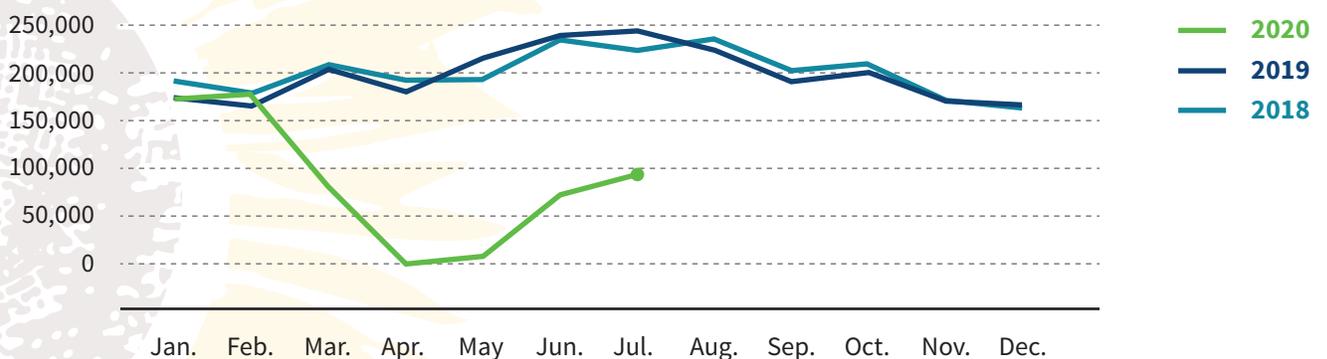
3 Year Digital Usage Trend



3 Year Physical Circulation Trend

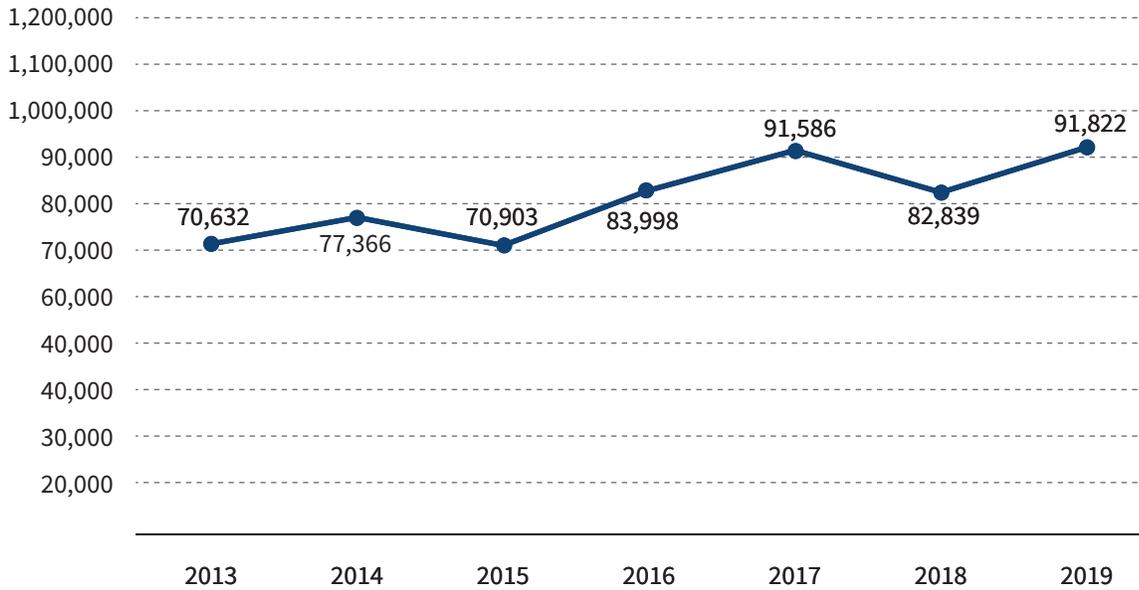


3 Year Visitation Trend

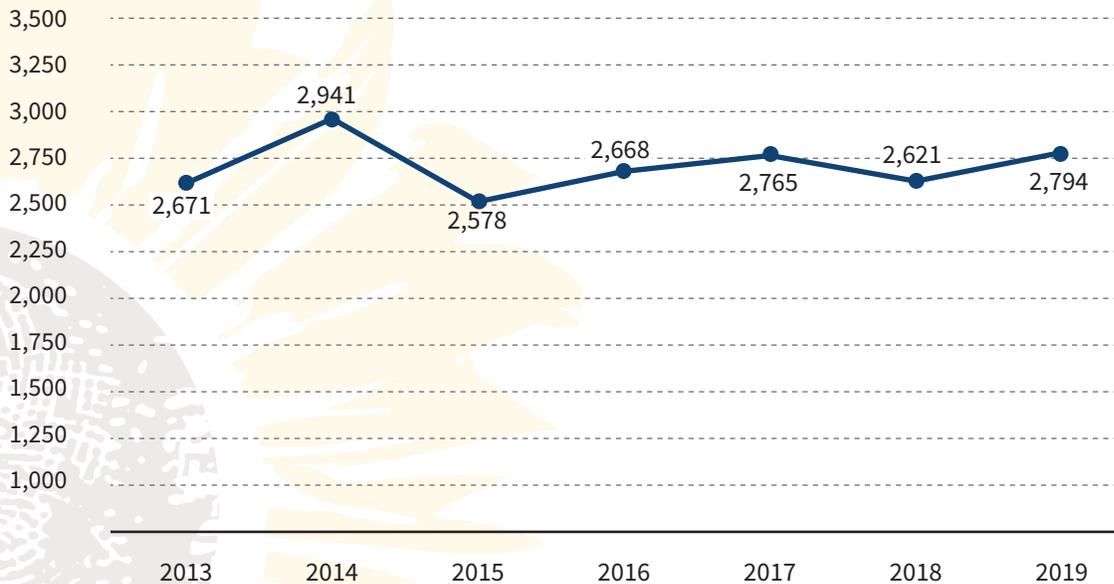


Trends in Programming and Outreach

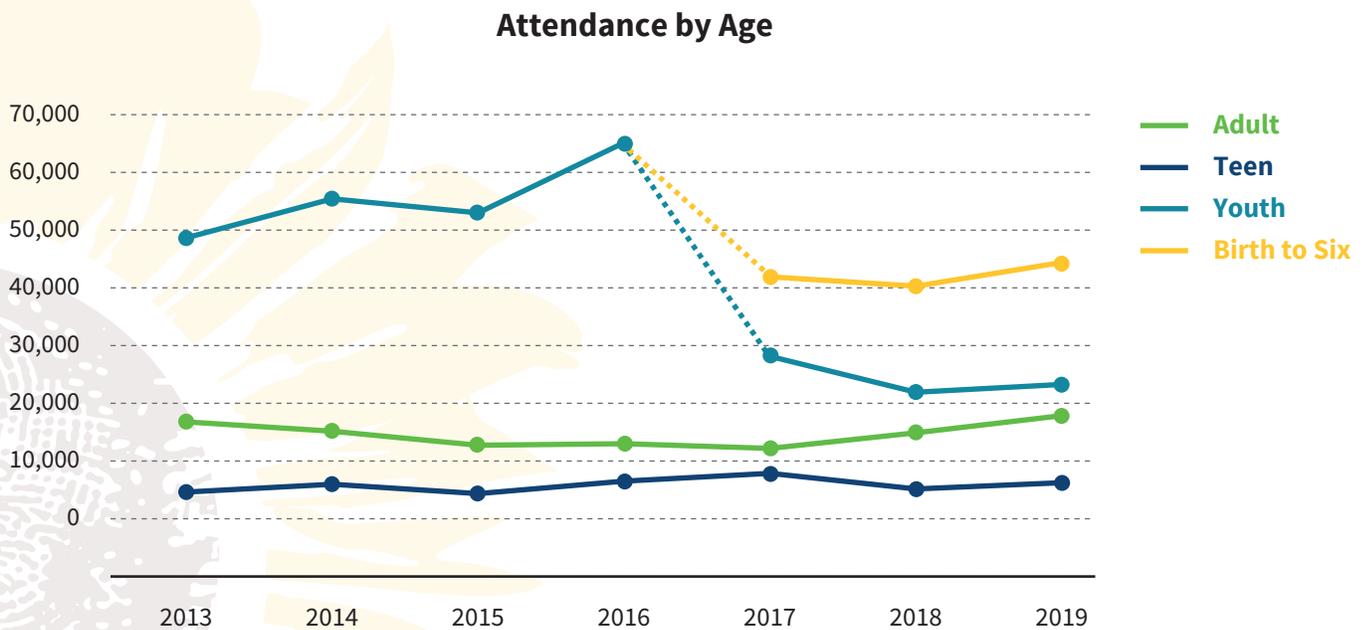
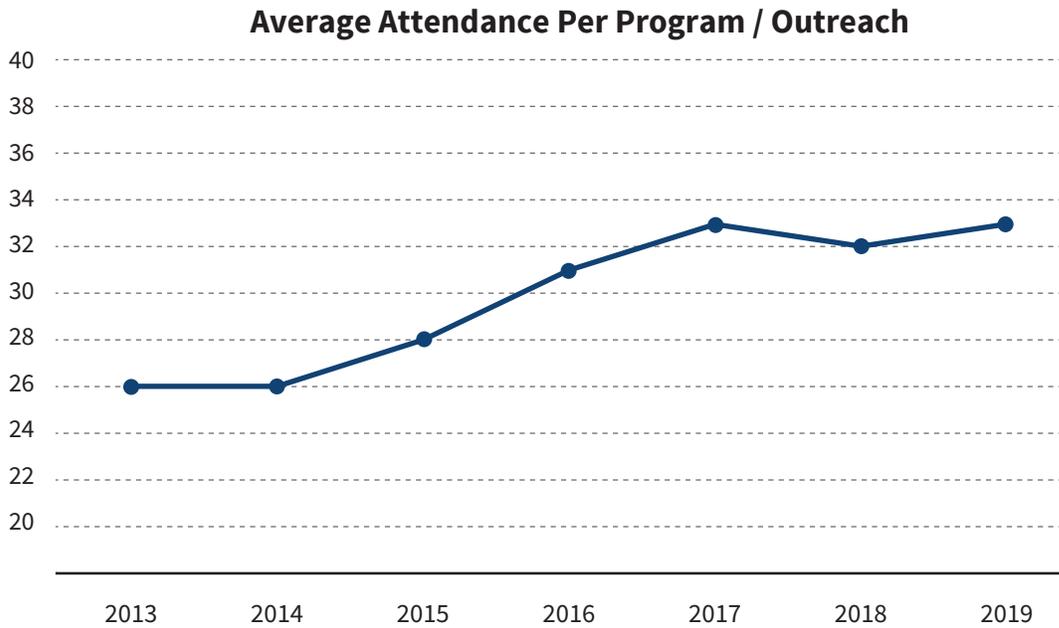
Program Attendance



