

The Allen County Board of Commissioners met in regular session at 8:30 a.m. with Chairperson Dick Works, Commissioner Thomas R. Williams, and Commissioner Jim Talkington and Sherrie L. Riebel, Allen County Clerk.

Bob Johnson, Iola Register, and Cliff Ralstin, Humboldt Union, were present to observe the meeting.

Commissioners corrected and approved the minutes of the November 19, 2013 meeting.

Sherrie reported the City of Moran Council nominated to reappoint Nelda Cuppy to serve as the City of Moran's representative on the Moran Senior/Community Center Advisory Board. Commissioner Talkington moved to reappoint Nelda Cuppy to serve a three year term. Commissioner Williams seconded, motion passed 3-0-0.

Commissioners discussed Special Alcohol monies. Commissioner Williams moved to approve \$7,500 to Southeast Kansas Mental Health Center and \$2,500 to Drug Court. Commissioner Talkington seconded, motion passed 3-0-0. Sherrie was instructed to get more information from Faith House.

Bill King, Public Works Director, advised the old crusher is up to \$25,000 on Purple Wave. Discussion followed. The new crusher has some electrical issues currently.

Bill reported the rubber tire loader motor blew up yesterday. He will have it replaced or fixed. Discussion followed on monies in Special Machinery.

Bill reported they have been running a CAT demo motor grader.

Chairman Works discussed changes in speed limit on Georgia Road by the new USD #258 Sports Complex. The commissioners will check with some of the other departments it would affect.

Commissioner Williams reported the comments for work on the Sunflower Trail the Public Works Department had done.

Bill requested to carry over 120 hours of vacation. Commissioners approved to carry over six months.

Bill discussed how ready the road department is if the weather turns bad. He has trucks ready to go out.

Bill discussed critical access bridges within Allen County.

Michael Burnett, Allen County EMS Interim Director, discussed purchasing pants from the employees that are committed in staying during the transfer. Commissioners approved.

Michael reported he has made the purchase of two rugged note books.

Michael asked about sick leave payout for those employees transferring over.

Alan Weber, Allen County Councilor, Ryan Sell, Allen County/Iola EMS Director, discussed a draft lease on the 412 North State building.

LEASE AGREEMENT
EMS BUILDING

This agreement is made and entered into on the ___ day of December, 2013, by the Allen County Board of County Commissioners herein referred to as lessor, and the City of Iola herein referred to as lessee. Lessor hereby leases to lessee the premises currently used as the operation center for Allen County EMS and situated at 412 N. State Street, Iola, Kansas.

SECTION ONE
RENTAL AND TERM OF LEASE

This lease will commence on January 1, 2014 and end on December 31, 2019 unless it is terminated earlier as provided herein. The parties agree that this lease is supplemental to and shall continue in effect so long as the Emergency Medical Service agreement dated October 1st, 2013 between Lessor and Lessee remains in effect. In the event that said Emergency Medical Services is terminated by the parties, then this lease agreement shall terminate as well without the requirement of a notice of termination being sent. During the term of this lease, lessee agrees to pay rent to lessor for the demised premises in the amount of _____ Dollars (_____) per month in advance on the 1st day of each calendar month beginning January 1, 2014. Payments will be made to lessor at 1 N. Washington, Iola, KS or at such other place as lessor may designate.

SECTION TWO
USE OF PREMISES

The demised premises shall be used and occupied by lessee exclusively to support countywide EMS services under the Emergency Medical Services agreement between the parties and to support countywide fire and emergency response services (Hazmat, Rescue and RFD #2 equipment). Lessee shall comply with all the sanitary laws, ordinances, rules, and orders of appropriate governmental authorities affecting the cleanliness, occupancy and preservation of the demised premises and the areas immediately adjacent thereto during the term of this lease.

SECTION THREE
CONDITION OF PREMISES

Lessee stipulates that lessee has examined the demised premises including the grounds and all buildings and improvements and accepts the premises "as is".

SECTION FOUR
ASSIGNMENT AND SUBLETTING

Lessee shall not assign this lease or sublet or grant any concession or license to use the premises or any part thereof without the prior written consent of lessor. Consent by lessor to one assignment, subletting, concession or license shall not be deemed to be consent to any subsequent assignment, subletting, concession or license. Any assignment, subletting, concession or license without the prior written consent of lessor shall be void and shall, at lessor's option, be grounds to terminate this lease.

SECTION FIVE
ALTERATIONS AND IMPROVEMENTS

Lessee shall not make alterations to the building on the demised premises without the written consent of lessor. All alterations, changes and improvements built, constructed, or placed on the demised premises by lessee, with the exception of fixtures removable without damage to the premises and movable personal property, shall, unless otherwise provided by written agreement between lessor and lessee, be the property of lessor and remain on the demised premises at the expiration or sooner termination of this lease.

SECTION SIX
UTILITIES

Lessee shall be responsible for arranging for and paying for all utility services required on the premises.

SECTION SEVEN
INSURANCE AND LIABILITY

Lessee shall have no responsibility to maintain general fire and casualty insurance on the demised premises and lessor shall have no responsibility to maintain any form of insurance on any fixtures or personal property owned by lessee and kept on the demised premises. Lessee agrees to maintain general lessee's liability insurance on the premises and to indemnify and hold lessor harmless from any and all claims, demands, costs or judgments arising out of lessee's operations at the demised premises. Lessor agrees to indemnify and hold lessee harmless from any and all claims, demands, costs or judgments arising out of lessor's ownership of the demised premises.

SECTION EIGHT
MAINTENANCE AND REPAIR

Lessee will, at its own expense, keep and maintain the leased premises and appurtenances in good and sanitary condition and repair during the term of this lease and any renewal thereof.

SECTION NINE
RIGHT OF INSPECTION

Lessor and lessor's agents shall have the right at all reasonable times during the term of this lease and any renewal thereof to enter the demised premises for the purpose of inspecting the premises and all buildings and improvements thereon.

SECTION TEN
SURRENDER OF PREMISES

At the expiration of the lease term, lessee shall quit and surrender the premises hereby demised in as good a state and condition as they were at the commencement of this lease, reasonable use and wear thereof and damages by the elements excepted.

SECTION ELEVEN
NOTICES

Any notices required hereunder may be mailed by regular first class mail or certified mail addressed to the parties as follows:

LESSOR: Allen County Clerk, 1 N. Washington, Iola, KS 66749
LESSEE: Iola City Clerk, 2 W. Jackson, Iola, KS 66749

SECTION TWELVE
DEFAULT

If any default is made in the payment of rent as herein before specified or if any default is made by lessee or lessor in the performance of or compliance with any other term or condition hereof, then this lease may be terminated at the option of the non-defaulting party. Before this lease is terminated hereunder, the defaulting party shall be given 15 days written notice of the nature of any default or breach alleged. Termination of this lease shall not occur if, within 15 days after receipt of said notice, the defaulting party has corrected the default.

SECTION THIRTEEN
ABANDONMENT

If at any time during the term of