Number of Programs and Outreach

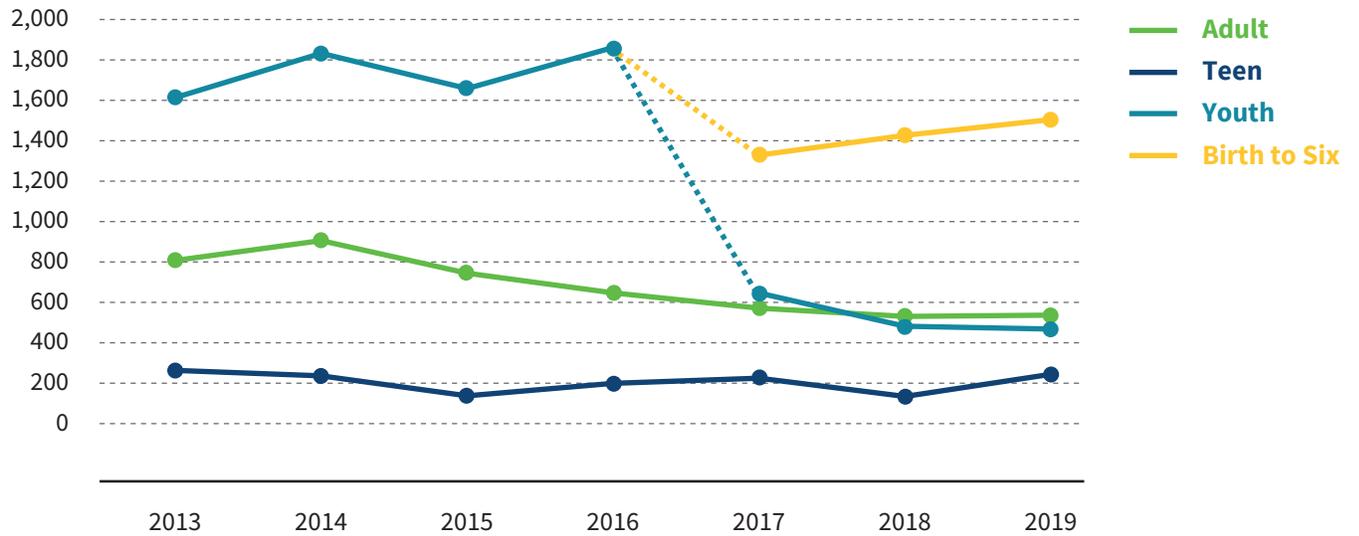


Trends in Programming and Outreach

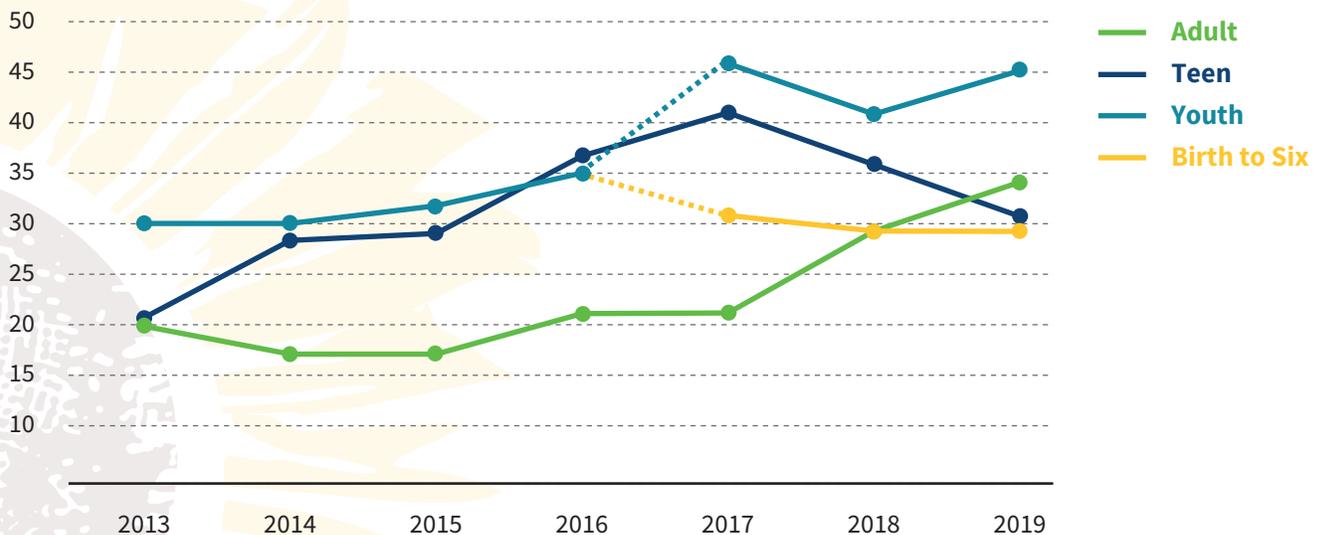


Trends in Programming and Outreach

Number of Programs / Outreach by Age



Average Attendance by age



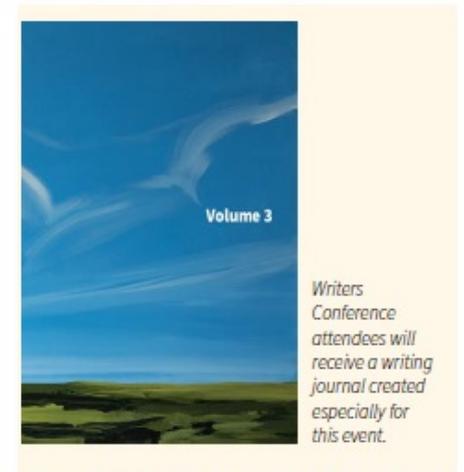


Fall
2020
Guide

Johnson
County

LIBRARY

-  BIRTH TO SIX
-  KIDS
-  TEENS
-  MAKERSPACE
-  ONLINE BOOK GROUPS
-  FOR WRITERS



 CAREER & FINANCE
Women & Money

 COMMUNITY MATTERS



Central Building Upgrade, Part 2 (CSSC)

Update – September 2020



Library

Updates

- Design Update
- Next Steps
- Timeline

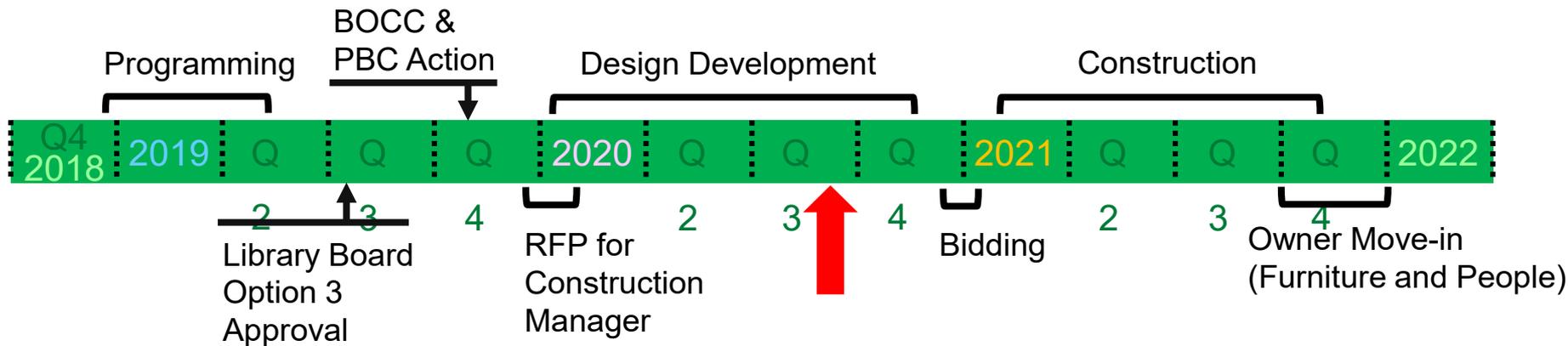


Next Steps

- Design continues
- Planning update



Central Building Upgrade, Part 2: Anticipated Timeline:

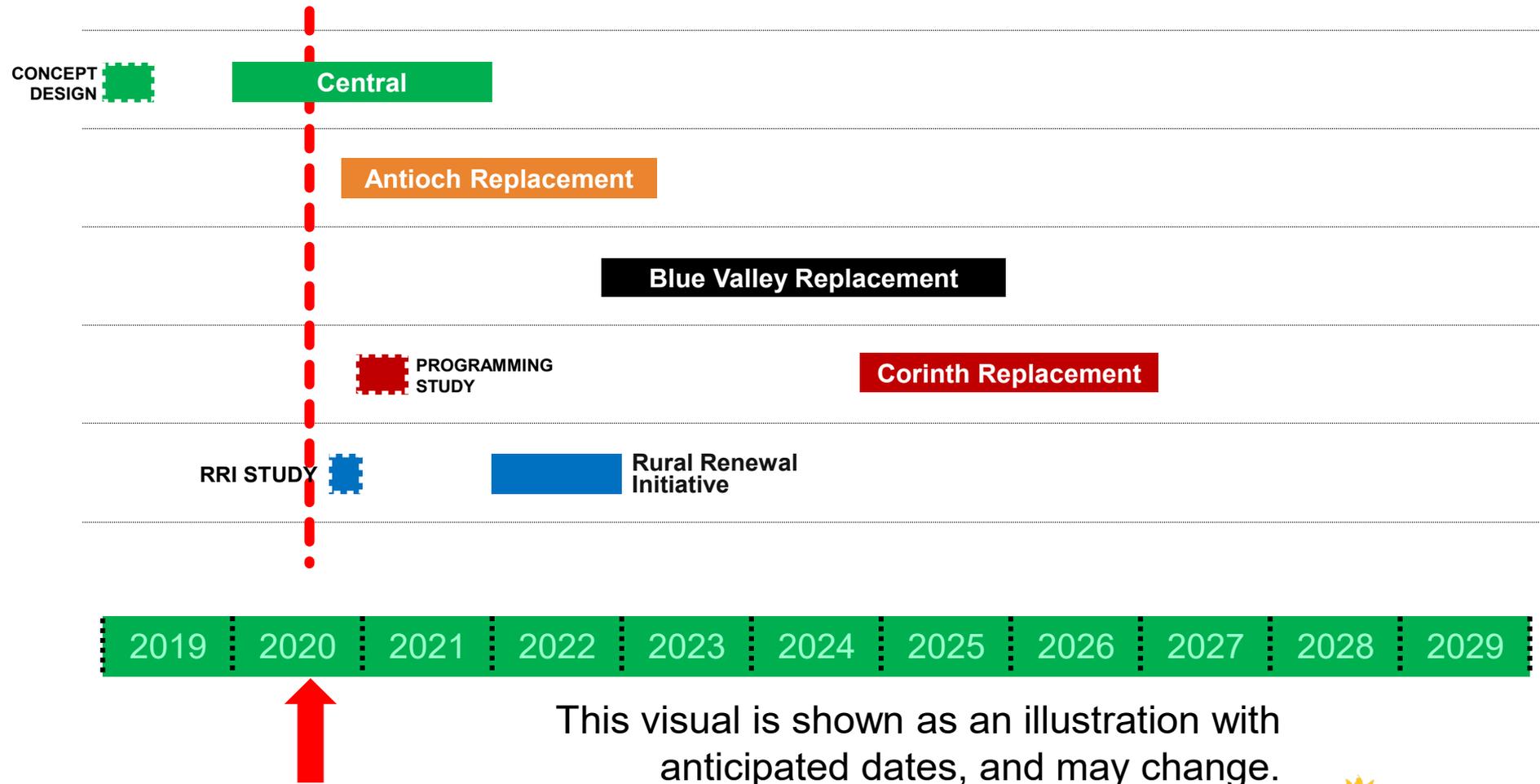


Capital Improvement Projects Timeline Summary

Update – September 2020



Capital Improvement Projects Anticipated Timeline



**MINUTES JOHNSON COUNTY LIBRARY BOARD
REGULAR MEETING**

August 13, 2020

Online via Zoom

4:00 p.m.

BOARD: Amy Ruo, Bethany Griffith, Brandy Butcher, David Sims, Donna Mertz, Fabian Shepard, Wayne Burke

BOARD ATTORNEY: Fred Logan, Andrew Logan

BOCC: Absent

STAFF: Abby Giersch, Abigail Powers, Adam Wathen, Ben Sunds, Nancy Birmingham, Christopher Leitch, Elissa Andre, Georgia Sizemore, Hope Harms, Jennifer Mahnken, Juan Lopez-Tamez, Laura Hunt, Michaela Scruggs, Michelle Olsen, Tina Pederson, Scott Sime, Sean Casserley, Steph Neu, Stephanie Stollsteimer, Tricia Suellentrop, David Vratny

GUESTS: Jennifer Curtiss, Mike Burson, Rick Wise

CITIZENS COMMENTS:

There were none.

REMARKS FROM THE LIBRARY BOARD OF DIRECTORS

Library Board President Amy Ruo stated that while a Facebook Live stream is currently the most efficient way to broadcast our Board Meetings to the public, we recognize that it does not offer a real-time Closed Captioning option for viewers who are hearing-impaired. We are testing a new closed captioning solution this month that we hope will make our meetings more accessible. She instructed viewers to click on the CapApp link in the chat to open up a live transcript of the meeting. To view the meeting and read the transcript simultaneously, arrange the windows side-by-side on your screen.

Ms. Ruo asked for volunteers to form the personnel review committee for the County Librarian's annual appraisal. Brandy Butcher, Donna Mertz and Fabian Shepard volunteered. Ms. Butcher agreed to chair the committee.

FRIENDS OF THE LIBRARY:

Friends of the Library board president, Jennifer Curtiss, reported to the Library Board.

All three bookstores opened Thursday, July 9, and have been open for a total of seven days in July. Appointments are required, yet as long as volunteers are available, the Friends permit walk-in shoppers. Sales at Blue Valley have been consistent; Antioch has been fully volunteer-staffed as well and walk-in traffic has been okay.

During the month of August, the Friends will continue walk-in traffic at Antioch and Blue Valley, as well as individual appointments at all three locations. They are considering a clearance sale at Central before closing day.

The Friends sent a big thank you to Volunteer Coordinator Amber Bourek Slater and the Library Facilities team. They arranged for acrylic barriers and tables in front of the counters for the safety of cashiers and customers.

The Friends qualified for PPP loan funds (approximately \$20,000) and these have been expended according to established protocol. The Paycheck Protection Small Business Forgiveness Act is being considered by

Congress. If passed, PPP loans of \$150,000 and less can be fully forgiven by completing and submitting a one-page certification to the lender. If the Forgiveness Act is passed, the Friends lender will incorporate this new certification into its online forgiveness platform. This process has been managed by the Friends Operations Manager and our board Treasurer.

Internet Sales Facts:

International sales were shipped to Australia and India.

Sales of note:

- World Book Encyclopedia 2018 - \$298.90
- War and Remembrance DVD set - \$231.40
- A History of the 489th Bomb Group - \$165.06

JOHNSON COUNTY LIBRARY FOUNDATION:

Executive Director, Stephanie Stollsteimer, reported to the Library Board.

Grants

- We received a grant from the Ewing Marion Kauffman Foundation for \$100,000. They made a two-year commitment to Race Project KC (\$60,000) and a one-year commitment to for the new online programming initiative (\$40,000).

Planned Gift Receipt

- We received a bequest for \$167,000 from a donor named Warren Robinson. I had the pleasure of talking with his wife, Betty and she told me some wonderful stories and she said I could share a little bit with you.
- Mr. Robinson was a library lover! He started volunteering with the Johnson County Library in 1969 and worked with the Friends and the book sales. He co-chaired the bond campaign for the Central Resource Library, and he became a founding board member of the Foundation.
- The Foundation board leadership looks forward to how this generous gift can help advance the mission of the Library.

Foundation Board Outreach

- We are cultivating new members to the board. Each has a unique background and qualities to bring to board leadership.
- Note, if you know people who might be good additions to the Foundation, please let me know!

Library Lets Loose Fundraising Event Goes Virtual, September 12.

- Library Lets Loose plans are continuing as a virtual event. We are planning a free, family friendly evening with live and pre-recorded elements!
- We actually are using the online platform that the Kauffman grant is helping fund!
- Guests will enjoy a variety of live segments and also have the choice to break out to rooms with themes such as behind the scenes at the Library, live music, trivia games, and a couple more. It will wrap up with a dance party!
- Sponsor recruitment is underway and we are making progress with 40 sponsors to date!
- We have produced an 8-part video series that will promote the Library and the event. "Celebrity Guests" are reading excerpts from a book that is special to them. The readers are: Candice Millard, Steve Kraske, Will and Senia Shields, Nate Bukaty, Gary Lezak, Fire Chief Tony Lopez, Angela Cervantes, Ben Bliss (Met Opera)
- Printed invitations were mailed earlier this month so they should have arrived at your homes.

- Of note is we have had a wonderful committee of 10 volunteers who are so creative and innovative. Much appreciation goes to them.

COUNTY COMMISSIONER REPORT

Commissioner Hanzlick was unable to attend the meeting due to a scheduling conflict.

BOARD COUNSEL REPORT

Performance Copyright fair use and digital rights

Board Counsel, Fred Logan addressed the topic of performance copyright fair use and digital rights management. The fair use doctrine applies to libraries with respect to copyright. The doctrine allows libraries to provide information and books to patrons and it extends to electronic media and performances on electronic media. Four factors come into play on fair use:

1. The purpose and character of the use – whether it's for commercial purposes or nonprofit educational purposes
2. The nature of the copyrighted work
3. The amount and substantiality of the portion of the work used
4. The effect of the use upon the potential market

Mr. Logan advised that a serious allegation of copyright violation has never been made against the Library. Allegations against libraries nationwide are relatively rare. Under copyright law, libraries are in a special position. They are favored, but not immune. Library staff is very careful to follow copyright issues and they ask for opinions by legal counsel if they have questions.

In the early 2000s, Congress adopted the Digital Millennium Copyright Act which dealt with digital issues. There are some digital platforms that are limited. In those instances, the Library does not use those platforms.

Patron service and mask wearing requirements

Mr. Logan addressed the mask-wearing requirement put into effect by the Governor and the response by patrons. Mr. Logan reported the response has been overwhelmingly positive.

The Governor's order on masks was issued in early July. The order stated that as of July 3, 2020, every person in Kansas shall cover their mouth and nose with a mask or other face covering when they are inside, or in line to enter, any indoor public space.

Mr. Logan reported that thousands of patrons have worn masks in the Library, and it has been a smooth transition. This is a civil order, not a criminal order and if a patron enters without a mask library staff may ask the patron to leave. Mr. Logan noted that it is similar to a limited suspension of Library privileges within a facility. The mask order will be in effect until September 15.

Mr. Sims asked if the Library could mandate masks if the County and State did not. Mr. Logan advised that it would be difficult for the Library to act unilaterally without an order by the Governor or a similar order by the Board of County Commissioners.

In response to a request, Mr. Logan stated that Governor Kelley issued executive order 20-52 in early July. The order is set to expire in September. The legislature has made changes to the Governor's emergency authority and it may be difficult for the Governor to enter an emergency order at that time.

Mr. Casserley commented that it's important for the Board and Library team to know that things may change September 15.

Mr. Shepard asked if there was a specific reason for the report on copyright fair use and digital rights.

Mr. Logan stated nothing has occurred, as library programming moves online it is something staff are paying attention to.

COUNTY LIBRARIAN REPORT

Finance Report

Finance Director, David Vratny, reported to the Library Board. From a revenue standpoint things are looking good. Ad Valorem is as expected. We do see lower revenue in overdues, fees, copy and printing which is to be expected due to building closures.

Mr. Vratny shared expenditures make up for areas where revenue is weak. The Library is also seeing savings in the area of salary and benefits due to furloughing positions and the hiring freeze.

BOCC presentation report

Mr. Vratny reported that he, Mr. Casserley and Ms. Ruo recently presented the Library's budget proposal to the Board of County Commissioners. The presentation went well. Questions centered around the placement of projects in the capital library master plan.

Mr. Casserley agreed with Mr. Vratny's assessment. The Commission felt the Blue Valley project should take place after the Corinth project. The Library has been working collaboratively with the City of Prairie Village on the Corinth project, however due to the economic impact of Covid this has paused. The Library Board does meet annually to discuss and review the capital master plan priorities.

2019 Branches statistical report

Associate Director of Systemwide Services, Adam Wathen, reported to the Library Board. Mr. Wathen reviewed the core operational statistics of digital usage trends, physical circulation trends and visitation trends. These statistics represent the first set of reopening statistics after the Covid-19 closure. Digital usage trended slightly down in June but is significantly higher than previous years. Physical circulation and visitation began to trend upward in June and remain significantly lower than previous years.

Mr. Wathen reviewed the circulation by branch over the last five years. Most branches show a slight decrease in physical circulation. Mr. Wathen reviewed visitation by branch, which has remained stable over the past five years. Mr. Wathen also reviewed a graph showing three-year branch full time equivalency with circulation and visitation.

Mr. Wathen presented three slides of reopening statistics, including reopening checkouts, reopening visitors and reopening holds.

COMPREHENSIVE LIBRARY MASTER PLAN

Central Staff Space Consolidation (CSSC)

Project Coordinator, Scott Sime, presented to the Library Board.

The CSSC project is nearing the end of the 'Design Development' phase – which began in late May. The core team continues to meet with each department and the Administrative team to refine the schematic design,

capturing more details and specifics, to finalize the design and specify details like window and door locations, materials, and general details.

The team is monitoring curbside holds pick-up at Leawood as it might be a good fit for Central too. The team is also discussing a freestanding temporary exterior book drop for returns. The team listened to the Board last month and they are working to provide access to public PCs in the current Learning Lab.

The MakerSpace services will be moved online to include “office hours” and programming. We are also exploring the development of maker kits for check-out.

Central will continue to offer wifi, vending and restrooms at the front of the building.

Planning is continuing for staff moves during construction. Non-public service staff will move to Lackman, Antioch and the Support Services building. A silver lining from recent months is that staff has become efficient working from home.

Overall Timeline

Mr. Sime presented the CSSC anticipated timelines with both a no closure option and Little Central option.

In response to a question, Mr. Sime reminded the Board the Library will see some savings in this project by including the Capital Replacement Plan work in the project.

Mr. Casserley asked the Board if they would like to see a high-level project funds report showing expenses. Mr. Sims responded he would be interested in this type of report.

UPDATES

Lackman update

The Board of County Commissioners has asked about the plan for Lackman. Mr. Casserley reported that Lackman will house staff during the CSSC construction period. During construction the Friends bookstore will be closed. This might be a good opportunity to bring the Friends operation into Lackman for year to assess feasibility.

We have received a recent estimate for the Lackman building, and we are currently reviewing comparable spaces. We will bring this information to the Board at the September meeting.

Reopening Team Report - Associate Director of Branch Services, Jennifer Mahnken

Staffing

Ms. Mahnken reported the good news that we received approval to post some vacant positions. This approval includes adult services positions, youth services positions and clerks. If we still have vacancies after October 31, we will have to go back to the exceptions committee to seek permission again. The first round of postings will happen the week of August 23. Currently we have approximately 15 vacancies to fill in these areas. We will also be going back to the committee to ask for permission to post some additional support positions.

We have taken this time as an organization to really reflect on what positions we need, thinking about making the best use of our positions, and looking at our long-term goals for the organization. To that end, we are purposefully leaving some positions vacant. We sought permission to fill positions that will help us restore our hours. In addition, we have extended our hours to answer questions remotely.

Unfortunately, at this time we will not be able to recommend adding back more building hours due to several staff resignations and some staff still working at home due to various health conditions. We are working closely with HR to be fair and consistent with staff.

Per the Board's request last month, a team looked at the feasibility of opening meeting rooms or study rooms sooner than the end of the year. With the exception of a few rooms at Central, most meeting and study rooms are already in use for quarantine and storage.

- The Library has limited cleaning supplies and limited staff to clean rooms before and after use.
- The meeting and study rooms are not designed with cross-ventilation and depend only on the HVAC filtration system for air quality.
- Additional options to increase outside airflow would be costly to implement and increase utility expenditures, with minimal documentable improvements to air quality.
- In the last six weeks, we have only had a handful of requests from the public to use our spaces, less than 10.

The recommendation from the team is that the Library not open meeting spaces to the public at this time.

We are not ready to uncover or unwrap building furniture yet and we feel this step would come before offering meeting space to the public. We have a responsibility to our patrons and to our staff to keep them safe. As Covid-19 cases continue to rise in the area rather than decline, it is our belief that this would not be the responsible thing to do at this time.

We will keep looking at and evaluating this situation and hope that technologies catch up with our current needs.

Curbside pick-up

Circulation Services Manager, Michelle Olsen reported that curbside service has successfully started at Leawood. Staff have been doing an excellent job of refining procedures so the service can be rolled out to other branches.

It's a very simple process. Patrons receive a notification in their email that their hold is available with instructions for how to utilize curbside service. When they arrive, they text HOLD to the number listed and a staff person begins the interaction. Once the holds are pulled, the patron is sent a message to pull up to the door, where a staff member brings the hold out to them and places it in their vehicle.

We anticipate expanding the pilot to Cedar Roe and Gardner branches in the fall.

Mr. Casserley thanked Ms. Olsen and her team for introducing a new service line with reduced staff. We think this is a great solution that patrons will appreciate.

UK National Theatre, Kanopy and Acorn TV

eResources Librarian, Hope Harms, shared information about the streaming video collection. This collection has been requested by patrons and is a treasure trove of content. Ms. Harms highlighted Acorn TV, Kanopy and the UK National Theatre. All are available to patrons through the Johnson County Library website. Initial statistics shows that usage of all three collections has been growing.

Ms. Griffith shared her appreciation for the UK National Theatre collection.

Annual Library Board retreat

Mr. Casserley and the Board discussed scheduling the annual Library Board retreat. The Board supported holding an in-person retreat. Executive Assistant, Ms. Scruggs, will survey the Board to find a date.

Library budget sub-committee scheduling

The budget sub-committee members are Ms. Ruo, Ms. Griffith and Ms. Mertz. Meetings are held in October, November and December.

CONSENT AGENDA

Minutes of the June 13, 2020 Library Board Meeting

Motion: Dr. Burke moved to approve the consent agenda.

Second: Ms. Butcher

Motion approved unanimously

OLD BUSINESS

Consideration of approval to increase CSSC project authorization to include needed CRP work.

Mr. Casserley presented the consideration of approval to increase project authorization to include needed CRP work. The Board has authorized the CSSC and the CRP. Combining the two funds into the one would create efficiencies and provide savings to the Library.

Ms. Ruo, Mr. Sims and Ms. Butcher expressed their support.

Motion: David Sims moved to approve amending the CSSC total project authorization to include the needed CRP work in an amount not to exceed \$11,107,000 with the intent to use a combination of existing project funds, existing CRP funds, Public Building Commission (PBC) debt, and Library reserves.

Second: Ms. Griffith

Motion approved unanimously

Consideration of temporary closure of the Central Resource Library for the duration of construction excepting space to allow for limited onsite services

As discussed in detail last month, this is the option recommended by staff to provide a "Little Central" model during CSSC construction.

Motion: Donna Mertz moved to approve the temporary closure of the Central Resource Library for the duration of construction, excepting space to allow for limited onsite services.

Second: Ms. Butcher

Motion approved unanimously

NEW BUSINESS

Consideration of approval of MOU between Johnson County Library and the Surveillance Studies Research Center at the University of Kansas

Mr. Casserley presented the proposed partnership with KU.

The Surveillance Studies Research Center at The University of Kansas has designed a study entitled, "Safeguarding and Enhancing the Experience of Public Internet Users".

The Library's participation in the study will include two components: (1) Research of Patron Internet Usage at the Library Branches; and (2) Developing Internet Security Appliance with Library and Patrons.

For the first component of the study, KU Personnel will spend approximately ten hours per week located at Library Branches answering Patron questions and assisting Patrons on computers. Select patrons will be invited to participate in interviews designed to better understand their experiences.

KU Personnel anticipate they will be conducting research in Library Branches for a period of approximately 12 months. The schedule for KU Personnel to be located in the Branches and at which Branch is subject to the Library's approval.

For the second component, KU will use the data and experimentation results collected at the Library to develop an internet security user appliance on a USB drive. KU Personnel will organize meetings with Library patrons to receive user feedback on the appliance. The Library will make available staff on a limited basis for the user feedback meetings. KU Personnel may schedule a room with computers at a Library Branch to conduct one or more focus group meetings to review the Appliance. The MOU clearly defines the agreement parameters and responsibilities of Johnson County Library and KU.

Motion: Fabian Shepard moved to approve the MOU between Johnson County Library and the Surveillance Studies Research Center at the University of Kansas.

Second: Dr. Burke

Motion approved unanimously

ADJOURNMENT

Motion: Fabian Shepard moved to adjourn.

Second: Ms. Mertz

Motion approved unanimously

Meeting adjourned at 6:04 p.m.

SECRETARY _____
Bethany Griffith

CHAIR _____
Amy Ruo

SIGNED _____
Sean Casserley

**JOHNSON COUNTY LIBRARY
GIFT FUND
TREASURER'S REPORT**
Period: JUL-2020

		Receipts	Payments	Balance
	Opening cash balance			\$166,654.33
	Add Receipts	\$105.02		
	Less Payments		\$78.20	
	Ending Cash balance			\$166,681.15
	Less Liabilities		\$562.21	
	Unobligated cash balance			\$166,118.94

APPROVED: _____

DATE: _____

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ANDREW V. LOGAN
JOHN F. LOGAN

ALL ATTORNEYS
ADMITTED IN KANSAS
AND MISSOURI

MEMORANDUM

To: Members of the Board of Directors of the Johnson County Library, Sean Casserley

From: Fred Logan and Andrew Logan

Re: Documents to Be Approved by the Library Board in Conjunction with the Issuance of Bonds to Improve the Central Resource Library

Date: September 4, 2020

As you know, the Library Board has approved certain capital improvements to be made at the Central Resource Library. Library staff have worked with County staff on the financing of those improvements. The financing will be accomplished through the County's Public Building Commission (PBC). This is consistent with the funding of Library capital improvements for more than twenty years.

At your meeting on September 10, you will accordingly be asked to approve documents that will facilitate more than \$6 million in capital improvements at Central (and restate existing obligations on the Leawood Pioneer and Monticello projects). Those documents were prepared by bond counsel. We have reviewed and approved the form of those documents. The documents you will be asked to approve include the following:

- Resolution Authorizing the Designing, Constructing, Equipping and Furnishing of Improvements to the Central Resource Library; Approving the Issuance by the Public Building Commission of Johnson County, Kansas of Its Lease Purchase Revenue Bonds (Central Resource Library Project), Series 2020C 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

- First Amendment to First Amended and Restated Base Lease between the Library Board and the PBC

- First Amendment to First Amended and Restated Sublease between the County and the Library Board

- Third Supplemental Indenture dated as of November 1, 2020.

- 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 2020C Bonds are set forth

We thought that an introductory memorandum from us would assist you in your consideration of these documents. We will be prepared to discuss these documents in greater detail at your meeting next Thursday, September 10.

RESOLUTION NO. 2020-__

A RESOLUTION AUTHORIZING THE DESIGNING, CONSTRUCTING, EQUIPPING AND FURNISHING OF IMPROVEMENTS TO THE CENTRAL RESOURCE LIBRARY; APPROVING THE ISSUANCE BY THE PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS OF ITS LEASE PURCHASE REVENUE BONDS (CENTRAL RESOURCE LIBRARY PROJECT), SERIES 2020C 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 (Central Resource Library Project), Series 2020C (the “Series 2020C Bonds”) for the purpose of paying the costs to design, construct, equip and furnish improvements to the Central Resource Library (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 2020C 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 2020C 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 designing, 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 2020C Bonds. The Library Board hereby approves the issuance and sale by the PBC of the Series 2020C Bonds, subject to the following parameters: (a) the principal amount of Series 2020C Bonds shall not to exceed \$6,275,000; (b) the true interest cost of the Series 2020C Bonds shall not exceed 3.00%; and (c) the Series 2020C Bonds shall mature in principal installments with a final maturity date not later than September 1, 2040. The Series 2020C 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) First Amendment to First Amended and Restated Base Lease between the Library Board and the PBC.

(b) First Amendment to First Amended and Restated 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 2020C 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 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 Third Supplemental Indenture. The Library Board hereby approves the Third Supplemental Indenture dated as of November 1, 2020, between the PBC and Trustee (the “Third Supplemental 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 Third Supplemental Indenture.

Section 6. Official Statement. The Library Board authorizes appropriate staff and officials of the Library Board to approve the form of Preliminary Official Statement relating to the Series 2020C Bonds (the “Preliminary Official Statement”) and the final 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 2020C Bonds. For the purpose of enabling the purchaser of the Series 2020C 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 2020C 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.

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ADOPTED by the Board of Directors of the Johnson County Library on September 10, 2020.

(SEAL)

Chair

ATTEST:

Secretary

Resolution of Library Board
PBC Series 2020C

FIRST AMENDMENT TO FIRST AMENDED AND RESTATED BASE LEASE

Dated as of November 1, 2020

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
Recorded Document References	Book 201610, Page 009890
Real Property Legal Description:	See attached Exhibit B-1, Exhibit B-2, and Exhibit B-3

**FIRST AMENDMENT TO FIRST AMENDED
AND RESTATED BASE LEASE**

THIS FIRST AMENDMENT TO FIRST AMENDED AND RESTATED BASE LEASE dated as of November 1, 2020 (this “First Amendment to Base Lease”), by and 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 (the “PBC”), as lessee, amending that certain First Amended and Restated Base Lease dated as of October 1, 2016, recorded in Book 201610, Page 009890 (the “Base Lease”) between the Library Board as lessor and the PBC as lessee.

W I T N E S S E T H:

WHEREAS, 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; and

WHEREAS, pursuant to the Act, the PBC is authorized to acquire land and other facilities by lease in order to design, construct, equip and furnish improvements to the Central Resource Library (such improvements more fully described on *Exhibit A* and referred to herein collectively as the “Improvements”); and

WHEREAS, the Library Board and the PBC have previously entered into the Base Lease; and

WHEREAS, the Library Board is the fee owner of the real estate legally described in *Exhibit B* hereto (together with the existing improvements thereon, the “Land”), on which it desires to construct the Improvements (the Land and the Improvements referred to herein collectively as the “Facility,” as further described herein); and,

WHEREAS, the Library Board and the PBC have agreed that the PBC will issue multiple series of lease purchase revenue bonds pursuant to that certain Trust Indenture dated as of November 1, 2014, as from time to time amended and supplemented in accordance with the provisions thereof, including by a Third Supplemental Trust Indenture dated as of November 1, 2020 (collectively, 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 Facility; and

WHEREAS, the PBC shall:

- (a) Lease the Facility to the County for the rentals and upon the terms and conditions set forth in the First Amended and Restated Lease dated as of October 1, 2016, as amended by that certain First Amendment to First Amended and Restated Lease dated as of November 1, 2020, 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, the “Lease”); and
- (b) Issue certain lease purchase revenue bonds, under and pursuant to and subject to the provisions of the Act and the Indenture, for the purposes of paying the costs of the Improvements and refunding certain other bonds previously issued by the PBC.

WHEREAS, the County shall sublease the Facility to the Library Board pursuant to a First Amended and Restated Sublease dated as of October 1, 2016, as amended by that certain First Amendment to First Amended and Restated Sublease dated as of November 1, 2020, between the County, as lessor, and

the Library Board, as lessee (as may be further amended and supplemented from time to time, the “Sublease”); and

WHEREAS, the Base Lease is amended as set forth herein pursuant to the written consent of both the PBC and the Library Board as provided by **Section 9** of the Base Lease.

NOW, THEREFORE, THIS FIRST AMENDMENT TO FIRST AMENDED AND RESTATED BASE LEASE WITNESSETH, that the Library Board and the PBC do hereby agree that the Base Lease shall be amended and supplemented as described herein.

1. Amendment to Section 4(a) of the Base Lease. Section 4(a) of the Base Lease is hereby deleted in its entirety and a new Section 4(a) is inserted in lieu thereof, to read as follows:

Section 4. Term; Termination.

(a) This Base Lease shall become effective upon its delivery and shall terminate on September 1, 2040, 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 Bonds (as defined in the Indenture) issued pursuant to the Indenture shall have been paid in full or provision made for their payment in accordance with the provisions of the Indenture.

2. Amendment to Exhibit A to Base Lease. *Exhibit A* to the Base Lease is hereby deleted in its entirety and *Exhibit A* attached hereto is hereby inserted in lieu thereof.

3. Lease of Facility; Applicability of Base Lease. The Library Board hereby confirms that it demises, leases, subleases and lets to the PBC, and the PBC hereby confirms that it rents, leases, subleases and hires from the Library Board, the Facility, in accordance with the terms of the Base Lease, as supplemented and amended by this First Amendment to Base Lease. Except as specifically amended hereby, all other provisions of the Base Lease shall remain in full force and effect and are hereby ratified, approved and confirmed.

4. Execution in Counterparts. This First Amendment to Base Lease may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

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THIS FIRST AMENDMENT TO FIRST AMENDED AND RESTATED BASE LEASE is executed as of the date first hereinabove written.

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

Amy Ruo, Chair

ATTEST:

Bethany Griffith, Secretary

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF JOHNSON)

This instrument was acknowledged before me on _____, 2020, by Amy Ruo, of the Board of Directors of the Johnson County Library.

(Seal)

Notary Public

My Commission Expires: _____

THIS FIRST AMENDMENT TO FIRST AMENDED AND RESTATED BASE LEASE is executed as of the date first hereinabove written.

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

(Seal)

By: _____

Ed Eilert
Chair

ATTEST:

By: _____

Janeé Hanzlick
Secretary

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF JOHNSON)

This instrument was acknowledged before me on _____, 2020, by Ed Eilert, Chair of the Public Building Commission of Johnson County, Kansas, a municipal corporation organized under the laws of the State of Kansas.

(Seal)

Notary Public

My Commission Expires: _____

EXHIBIT A

SUMMARY OF THE FACILITY

The Improvements are located on certain real property legally described in **Exhibit B**, and have been financed with the proceeds of various Bonds, all as shown below.

<u>Improvements</u>	<u>Legal Description</u>	<u>Bonds issued to finance the Improvements</u>
Monticello Library	Exhibit B-1	*2014B, 2016A
Central Resource Library	Exhibit B-2	*2014B, 2020C
Leawood Pioneer Library	Exhibit B-3	2016A

The Series 2014B Bonds must be repaid in full before either Central Resource Library or Monticello Library may be purchased pursuant to **Section 16.2 of the Lease.*

EXHIBIT B-1

MONTICELLO LIBRARY

Parcel A:

Lot 27 MONTICELLO CENTER FOURTH PLAT, a subdivision in the City of Shawnee, Johnson County, Kansas.

Parcel B:

A tract of land in Lot 23, MONTICELLO CENTER THIRD PLAT, a subdivision in the City of Shawnee, Johnson County, Kansas, and being more particularly described as follows:

Note: For course orientation, the bearings in this description are based on Grid North, Kansas State Plane Coordinate System, North Zone by GPS observations. For comparison the East line of said Lot 23 is platted as South 12°05'56" West and measured as South 10°00'15" West.

Commencing at the Northeast corner of Lot 23 of said subdivision, said corner being monumented by a found one-half inch reinforcing bar with MOLC 366 KSLs 1374 cap; thence South 10° 00' 15" West 538.43 feet on the East line of said Lot 23 to the Southeast corner of said Lot and a found one half inch reinforcing bar set in concrete; thence North 01° 47' 03" East 526.97 feet to the North line of said lot, also the South right of way line of 66th Street, as now established; thence North 88° 09' 43" East 110.00 feet on said North line and right of way line to the Point of Beginning, containing 28,983 square feet or 0.67 acres.

Parcel C:

A non-exclusive easement to use roadways as a joint and common roadway for the purpose of ingress and egress of persons and vehicles established by Reciprocal Easement and Maintenance Agreement recorded November 2, 2010, in Book 201011, Page 001125 over the land described therein.

Parcel D:

A non-exclusive easement for access, ingress and egress established by Declaration of Covenants and Restrictions recorded in Book 200406, Page 005094 and amended by Second Supplemental Agreement recorded in Book 200603, Page 010280, over the property described therein.

EXHIBIT B-2

CENTRAL RESOURCE LIBRARY

TRACT I:

The West 20 feet of Lot 32, and Lots 33, 34, 35, 52, 53, 54 and the West 20 feet of Lot 55, the West 20 feet of Lot 64, and Lots 65, 66 and 67, except those parts thereof dedicated for Farley Avenue and condemned or dedicated for 87th Street/Santa Fe Drive (also known as K-58 Highway), LOTS 28 TO 119, BREYFOGLE, a subdivision in the city of Overland Park, Johnson County, Kansas, according to the recorded plat thereof, together with those parts of vacated 88th Street lying adjacent thereto.

TRACT II:

Non-Exclusive appurtenant easements for ingress and egress over and benefitting the property described hereinabove as Tract I, across the following described parcels of land:

Tract A:

A tract of land 15 feet in width across a portion of the vacated right-of-way of 88th Street adjacent to the Northern line of Lot 61 thereto, all in LOTS 28 TO 119, BREYFOGLE, a subdivision of land now in the City of Overland Park, Johnson County, Kansas, lying 15 feet to the South side of the following described line: Beginning at a point on the centerline of vacated 88th Street, at its intersection with the centerline of unvacated 88th Street and at its intersection with the Southerly prolongation of the East line of Lot 58; thence South 87 degrees 20 minutes 36 seconds West along the centerline of said vacated 88th Street to its intersection with the Northerly prolongation of the West line of Lot 61.

Tract B:

A tract of land 20 feet in width across a part of Lots 52, 53, 54 and 55, and a portion of the vacated rights-of-way adjacent thereto, if any, all in LOTS 28 TO 119, BREYFOGLE, a subdivision of land now in the City of Overland Park, Johnson County, Kansas, lying 10 feet on each side of the following described centerline: Commencing at a point on the centerline of vacated 88th Street, at its intersection with the Southerly prolongation of the East line of said Lot 58; thence South 87 degrees 20 minutes 36 seconds West, along the centerline of said vacated 88th Street, a distance of 180.70 feet; thence North 2 degrees 39 minutes 24 seconds West, a distance of 152.98 feet; thence South 87 degrees 20 minutes 36 seconds West, a distance of 426.56 feet; thence South 2 degrees 39 minutes 24 seconds East, a distance of 5.35 feet; thence South 87 degrees 20 minutes 36 seconds West, a distance of 28 feet, to the TRUE POINT OF BEGINNING; thence continuing South 87 degrees 20 minutes 36 seconds West, a distance of 518.36 feet, to a point on the centerline of Farley, as now established and 352.37 feet South of the centerline of said 87th Street, as now measured along the centerline of said Farley, all subject to that part thereof dedicated for street purposes.

Tract B-1:

Also, a tract of land 28 feet in width across a part of Lots 32, 33, 54 and 55, and a portion of the vacated rights-of-way adjacent thereto, if any, all in LOTS 28 TO 119, BREYFOGLE, a subdivision of land now in the city of Overland Park, Johnson County, Kansas lying 28 feet to the West side of the following described line: Commencing at a point on the centerline of vacated 88th Street, at its intersection with the Southerly prolongation of the East line of said Lot 58; thence South 87 degrees 20 minutes 36 seconds West, along the centerline of said vacated 88th Street, a distance of 180.70 feet; thence North 2 degrees 39 minutes 24 seconds West, a distance of 152.98 feet; thence South 87 degrees 20 minutes 36 minutes West, a distance of 426.56 feet; thence South

2 degrees 39 minutes 24 seconds West, a distance of 5.35 feet; thence South 87 degrees 20 minutes 36 seconds West, a distance of 28 feet, to the TRUE POINT OF BEGINNING; thence North 2 degrees 39 minutes 24 seconds West, a distance of 352.35 feet, to a point on the centerline of said 87th Street and 805 feet West of the centerline of said Grant Avenue, as measured along the centerline of said 87th street, all subject to that part thereof dedicated for street purposes.

Tract C:

A tract of land 30 feet in width across a part of Lots 30, 62, 58, 57, 56 and 55, and a portion of the vacated rights-of-way adjacent thereto, all in LOTS 28 TO 119, BREYFOGLE, a subdivision of land now in the City of Overland Park, Johnson County, Kansas, lying 15 feet on each side of the following described centerline: Beginning at a point on the centerline of vacated 88th Street, at its intersection with the centerline of unvacated 88th Street, and at its intersection with the Southerly prolongation of the East line of said Lot 58; thence South 87 degrees 20 minutes 36 seconds West, along the centerline of said vacated 88th Street, a distance of 180.70 feet; thence North 2 degrees 39 minutes 24 seconds West, a distance of 152.98 feet, to point "A", and the True Point of Beginning; thence south 87 degrees 20 minutes 36 seconds West, a distance of 426.56 feet; thence South 2 degrees 39 minutes 24 seconds East, a distance of 5.35 feet; thence South 87 degrees 20 minutes 36 seconds West, a distance of 28 feet, to point "B".

Tract C-1:

A tract of land 28 feet in width, across a part of Lots 55 and 32, of said LOTS 28 TO 119, BREYFOGLE, lying 28 feet to the East side of the following described line: Beginning at said point "B", as described in Tract "C" hereof; thence North 2 degrees 39 minutes 24 seconds West, a distance of 352.35 feet, to a point on the centerline of said 87th Street and 805 feet West of the centerline of said Grant Avenue, as measured along the centerline of said 87th Street.

Tract C-2:

A tract of land 30 feet in width, across a part of Lots 30 and 57, LOTS 28 TO 119, BREYFOGLE, a subdivision of land now in the City of Overland Park, Johnson County, Kansas, lying 15 feet on each side of the following described centerline: Commencing at a point on the centerline of vacated 88th Street at its intersection with the Southerly prolongation of the East line of Lot 58 of said LOTS 28 TO 119 BREYFOGLE; thence South 87 degrees 20 minutes 36 seconds West, along the centerline of said vacated 88th Street, a distance of 180.70 feet; thence North 2 degrees 39 minutes 24 seconds West, a distance of 224.71 feet, to a point of curvature; thence Northerly and Northwesterly, along a curve to the left, having a radius of 100 feet and a central angle of 30 degrees 50 minutes 06 seconds, a distance of 53.82 feet, to a point of reverse curvature; thence Northwesterly and Northerly, along a curve to the right, having a radius of 161 feet, a central angle of 31 degrees 22 minutes 41 seconds, and whose initial tangent bearing is North 33 degrees 29 minutes 30 seconds West, a distance of 88.17 feet, to a point of tangency, said point also being 56 feet West of the East line of said Lot 30; thence North 2 degrees 06 minutes 49 seconds West, along a line 56 feet West of and parallel to the East line of said Lot 30, a distance of 40 feet, to point "A"... AND ALSO ... A tract of land 36 feet in width, across a part of said Lot 30, lying 18 feet on each side of the following described centerline: Commencing at said point "A"; thence North 87 degrees 53 minutes 11 seconds East, a distance of 3 feet, to the TRUE POINT OF BEGINNING of subject tract; thence North 2 degrees 06 minutes 49 seconds West, a distance of 100 feet, to a point on the centerline of 87th Street, as now established, and 383 feet West of the centerline of Grant Avenue, as now established, as measured along the centerline of said 87th Street, all subject to that part thereof dedicated for street purposes; EXCEPT for the tract of land lying 15 feet to the South side of a line described as beginning at a point on the centerline of vacated 88th Street, at its intersection with the centerline of unvacated 88th Street and at its intersection with the southerly prolongation of the East line of Lot 58; thence South 87 degrees 20 minutes 36 seconds West, along

the centerline of said vacated 88th Street to its intersection with the Northerly prolongation of the West line of Lot 61.

Tract D:

The North half of the vacated 88th Street right-of-way; Beginning on the West edge of the Grant Avenue right-of-way and extending a distance of 140 feet to the West; located in Section 36, Township 12, Range 24, in Overland Park, Johnson County, Kansas.

Tract D-1:

The South half of the vacated 88th Street right-of-way; Beginning on the West edge of the Grant Avenue right-of-way and extending a distance of 140 feet to the West; located in Section 36, Township 12, Range 24, in Overland Park, Johnson County, Kansas.

EXHIBIT B-3

LEAWOOD PIONEER LIBRARY

Lot 6, Block 1, LEAWOOD TOWN CENTER, SECOND PLAT, a subdivision in the City of Leawood, Johnson County, Kansas.

**FIRST AMENDMENT TO
FIRST AMENDED AND RESTATED SUBLEASE**

BY AND BETWEEN

JOHNSON COUNTY, KANSAS

AND

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

DATED AS OF NOVEMBER 1, 2020

FIRST AMENDMENT TO FIRST AMENDED AND RESTATED SUBLEASE

THIS FIRST AMENDMENT TO FIRST AMENDED AND RESTATED SUBLEASE is made and entered into as of November 1, 2020, 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”), and amending that certain First Amended and Restated Sublease dated as of October 1, 2016 (the “Original Sublease”) between the County as lessor and the Library Board as lessee.

W I T N E S S E T H:

WHEREAS, the County and 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; and

WHEREAS, the Library Board is the fee owner of the real estate legally described in *Exhibit B* hereto (together with the existing improvements thereon, the “Land”), on which it desires to design, construct, equip and furnish certain improvements (such improvements more fully described herein as the “Improvements”); and

WHEREAS, the Library Board and the PBC entered into a First Amended and Restated Base Lease dated as of October 1, 2016, as amended by the First Amendment to First Amended and Restated Base Lease dated as of November 1, 2020 (collectively, the “Base Lease”); and

WHEREAS, pursuant to the terms of the Base Lease the Library Board has leased the Land and the Improvements, as constructed (collectively, the “Facility”), to the PBC upon the terms and conditions set forth therein; and

WHEREAS, the PBC and the County entered into a First Amended and Restated Lease dated as of October 1, 2016, as amended by the First Amendment to First Amended and Restated Lease dated as of November 1, 2020 (collectively, the “Lease”); and

WHEREAS, pursuant to the terms of the Lease the PBC leased the Facility to the County for the rentals and upon terms set forth therein; and

WHEREAS, 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 (Central Resource Library Project), Series 2020C (the “Series 2020C Bonds”), under and pursuant to and subject to the provisions of K.S.A. 12-1757 *et seq.*, as amended (the “Act”) and a Trust Indenture dated as of November 1, 2014, as amended and supplemented, including by a Third Supplemental Trust Indenture dated as of November 1, 2020 (collectively, the “Indenture”) between the PBC and Security Bank of Kansas City, as trustee (the “Trustee”), for the purpose of financing certain costs of the Improvements; and

WHEREAS, the County and Library Board entered into a First Amended and Restated Sublease dated as of October 1, 2016 (together with this First Amendment First Amended and Restated Sublease, the “Sublease”); and

WHEREAS, the Sublease is amended as set forth herein pursuant to the written consent of both the County and the Library Board as provided by *Section 25.1(c)* of the Sublease.

NOW, THEREFORE, THIS FIRST AMENDMENT TO FIRST AMENDED AND RESTATED SUBLEASE WITNESSETH, that the County and the Library Board do hereby agree that the Sublease shall be amended and supplemented as described herein.

1. Amendment to Article I of the Sublease.

(a) The following definitions are hereby added to Article I of the Sublease:

“First Amendment to First Amended and Restated Base Lease” means the First Amendment to Amended and Restated Base Lease dated as of November 1, 2020 between the Library Board and the PBC, as amended from time to time according to the terms thereof.”

“First Amendment to First Amended and Restated Lease” means the First Amendment to First Amended and Restated Lease dated as of November 1, 2020 between the PBC and the County, as amended from time to time according to the terms thereof.”

“First Amendment to First Amended and Restated Sublease” means the First Amendment to First Amended and Restated Sublease dated as of November 1, 2020 between the County and the Library Board, as amended from time to time according to the terms thereof.”

“Series 2020C Bonds” means the Public Building Commission of Johnson County, Kansas Lease Purchase Revenue Bonds (Central Resource Library Project), Series 2020C, dated November 11, 2020.

“Third Supplemental Indenture” means the Third Supplemental Trust Indenture dated as of November 1, 2020, between the PBC and the Trustee, as amended from time to time according to the terms of the Indenture.

(b) The definition of “Base Lease” is hereby deleted in its entirety and the following new definition of “Base Lease” is hereby inserted in lieu thereof:

“Base Lease” means the First Amended and Restated Base Lease dated as of October 1, 2016, as amended by the First Amendment to the First Amended and Restated Base Lease dated as of November 1, 2020, between the Library Board, as lessor, and the PBC, as lessee, as amended from time to time according to the terms thereof.

(c) The definition of “Improvements” is hereby deleted in its entirety and the following new definition of “Improvements” is hereby inserted in lieu thereof:

“Improvements” means, collectively, the construction, reconstruction, equipping and furnishing of improvements to the Land, including the following:

(a) constructing, expanding, reconstructing, furnishing and equipping an expansion to the Central Resource Library (the “Central Resource Improvements”);

(b) design, construct, equip and furnish a new Monticello Library to be located at 22435 W. 66th Street (the “Monticello Library”);

(c) acquiring, constructing, expanding, furnishing and equipping the Leawood Pioneer Library (the “Leawood Pioneer Library Improvements”); and

(d) designing, constructing, furnishing and equipping improvements to the Central Resource Library as set forth in Resolution No. PBC 003-19 (the “Series 2020C Central Resource Improvements”).

(d) The definition of “Lease” is hereby deleted in its entirety and the following new definition of “Lease” is hereby inserted in lieu thereof:

“**Lease**” means the First Amended and Restated Lease dated October 1, 2016, and as amended by the First Amendment to First Amended and Restated Lease, dated as of November 1, 2020, 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.

(e) The definition of “Maximum Term” is hereby deleted in its entirety and the following new definition of “Maximum Term” is hereby inserted in lieu thereof:

“**Maximum Term**” means the Original Term and all Renewal Terms through the later of (f) September 1, 2040 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.

(g) The definition of “Sublease” is hereby deleted in its entirety and the following new definition of “Sublease” is hereby inserted in lieu thereof:

“**Sublease**” means 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 November 1, 2020, by and between the County, as lessor, and the Library Board, as lessee, as from time to time supplemented and amended in accordance with the provisions thereof.

2. Amendment to Article IV of the Original Sublease. Section 4.3 of the Original Sublease is hereby deleted in its entirety and a new Section 4.3 is inserted in lieu thereof, to read as follows:

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, 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.

Notwithstanding the foregoing:

- (a) proceeds of the Series 2014B Bonds deposited in the Series 2014B Project Account shall be used to pay Improvement Costs related to the Central Resource Improvements and the Monticello Library;
- (b) proceeds of the Series 2016A Bonds deposited in the Series 2016A Project Account shall be used to pay Improvement Costs related to the Monticello Library;
- (c) proceeds of the Series 20016A Bonds deposited in the Series 2008B Escrow Account shall be used to pay Improvement Costs related to the Leawood Pioneer Library Improvements;

- (d) proceeds of the Series 2020C Bonds deposited in the Series 2020C Project Account shall be used to pay Improvement Costs related to the Series 2020C Central Resource Improvements; and

any moneys remaining in such funds and accounts after completion of the Improvements shall be applied in accordance with the terms of the Indenture.

3. Amendment to Exhibit A to Original Sublease. *Exhibit A* to the Original Sublease is hereby deleted in its entirety and *Exhibit A* attached hereto is hereby inserted in lieu thereof.

4. Sublease of Facility; Applicability of Original Sublease. The County hereby confirms that it demises, leases, subleases and lets to the Library Board, and the Library Board hereby confirms that it rents, leases, subleases and hires from the County, the Facility, in accordance with the terms of the Original Sublease, as supplemented and amended. Except as specifically amended hereby, all other provisions of the Original Sublease shall remain in full force and effect and are hereby ratified, approved and confirmed.

5. Execution in Counterparts. This Amendment to Sublease may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

[Balance of page intentionally left blank]

THIS FIRST AMENDMENT TO FIRST AMENDED AND RESTATED SUBLEASE is executed as of the date first hereinabove written.

JOHNSON COUNTY, KANSAS,

(Seal)

By: _____
Ed Eilert, Chair

ATTEST:

By: _____
Somir Hassan
Interim County Clerk

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF JOHNSON)

This instrument was acknowledged before me on _____, 2020, by Ed Eilert, Chair of Johnson County, Kansas, a municipal corporation organized under the laws of the State of Kansas.

(Seal)

Notary Public

My Commission Expires: _____

THIS FIRST AMENDMENT TO FIRST AMENDED AND RESTATED SUBLEASE is executed as of the date first hereinabove written.

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

(SEAL)

By: _____
Amy Ruo, Chair

ATTEST:

By: _____
Bethany Griffith, Secretary

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF JOHNSON)

This instrument was acknowledged before me on _____, 2020, by Amy Ruo, 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: _____

EXHIBIT A

SUMMARY OF THE FACILITY

The Improvements are located on certain real property legally described in **Exhibit B** and have been financed with the proceeds of various Bonds, all as shown below.

<u>Improvements</u>	<u>Legal Description</u>	<u>Bonds issued to finance the Improvements</u>	<u>Basic Rent Payment Schedule</u>
Monticello Library	Exhibit B-1	*2014B, 2016A	Schedule 1
Central Resource Library	Exhibit B-2	*2014B, 2020C	Schedule 2
Leawood Pioneer Library	Exhibit B-3	2016A	Schedule 3

The Series 2014B Bonds must be repaid in full before either Central Resource Library or Monticello Library may be purchased pursuant to **Section 16.2 of the Lease.*

EXHIBIT B-1

MONTICELLO LIBRARY

Parcel A:

Lot 27 MONTICELLO CENTER FOURTH PLAT, a subdivision in the City of Shawnee, Johnson County, Kansas.

Parcel B:

A tract of land in Lot 23, MONTICELLO CENTER THIRD PLAT, a subdivision in the City of Shawnee, Johnson County, Kansas, and being more particularly described as follows:

Note: For course orientation, the bearings in this description are based on Grid North, Kansas State Plane Coordinate System, North Zone by GPS observations. For comparison the East line of said Lot 23 is platted as South 12°05'56" West and measured as South 10°00'15" West.

Commencing at the Northeast corner of Lot 23 of said subdivision, said corner being monumented by a found one-half inch reinforcing bar with MOLC 366 KSLs 1374 cap; thence South 10° 00' 15" West 538.43 feet on the East line of said Lot 23 to the Southeast corner of said Lot and a found one half inch reinforcing bar set in concrete; thence North 01° 47' 03" East 526.97 feet to the North line of said lot, also the South right of way line of 66th Street, as now established; thence North 88° 09' 43" East 110.00 feet on said North line and right of way line to the Point of Beginning, containing 28,983 square feet or 0.67 acres.

Parcel C:

A non-exclusive easement to use roadways as a joint and common roadway for the purpose of ingress and egress of persons and vehicles established by Reciprocal Easement and Maintenance Agreement recorded November 2, 2010, in Book 201011, Page 001125 over the land described therein.

Parcel D:

A non-exclusive easement for access, ingress and egress established by Declaration of Covenants and Restrictions recorded in Book 200406, Page 005094 and amended by Second Supplemental Agreement recorded in Book 200603, Page 010280, over the property described therein.

EXHIBIT B-2

CENTRAL RESOURCE LIBRARY

TRACT I:

The West 20 feet of Lot 32, and Lots 33, 34, 35, 52, 53, 54 and the West 20 feet of Lot 55, the West 20 feet of Lot 64, and Lots 65, 66 and 67, except those parts thereof dedicated for Farley Avenue and condemned or dedicated for 87th Street/Santa Fe Drive (also known as K-58 Highway), LOTS 28 TO 119, BREYFOGLE, a subdivision in the city of Overland Park, Johnson County, Kansas, according to the recorded plat thereof, together with those parts of vacated 88th Street lying adjacent thereto.

TRACT II:

Non-Exclusive appurtenant easements for ingress and egress over and benefitting the property described hereinabove as Tract I, across the following described parcels of land:

Tract A:

A tract of land 15 feet in width across a portion of the vacated right-of-way of 88th Street adjacent to the Northern line of Lot 61 thereto, all in LOTS 28 TO 119, BREYFOGLE, a subdivision of land now in the City of Overland Park, Johnson County, Kansas, lying 15 feet to the South side of the following described line: Beginning at a point on the centerline of vacated 88th Street, at its intersection with the centerline of unvacated 88th Street and at its intersection with the Southerly prolongation of the East line of Lot 58; thence South 87 degrees 20 minutes 36 seconds West along the centerline of said vacated 88th Street to its intersection with the Northerly prolongation of the West line of Lot 61.

Tract B:

A tract of land 20 feet in width across a part of Lots 52, 53, 54 and 55, and a portion of the vacated rights-of-way adjacent thereto, if any, all in LOTS 28 TO 119, BREYFOGLE, a subdivision of land now in the City of Overland Park, Johnson County, Kansas, lying 10 feet on each side of the following described centerline: Commencing at a point on the centerline of vacated 88th Street, at its intersection with the Southerly prolongation of the East line of said Lot 58; thence South 87 degrees 20 minutes 36 seconds West, along the centerline of said vacated 88th Street, a distance of 180.70 feet; thence North 2 degrees 39 minutes 24 seconds West, a distance of 152.98 feet; thence South 87 degrees 20 minutes 36 seconds West, a distance of 426.56 feet; thence South 2 degrees 39 minutes 24 seconds East, a distance of 5.35 feet; thence South 87 degrees 20 minutes 36 seconds West, a distance of 28 feet, to the TRUE POINT OF BEGINNING; thence continuing South 87 degrees 20 minutes 36 seconds West, a distance of 518.36 feet, to a point on the centerline of Farley, as now established and 352.37 feet South of the centerline of said 87th Street, as now measured along the centerline of said Farley, all subject to that part thereof dedicated for street purposes.

Tract B-1:

Also, a tract of land 28 feet in width across a part of Lots 32, 33, 54 and 55, and a portion of the vacated rights-of-way adjacent thereto, if any, all in LOTS 28 TO 119, BREYFOGLE, a subdivision of land now in the city of Overland Park, Johnson County, Kansas lying 28 feet to the West side of the following described line: Commencing at a point on the centerline of vacated 88th Street, at its intersection with the Southerly prolongation of the East line of said Lot 58; thence South 87 degrees 20 minutes 36 seconds West, along the centerline of said vacated 88th Street, a distance of 180.70 feet; thence North 2 degrees 39 minutes 24 seconds West, a distance of 152.98 feet; thence South 87 degrees 20 minutes 36 minutes West, a distance of 426.56 feet; thence South

2 degrees 39 minutes 24 seconds West, a distance of 5.35 feet; thence South 87 degrees 20 minutes 36 seconds West, a distance of 28 feet, to the TRUE POINT OF BEGINNING; thence North 2 degrees 39 minutes 24 seconds West, a distance of 352.35 feet, to a point on the centerline of said 87th Street and 805 feet West of the centerline of said Grant Avenue, as measured along the centerline of said 87th street, all subject to that part thereof dedicated for street purposes.

Tract C:

A tract of land 30 feet in width across a part of Lots 30, 62, 58, 57, 56 and 55, and a portion of the vacated rights-of-way adjacent thereto, all in LOTS 28 TO 119, BREYFOGLE, a subdivision of land now in the City of Overland Park, Johnson County, Kansas, lying 15 feet on each side of the following described centerline: Beginning at a point on the centerline of vacated 88th Street, at its intersection with the centerline of unvacated 88th Street, and at its intersection with the Southerly prolongation of the East line of said Lot 58; thence South 87 degrees 20 minutes 36 seconds West, along the centerline of said vacated 88th Street, a distance of 180.70 feet; thence North 2 degrees 39 minutes 24 seconds West, a distance of 152.98 feet, to point "A", and the True Point of Beginning; thence south 87 degrees 20 minutes 36 seconds West, a distance of 426.56 feet; thence South 2 degrees 39 minutes 24 seconds East, a distance of 5.35 feet; thence South 87 degrees 20 minutes 36 seconds West, a distance of 28 feet, to point "B".

Tract C-1:

A tract of land 28 feet in width, across a part of Lots 55 and 32, of said LOTS 28 TO 119, BREYFOGLE, lying 28 feet to the East side of the following described line: Beginning at said point "B", as described in Tract "C" hereof; thence North 2 degrees 39 minutes 24 seconds West, a distance of 352.35 feet, to a point on the centerline of said 87th Street and 805 feet West of the centerline of said Grant Avenue, as measured along the centerline of said 87th Street.

Tract C-2:

A tract of land 30 feet in width, across a part of Lots 30 and 57, LOTS 28 TO 119, BREYFOGLE, a subdivision of land now in the City of Overland Park, Johnson County, Kansas, lying 15 feet on each side of the following described centerline: Commencing at a point on the centerline of vacated 88th Street at its intersection with the Southerly prolongation of the East line of Lot 58 of said LOTS 28 TO 119 BREYFOGLE; thence South 87 degrees 20 minutes 36 seconds West, along the centerline of said vacated 88th Street, a distance of 180.70 feet; thence North 2 degrees 39 minutes 24 seconds West, a distance of 224.71 feet, to a point of curvature; thence Northerly and Northwesterly, along a curve to the left, having a radius of 100 feet and a central angle of 30 degrees 50 minutes 06 seconds, a distance of 53.82 feet, to a point of reverse curvature; thence Northwesterly and Northerly, along a curve to the right, having a radius of 161 feet, a central angle of 31 degrees 22 minutes 41 seconds, and whose initial tangent bearing is North 33 degrees 29 minutes 30 seconds West, a distance of 88.17 feet, to a point of tangency, said point also being 56 feet West of the East line of said Lot 30; thence North 2 degrees 06 minutes 49 seconds West, along a line 56 feet West of and parallel to the East line of said Lot 30, a distance of 40 feet, to point "A"... AND ALSO ... A tract of land 36 feet in width, across a part of said Lot 30, lying 18 feet on each side of the following described centerline: Commencing at said point "A"; thence North 87 degrees 53 minutes 11 seconds East, a distance of 3 feet, to the TRUE POINT OF BEGINNING of subject tract; thence North 2 degrees 06 minutes 49 seconds West, a distance of 100 feet, to a point on the centerline of 87th Street, as now established, and 383 feet West of the centerline of Grant Avenue, as now established, as measured along the centerline of said 87th Street, all subject to that part thereof dedicated for street purposes; EXCEPT for the tract of land lying 15 feet to the South side of a line described as beginning at a point on the centerline of vacated 88th Street, at its intersection with the centerline of unvacated 88th Street and at its intersection with the southerly prolongation of the East line of Lot 58; thence South 87 degrees 20 minutes 36 seconds West, along

the centerline of said vacated 88th Street to its intersection with the Northerly prolongation of the West line of Lot 61.

Tract D:

The North half of the vacated 88th Street right-of-way; Beginning on the West edge of the Grant Avenue right-of-way and extending a distance of 140 feet to the West; located in Section 36, Township 12, Range 24, in Overland Park, Johnson County, Kansas.

Tract D-1:

The South half of the vacated 88th Street right-of-way; Beginning on the West edge of the Grant Avenue right-of-way and extending a distance of 140 feet to the West; located in Section 36, Township 12, Range 24, in Overland Park, Johnson County, Kansas.

EXHIBIT B-3

LEAWOOD PIONEER LIBRARY

Lot 6, Block 1, LEAWOOD TOWN CENTER, SECOND PLAT, a subdivision in the City of Leawood, Johnson County, Kansas.

THIRD SUPPLEMENTAL TRUST INDENTURE

Dated as of November 1, 2020

between

PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS

and

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

**[\$Principal Amount]
Public Building Commission of Johnson County, Kansas
Lease Purchase Revenue Bonds
(Central Resource Library Project)
Series 2020C**

THIRD SUPPLEMENTAL TRUST INDENTURE

THIS THIRD SUPPLEMENTAL TRUST INDENTURE, dated as of November 1, 2020 (the “Third Supplemental Indenture”), is made by and between the Public Building Commission of Johnson County, Kansas, a municipal corporation duly organized and existing under the laws of the State of Kansas (the “PBC”), and Security Bank of Kansas City, Kansas City, Kansas, a state banking corporation duly organized and existing and authorized to accept and execute trusts of the character herein set forth under the laws of the State of Kansas, with its corporate trust office located in the City of Kansas City, Kansas, as trustee (the “Trustee”), amending and supplementing that certain Trust Indenture dated as of November 1, 2014 (the “Original Indenture”), between the PBC and the Trustee, as supplemented by the First Supplemental Trust Indenture dated as of December 1, 2015 (“First Supplemental Indenture”) and the Second Supplemental Trust Indenture dated as of October 1, 2016 (the “Second Supplemental Indenture”) (the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, and this Third Supplemental Indenture referred to herein collectively as the “Indenture”).

RECITALS

1. Pursuant to the Original Indenture, the PBC issued its Public Building Commission of Johnson County, Kansas Lease Purchase Revenue Bonds (Library Projects), Series 2014B, dated November 25, 2014, in the principal amount of \$4,000,000 (the “Series 2014B Bonds”), for the purpose of paying a portion of the costs of (a) constructing, expanding, reconstructing, furnishing and equipping an expansion to the Central Resource Library (the “Central Resource Improvements”) located in the County and owned by the Board of Directors of the Johnson County Library (the “Library Board”), and (b) constructing, furnishing and equipping an approximately 288 square foot building for use as the initial phase of the Monticello Library (the “Monticello Improvements”).

2. Pursuant to the First Supplemental Indenture, the PBC amended and supplemented the Original Indenture to expand the scope of “Improvements” to permit the use of proceeds of the Series 2014B Bonds to pay the costs of design, construction, equipping and furnishing a new library building to be located at 22435 W. 66th Street, to be known as Monticello Library (the “Monticello Library”) in lieu of paying the costs of the Monticello Improvements.

3. Pursuant to the Second Supplemental Indenture, the PBC amended and supplemented the Indenture to provide for the issuance of the Lease Purchase Revenue Bonds (Library Projects), Series 2016A (the “Series 2016A Bonds”) to (a) pay additional costs to improve Monticello Library, and (b) pay the costs to acquire a leasehold interest in the Leawood Pioneer Library in order to refinance the costs of such improvements.

4. The Original Indenture provides for the issuance of Additional Bonds pursuant to **Section 210** thereof, upon compliance with certain conditions set forth therein.

5. The PBC has adopted Resolution No. PBC 003-19 declaring an intent to issue revenue bonds in an aggregate amount not to exceed \$6,107,000 for the purpose of paying all or a portion of the costs to design, construct, equip and furnish improvements to Central Resource Library (the “Series 2020C Central Resource Improvements”) and paying the costs of issuance of such revenue bonds; and such resolution was published in accordance with the Act, and no sufficient protest was filed against the Series 2020C Central Resource Improvements or such revenue bonds in accordance with the provisions of the Act.

6. Pursuant to Resolution No. PBC 00[]-20, the PBC has determined that it is desirable to issue its Lease Purchase Revenue Bonds (Central Resource Library Project), Series 2020C, dated November 11, 2020, in the principal amount of \$[Principal Amount] (the “Series 2020C Bonds”) as Additional Bonds

under the Original Indenture, to (a) pay costs of the Series 2020C Central Resource Improvements, and (b) pay Costs of Issuance of the Series 2020C Bonds.

7. In connection with the issuance of the Series 2020C Bonds, the PBC will enter into the First Amendment to the First Amended and Restated Base Lease (as defined herein) whereby (a) the PBC will lease the real estate upon which the Central Resource Library is located, as legally described in **Exhibit B-2** attached to the Base Lease, and the existing improvements located thereon, from the Library Board upon the terms and conditions set forth therein, and (b) the term of the Base Lease will be extended as set forth therein.

8. The Board of County Commissioners has adopted Resolution No. []-20, which requested that the PBC issue its Series 2020C Bonds to provide for financing the Improvement Costs related to the Series 2020C Central Resource Improvements. Such resolution further authorized the County to (a) enter into the First Amendment to the First Amended and Restated Lease (as defined herein) to provide for the lease of the Central Resource Library and the source of repayments of the Series 2020C Bonds as the same become due and (b) enter into the First Amendment to the First Amended and Restated Sublease with the Library Board for the use and operation of the Facility, including the Central Resource Library.

9. The Library Board has adopted Resolution No. 2020-[], which requested that the PBC issue its Series 2020C Bonds, and authorized the Library Board to enter into the First Amendment to the First Amended and Restated Base Lease and the First Amendment to the First Amended and Restated Sublease.

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

ARTICLE I

DEFINITIONS

Section 101. Amended and Supplemental Definitions.

(a) Capitalized terms not otherwise defined in this Third Supplemental Indenture shall have the meanings set forth in the Original Indenture, First Supplemental Indenture and Second Supplemental Indenture, unless some other meaning is plainly intended.

(b) The definitions of the following words and terms set forth in **Section 101** of the Original Indenture are hereby amended to read as follows, unless some other meaning is plainly intended:

“Act” means K.S.A. 10-116a and K.S.A. 12-1757 *et seq.*, as amended.

“Base Lease” means the First Amended and Restated Base Lease, as from time to time amended and supplemented in accordance with the provisions thereof.

“Dated Date” means, (a) with respect to the Series 2020C Bonds, November 10, 2020, and (b) with respect to any Additional Bonds, the date set forth in the Supplemental Indenture authorizing such Additional Bonds.

“Facility” means the Land and the Improvements acquired, constructed or installed with the

proceeds of the Bonds, together with any Facility Additions, except those portions of the Facility that have been purchased by the PBC pursuant to the provisions of **Section 16.2** of the Lease.

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

- (a) all costs and expenses of every nature incurred in connection with constructing, acquiring, installing or equipping of the Improvements;
- (b) fees and expenses of architects, appraisers, surveyors and engineers for estimates, surveys, soil borings and soil tests and other preliminary investigations and terms necessary to the commencement of construction, preparation of plans, drawings and specifications and supervision of construction, as well as for the performance of all other duties of architects, appraisers, surveyors and engineers in relation to the construction, furnishing and equipping of the Facility or the issuance of the Bonds;
- (c) payment of interest actually incurred on any interim financing obtained from a lender unrelated to the County for performance of work on the Improvements prior to the issuance of the Bonds;
- (d) the costs of title insurance policies and the cost of any insurance and performance and payment bonds maintained during the construction of the Improvements in accordance with the Lease;
- (e) interest accruing on the Bonds during the period of construction of the Improvements; and
- (f) Costs of Issuance.

“Improvements” means, collectively, the acquisition, construction, reconstruction, equipping and furnishing of improvements to the Land, including the following:

- (a) constructing, expanding, reconstructing, furnishing and equipping an expansion to the Central Resource Library (the “Central Resource Improvements”);
- (b) design, construct, equip and furnish a new Monticello Library to be located at 22435 W. 66th Street (the “Monticello Library”);
- (c) acquiring, constructing, expanding, furnishing and equipping the Leawood Pioneer Library (the “Leawood Pioneer Library Improvements”); and
- (d) designing, constructing, furnishing and equipping improvements to the Central Resource Library as set forth in Resolution No. PBC 003-19 (the “Series 2020C Central Resource Improvements”).

“Interest Payment Date” means each March 1 and September 1. Interest Payment Dates for the Series 2020C Bonds shall commence September 1, 2021, and Interest Payment dates for Additional Bonds will commence as specified in the Supplemental Indentures authorizing such Additional Bonds.

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

“Lease” means the First Amended and Restated Lease, as from time to time amended and supplemented in accordance with the provisions thereof.

“**Purchaser**” means, (a) with respect to the Series 2020C Bonds, [_____, _____, _____], and (b) with respect to any Additional Bonds, the Purchaser specified in the Supplemental Indenture authorizing such Additional Bonds.

“**Sublease**” means the First Amended and Restated Sublease, as from time to time amended and supplemented in accordance with the provisions thereof.

“**Tax Compliance Agreement**” means (a) with respect to the Series 2014B Bonds, the Tax Compliance Agreement dated as of November 1, 2014; (b) with respect to the Series 2016A Bonds, the Tax Compliance Agreement dated as of October 1, 2016; and, (c) with respect to the Series 2020C Bonds, the Tax Compliance Agreement dated as of November 1, 2020, all such agreements among the PBC, the County, the Library Board and the Trustee, as from time to time amended and supplemented in accordance with the provisions thereof.

(c) The following defined words and terms are hereby added to **Section 101** of the Original Indenture:

“**Escrow Agreement**” means the Escrow Trust Agreement, dated as of the Dated Date, between the Trustee and the PBC.

“**First Amendment to the First Amended and Restated Base Lease**” means the First Amendment to the First Amended and Restated Base Lease dated as of November 1, 2020 between the Library Board, as lessor, and the PBC, as lessee, as amended from time to time according to the terms thereof.

“**First Amendment to the First Amended and Restated Lease**” means the First Amendment to the First Amended and Restated Lease dated as of November 1, 2020 between the PBC, as lessor, and the County, as lessee, as amended from time to time according to the terms thereof.

“**First Amendment to the First Amended and Restated Sublease**” means the First Amendment to the First Amended and Restated Sublease dated as of November 1, 2020 between the Library Board, as lessor, and the County, as lessee, as amended from time to time according to the terms thereof.

“**Third Supplemental Indenture**” means this Third Supplemental Trust Indenture dated as of November 1, 2020 between the PBC and the Trustee, as amended from time to time according to the terms of the Indenture.

“**Series 2020C Central Resource Improvements**” shall have the meaning set forth in the recitals hereof.

“**Series 2020C Costs of Issuance Account**” means the account by that name created in **Article IV** hereof.

“**Series 2020C Principal and Interest Account**” means the account by that name created in **Article IV** hereof.

“**Series 2020C Project Account**” means the account by that name created in **Article IV** hereof.

“**Series 2020C Rebate Fund**” means the fund by that name created in **Article IV** hereof.

[“**Series 2020C Term Bonds**” means the Series 2020C Bonds scheduled to mature in 20___.]

ARTICLE II

THE SERIES 2020C BONDS

Section 201. Authorization and Description of the Series 2020C Bonds. There shall be issued under and secured by this Indenture a series of Additional Bonds designated “Public Building Commission of Johnson County, Kansas Lease Purchase Revenue Bonds (Central Resource Library Project), Series 2020C,” in the original aggregate principal amount of \$[Principal Amount], for the purpose of providing funds to pay (a) Improvement Costs related to the Series 2020C Central Resource Improvements and (b) Costs of Issuance.

The Series 2020C Bonds shall be sold to [_____, _____, _____] (the “Purchaser”) for a Purchase Price equal to the principal amount of the Series 2020C Bonds, [plus a bid premium of \$_____].

The Series 2020C Bonds shall consist of fully registered bonds in the minimum authorized denomination of \$5,000 or any integral multiple thereof and shall be numbered in such manner as the Trustee shall determine. All of the Series 2020C Bonds shall be dated the Dated Date, shall become due in the amounts on the Stated Maturities, and subject to redemption and payment prior to their Stated Maturities as provided in *Article III* hereof, shall bear interest as the respective rates per annum as follows:

SERIAL BONDS

<u>Stated Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Stated Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2021	\$	%	2031	\$	%
2022			2032		
2023			2022		
2024			2034		
2025			2035		
2026			2036		
2027			2037		
2028			2038		
2029			2039		
2030			2040		

[TERM BONDS]

<u>Stated Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
20__	\$	%]

The Series 2020C Bonds shall bear interest at the above specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid in the manner set forth in **Section 204** of the Original Indenture. Interest Payments Dates for the Series 2020C Bonds shall commence on September 1, 2021.

The Series 2020C Bonds shall be issued as book-entry only Bonds and administered in accordance with the provisions of **Section 209** of the Original Indenture.

The Series 2020C Bonds and the Trustee's Certificate of Authentication to be endorsed thereon, shall be in substantially the form set forth in **Exhibit A** hereof.

Each of the Series 2020C Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be printed in accordance with the format required by the Attorney General of the State and shall be substantially in the form required by the Attorney General pursuant to the Notice of Systems of Registration for Kansas Municipal Bonds, 2 Kan. Reg. 921 (1983), in accordance with the Kansas Bond Registration Law, K.S.A. 10-620 *et seq.*

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption.

(a) *Optional Redemption of Series 2020C Bonds.* At the option of the PBC, upon instructions from the County, the Series 2020C Bonds maturing in the years 20[] and thereafter may be called for redemption and payment prior to their Stated Maturity on September 1, 20[] and thereafter, in whole or in part on any date, at the Redemption Price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.

(b) *Extraordinary Optional Redemption of Series 2020C Bonds.* At the option of the PBC, upon instructions from the County, the Series 2020C Bonds may be called for redemption and payment prior to their Stated Maturity, in whole or in part on any date, at the Redemption Price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date, in the event that all or a substantial portion of the Facility is damaged or destroyed by fire or other casualty or is condemned or taken for any public or quasi-public use by any authority exercising the power of eminent domain, and the County determines that rebuilding, repairing, restoring or replacing the Facility is not practicable or desirable.

[(c) *Mandatory Redemption.* The 2020C Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The taxes levied in Article IV hereof which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on September 1 in each year, the following principal amounts of such 2020C Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	*

*Final Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the Issuer may: (1) deliver to the Paying Agent for cancellation 2020C Term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any

2020C Term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the Issuer under this Section for any 2020C Term Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection. Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Issuer to redeem 2020C Term Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for 2020C Term Bonds of the same Stated Maturity as designated by the Issuer, and the principal amount of 2020C Term Bonds to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the Issuer intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the Issuer will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with, with respect to such mandatory redemption payment.]

ARTICLE IV

FUNDS AND ACCOUNTS; APPLICATION OF BOND PROCEEDS

Section 401. Creation of Funds and Accounts.

(a) In addition to the funds and accounts created in the Original Indenture, there is hereby created and ordered to be established in the custody of the PBC the following separate funds and accounts:

- (1) In the Construction Fund, a separate account designated as the “Series 2020C Project Account.”
- (2) In the Costs of Issuance Fund, a separate account designated the “Series 2020C Costs of Issuance Account.”

(b) In addition to the funds and accounts created in the Original Indenture, there is hereby created and ordered to be established in the custody of the Trustee the following separate funds and accounts:

- (1) Within the Principal and Interest Fund, a separate account designated the “Series 2020C Principal and Interest Account.”
- (2) Within the Rebate Fund, a separate fund designated the “Series 2020C Rebate Fund.”

Section 402. Disposition of Series 2020C Bond Proceeds.

The net proceeds received from the sale of the Series 2020C Bonds shall be deposited simultaneously with the delivery of such Series 2020C Bonds and applied as follows:

- (1) The sum of \$[] shall be deposited in the Series 2020C Costs of Issuance Account.

- (2) The remaining balance of the proceeds derived from the sale of the 2020C Bonds in the amount of \$[] shall be deposited in the Construction Fund and applied in accordance with **Section 404** hereof.

Section 403. Application of Moneys in the Series 2020C Project Account. Moneys in the Series 2020C Project Account shall be disbursed by the PBC for the payment of Improvement Costs in accordance with the provisions of **Article IV** of the Lease.

The completion of the Improvements from proceeds of the Series 2020C Bonds and payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee by the PBC of a Certificate of Completion as required by **Section 4.4** of the Lease. As soon thereafter as practicable, any balance remaining in the Series 2020C Project Account (other than amounts required to be transferred to the Rebate Fund) shall without further authorization be transferred to the Trustee to be deposited into the Series 2020C Principal and Interest Account and be applied by the Trustee solely to: (i) the payment of principal and premium, if any, of the Series 2020C Bonds through the payment or redemption thereof at the earliest date permissible under the terms of the Indenture, or (ii) at the option of the PBC, to the purchase of the Series 2020C Bonds at such earlier date or dates as the PBC may elect.

Section 404. Application of Moneys in the Series 2020C Costs of Issuance Account. All moneys held in the Series 2020C Costs of Issuance Account shall be applied by the PBC to pay the Costs of Issuance relating to the Series 2020C Bonds. Any moneys remaining in the Series 2020C Costs of Issuance Account at such time as all Costs of Issuance with respect to the Series 2020C Bonds have been paid, but in any case not later than February 1, 2021, shall be transferred to the Series 2020C Project Account, or if the Improvements are complete, shall be transferred to the Trustee for deposit in the Series 2020C Principal and Interest Account.

ARTICLE V

MISCELLANEOUS

Section 501. Effect of this Third Supplemental Indenture. The provisions of the Original Indenture, First Supplemental Indenture and Second Supplemental Indenture are hereby ratified and confirmed, and the respective rights, duties and obligations under the Indenture of the PBC and the Trustee shall hereafter be determined, exercised and enforced under the Indenture subject in all respects to this amendment and all of the terms and conditions of this Third Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes. This Third Supplemental Indenture shall be construed as having been authorized under the provisions of **Section 901(a), (c) and (e)** of the Original Indenture.

Section 502. Severability. If any provision of this Third Supplemental Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

Section 503. Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 504. Governing Law. This Third Supplemental Indenture shall be governed exclusively by and be construed in accordance with the applicable laws of the State of Kansas.

Section 505. Electronic Transactions. The issuance of the Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

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

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

(Seal)

By: _____
Ed Eilert, Chair

ATTEST:

By: _____
Janeé Hanzlick, Secretary

SECURITY BANK OF KANSAS CITY,
as Trustee

(SEAL)

ATTEST:

By: _____
Name: Pete Gardner
Title: Vice President

By: _____
Name: M. Kathryn Gellings
Title: Assistant Vice President

CONSENT

The County hereby consents to the foregoing Third Supplemental Trust Indenture.

JOHNSON COUNTY, KANSAS

(SEAL)

ATTEST:

By: _____
Ed Eilert, Chair

By: _____
Somir Hassan
Interim County Clerk

EXHIBIT A
FORM OF BONDS

**REGISTERED
NUMBER R-**

**REGISTERED
\$**

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

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF JOHNSON
PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS
LEASE PURCHASE REVENUE BOND
(CENTRAL RESOURCE LIBRARY PROJECT)
SERIES 2020C**

Interest	Maturity	Dated	CUSIP:
Rate: %	Date:	Date: November 10, 2020	

Registered Owner: **CEDE & CO.**

Principal Amount: _____ Dollars

KNOW ALL PERSONS BY THESE PRESENTS: That the Public Building Commission of Johnson County, Kansas, a municipal corporation in the County of Johnson, State of Kansas (the “PBC”), for value received, hereby acknowledges itself to be indebted and promises to pay, but solely from the sources hereinafter referred to, to the registered owner identified above (the “Owner”), or registered assigns, the Principal Amount shown above on the Maturity Date shown unless called for redemption prior to said Maturity Date, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months), from the Dated Date shown above or from the most recent date to which interest has been paid or duly provided for, payable semiannually on March 1 and September 1 of each year, commencing September 1, 2021 (the “Interest Payment Dates”), until the Principal Amount has been paid.

Method and Place of Payment. The principal or redemption price of this Bond shall be paid at maturity or upon earlier redemption to the person in whose name this Bond is registered at the maturity or redemption date thereof, upon presentation and surrender of this Bond at the corporate trust office of Security Bank of Kansas City, Kansas City, Kansas (the “Trustee”). The interest payable on this Bond on any Interest

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

Authorization of Bonds. This Bond is one of a duly authorized series of Bonds of the PBC designated “Public Building Commission of Johnson County, Kansas Lease Purchase Revenue Bonds (Central Resource Library Project), Series 2020C,” in the aggregate principal amount of \$[Principal Amount] (the “Series 2020C Bonds”), issued for the purpose of providing funds to pay a portion of the costs of certain Improvements. The PBC and the Library Board have entered into a Base Lease, as amended from time to time in accordance with the provisions thereof, wherein the Library Board will lease the site on which the Improvements will be located, together with the existing improvements located thereon (collectively, the “Land”) and the Improvements to the PBC for a term ending September 1, 2040. The PBC and the County will then enter into a Lease, as amended from time to time in accordance with the provisions thereof, wherein the PBC will lease the Land and the Improvements (collectively, the “Facility”) to the County for Basic Rent payments sufficient to provide funds to the PBC to payment of the principal of, premium, if any, and interest on the Bonds as the same become due. The County and the Library Board will further enter into a Sublease, as amended from time to time in accordance with the provisions thereof, wherein the County will sublease the Facility to the Library Board for sublease payments sufficient to provide funds to the County to pay the County’s payments of Basic Rent under the Lease.

The Series 2020C Bonds are issued pursuant to the authority of and in full compliance with the provisions, restrictions and limitations of the constitution and laws of the State of Kansas, including K.S.A. 10-116a and K.S.A. 12-1757 *et seq.*, as amended.

The Bonds are issued under and are equally and ratably secured and entitled to the protection of the Trust Indenture, dated as of November 1, 2014 (said Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Indenture”), between the PBC and the Trustee. Subject to the terms and conditions set forth therein, the Indenture permits the PBC to issue Additional Bonds (as defined therein) secured by the Indenture ratably and on a parity with the Series 2020C Bonds (the Series 2020C Bonds, together with the Series 2014B Bonds and Series 2016A Bonds previously issued under the Indenture and any Additional Bonds, being herein referred to collectively as the “Bonds”). Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the PBC, the Trustee and the Owners, and the terms upon which the Bonds are issued and secured.

The Bonds and the interest thereon are limited obligations of the PBC payable exclusively out of the Trust Estate under the Indenture, including but not limited to the rents, and certain revenues and receipts under the Lease, and are secured by a pledge of the Facility as described in the Lease and a pledge and assignment of the Trust Estate, including all rentals and certain other amounts to be received by the PBC under and pursuant to the Lease, all as provided in the Indenture. The Bonds and the interest thereon do not constitute a debt or general obligation of the PBC, the County, the Library Board, the State of Kansas or any municipal

corporation thereof, and are payable from taxation only to the extent that the County generates the rentals payable under the Lease from taxation. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Redemption Prior to Maturity. The Series 2020C Bonds are subject to redemption prior to maturity as specified in the Third Supplemental Indenture.

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

Book-Entry System. The Series 2020C Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. One certificate with respect to each date on which the Series 2020C Bonds are stated to mature or with respect to each form of Series 2020C Bonds, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Series 2020C Bonds by the Securities Depository's participants, beneficial ownership of the Series 2020C Bonds in authorized denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The PBC and the Trustee will recognize the Securities Depository nominee, while the Owner of this Series 2020C Bond, as the owner of this Series 2020C Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Series 2020C Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The PBC and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the Owner of this Series 2020C Bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Series 2020C Bond shall be made in accordance with existing arrangements among the PBC, the Trustee and the Securities Depository.

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

Transfer and Exchange. **EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR**

SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY. This Bond may be transferred or exchanged, as provided in the Indenture, only upon the Bond Register maintained by the Trustee and kept for that purpose at the corporate trust office of the Trustee, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or such Owner's duly authorized agent, and thereupon a new Bond or Bonds and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The PBC and the Trustee may deem and treat the person in whose name this Bond is registered on the Bond Register as the absolute Owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

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

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

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

IN WITNESS WHEREOF, the PBC has caused this Bond to be executed in its name by the manual or facsimile signature of its Chair and attested by the manual or facsimile signature of its Secretary and its official seal to be affixed hereto or imprinted hereon, and has caused this Bond to be dated as of November 10, 2020.

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

(Seal)

By: _____
Ed Eilert, Chair

ATTEST:

Janeé Hanzlick, Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of a series of Public Building Commission of Johnson County, Kansas Lease Purchase Revenue Bonds (Central Resource Library Project) Series 2020C, described in the within-mentioned Indenture.

Date of Authentication: November 10, 2020

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

By: _____

CERTIFICATE OF SECRETARY

The undersigned, Secretary of the Public Building Commission of Johnson County, Kansas, does hereby certify that the within Bond has been duly registered in my office according to law as of November 10, 2020.

WITNESS my hand and official seal.

(Seal)

Janeé Hanzlick, Secretary

CERTIFICATE OF COUNTY CLERK

I, the undersigned, Interim County Clerk, acting in the capacity of County Clerk of Johnson County, Kansas, do hereby certify that this Bond has been duly registered in my office according to law as of November 10, 2020.

WITNESS my hand and official seal.

(Seal)

Interim County Clerk

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

I, JAKE LATURNER, Treasurer of the State of Kansas, do hereby certify that a transcript of the proceedings leading up to the issuance of this Bond has been filed in my office, and that this Bond was registered in my office according to law on November 10, 2020.

WITNESS my hand and official seal.

(Seal)

Treasurer of the State of Kansas

State Registration No. _____

BOND ASSIGNMENT

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

(Name and Address)

(Social Security or Taxpayer Identification No.)

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

Dated _____

Name

Social Security or
Taxpayer Identification No.

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

Signature guarantee:

By _____

TAX COMPLIANCE AGREEMENT

Dated as of November 1, 2020

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
(CENTRAL RESOURCE LIBRARY PROJECT)
SERIES 2020C**

TAX COMPLIANCE AGREEMENT

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LIST OF EXHIBITS AND SCHEDULES TO TAX COMPLIANCE AGREEMENT

Exhibit A	IRS Form 8038-G
Exhibit B-1	Underwriter’s Receipt for Bonds and Closing Certificate
Exhibit B-2	Municipal Advisor’s Certificate Regarding Competitive Sale
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 November 1, 2020, 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 (Central Resource Library Project), Series 2020C (the “**Bonds**”), under a Trust Indenture, dated as of November 1, 2020, 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 to 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 (Central Resource Library Project), Series 2020C.

“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 November 1, 2025 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 expenditures of proceeds of the Bonds, 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**.

“**General Obligation Bonds**” means, collectively, the County’s General Obligation Refunding Bonds, Series 2020C, and Taxable General Obligation Refunding Bonds, Series 2020D.

“**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 (to the extent funded with sale proceeds or investment proceeds of the Bonds).
- (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 November 1, 2020, 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 “specified private activity bonds” as such term is defined in Code § 57(a)(5)(C), but does include the Investment element of an interest rate cap agreement.

“**IRS**” means the United States Internal Revenue Service.

“**Issue Date**” means November 10, 2020.

“**Lease**” means the First Amended and Restated Lease dated October 1, 2016, as amended by the Amendment to Lease, dated as of November 1, 2020, between the PBC, as lessor, and the County, as lessee, as further 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 or the Financed Facilities, and the investment of Gross Proceeds, that apply after the Issue Date of the Bonds.

“Project” means certain improvements to the Central Resource Library, including the design, construction, equipping, and furnishing of a library, as further described on **Exhibit C**.

“Purchaser” means [Purchaser] [City, State], 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.

“Series 2020C Bonds” means the PBC’s Lease Purchase Revenue Bonds, Series 2020C.

“Sublease” means 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 November 1, 2020, 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. In accordance therewith, the PBC 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.
 - (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 October 31, 2019, the PBC adopted a resolution (contained as Tab [] 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, (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 of the expenditure or the date the Financed Facilities are placed in service, and (3) no reimbursement allocation will be made for an expenditure made 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 any Gross Proceeds of the Bonds. The PBC will be responsible for complying **Section 4.4(d)** hereof if it decides to enter into a Guaranteed Investment Contract at a later date.
- (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 obtaining an Opinion of 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, lease 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 be responsible for complying with **Section 4.4(d)** hereof if it decides to enter into a Guaranteed Investment Contract at a later date.

- (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 obtaining an Opinion of 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 private business 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 private business 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 no Management Agreements with Non-Qualified Users. During the Measurement Period, the Library Board has not and will not enter into or renew any Management Agreement 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 (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, 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 Bond Counsel, 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 (a) 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 (b) 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 in accordance with **Section 4.2(a)** of this Tax Agreement. 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 **Section 2.3(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 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) Equity Account (held with the PBC)
- (c) Principal and Interest Fund.
- (d) Costs of Issuance Fund.
- (e) 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	\$[_, __, __. __]
Net Original Issue Premium	[_, __. __]
Less Underwriting Discount	[(_, __. __)]
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 \$[_, __, __. __] of other funds contributed by the Library Board will be deposited in the Equity Account held with the PBC, which amounts will be used to pay or reimburse 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 Closing Certificate 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)(iii) (relating to the so-called “competitive sales 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 Bond Counsel 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 2020D Bonds. The Series 2020D Bonds are being sold under a different plan of financing than the Bonds and are not expected to be payable from substantially the same source of funds as 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 the Series 2020D Bonds.
 - (2) General Obligation Bonds. The General Obligation Bonds are being sold under a different plan of financing than the Bonds and are not expected to be payable from substantially the same source of funds as 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 the General Obligation Bonds that are tax-exempt 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 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 immediately 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 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.

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 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 all related penalties and interest will remain in effect until all such amounts are paid to the United States and the provisions in **Section 4.2** 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 gross income of 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.

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK]

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: _____
Ed Eilert, Chair

JOHNSON COUNTY, KANSAS

By: _____
Ed Eilert, Chair

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

By: _____
Amy Ruo, Chair

SECURITY BANK OF KANSAS CITY
as Trustee

By: _____
Peter B. Gardner, Senior Vice President

EXHIBIT A

IRS FORM 8038-G

EXHIBIT B-1

UNDERWRITER'S RECEIPT FOR BONDS AND CLOSING CERTIFICATE

**[\$[Principal Amount]
PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS
LEASE PURCHASE REVENUE BONDS
(CENTRAL RESOURCE LIBRARY PROJECT)
SERIES 2020C
DATED NOVEMBER 10, 2020**

The undersigned, on behalf of [Purchaser] (the "Original Purchaser"), for itself [and the syndicate members listed on **Attachment B**] (collectively, the "Original Purchaser [Group]"), as the representative of the Original Purchaser Group, 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 in a *bona fide* initial offering.

(b) **Expected Initial Offering Prices.** As of the sale date of the Bonds (October 14, 2020), the reasonably expected initial offering prices of the Bonds to the Public by the Original Purchaser are the prices listed in **Schedule 1** attached to this Certificate (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities 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 retail 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, by Baker Tilly Municipal Advisors LLC, Municipal Advisor to the Issuer in executing the Municipal Advisor's Certificate Regarding the Competitive Sale, 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: November 10, 2020.

[PURCHASER]

By: _____
Title: _____

Attachment A

Expected Offering Prices

**[Attachment B
Original Purchaser Group]**

EXHIBIT B-2

MUNICIPAL ADVISOR CERTIFICATE REGARDING COMPETITIVE SALE

**[\$[PRINCIPAL AMOUNT]]
PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS
LEASE PURCHASE REVENUE BONDS
(CENTRAL RESOURCE LIBRARY PROJECT)
SERIES 2020C
DATED NOVEMBER 10, 2020**

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 Sale, which was distributed to potential bidders, a copy of which is attached to this Certificate as **Attachment 1**.

2. The Notice of Sale was disseminated electronically as included in the Preliminary Official Statement dated [September 23, 2020], which was made widely available to potential bidders and posted to the Municipal Advisor’s website on or about [September 23, 2020]. The methods of distribution of the Notice of 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 [Purchaser], [City, State] (the “Original Purchaser”), whose bid was determined to be the best conforming bid in accordance with the terms set forth in the Notice of 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 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: November 10, 2020

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

By: _____
Title: _____

Attachment 1
Notice of Bond Sale

Attachment 2

Bids Received

Attachment 3

Bid Comparison

EXHIBIT C

PROJECT DESCRIPTION

Description	Expected Placed in Service Date	Estimated Useful Life	Total Cost	Amount Financed From Tax-Exempt Bonds
Central Resource Library	[Month, Year]	[] years	\$[]	\$[6,175,000]

EXHIBIT D-1

SAMPLE ANNUAL COMPLIANCE CHECKLIST – PBC

Name of tax-exempt obligations (“Bonds”) financing Project:	\$(Principal Amount) PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS LEASE PURCHASE REVENUE BONDS (CENTRAL RESOURCE LIBRARY PROJECT) SERIES 2020C
Issue Date of Bonds:	<u>November 10, 2020</u>
Name and title of person completing request:	
Period covered by request (“Annual Period”):	

1 Arbitrage & Rebate	Have all rebate and yield reduction calculations mandated in the Tax Compliance Agreement 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:	\$(Principal Amount) PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS LEASE PURCHASE REVENUE BONDS (CENTRAL RESOURCE LIBRARY PROJECT) SERIES 2020C
Issue Date of Bonds:	<u>November 10, 2020</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	Was the entire Project owned by the PBC, the County or the Library Board during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Ownership	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	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
Leases & Other Rights to Possession	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
(CENTRAL RESOURCE LIBRARY PROJECT)
SERIES 2020C
DATED NOVEMBER 10, 2020

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 November 10, 2020 (the “Issue Date”) by the PBC under a Trust Indenture, dated as of November 1, 2020, between the PBC and Security Bank of Kansas City, as trustee (the “Indenture”). The Bonds were issued to finance the designing, constructing, equipping and furnishing of improvements to the Central Resource Library (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 November 1, 2020, 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 November 1, 2020, 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	\$[_, __, 000.00]	\$[_, __, 000.00]
Investment earnings	[_, __. __]	_____.
Net Original Issue Premium	[_, __. __]	[_, __. __]
Total	\$[_, __, __. __]	\$_____.
Uses of Funds:		
Construction Fund	\$[_, __, 000.00]	\$_____.
Purchaser's Discount	[_, __. __]	[_, __. __]
Costs of Issuance	[_, __. __]	_____.
Total	\$[_, __, __. __]	\$_____.

**EXHIBIT 2
TO FINAL WRITTEN ALLOCATION**

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

Schedule I

Debt Service Schedule and Proof of Bond Yield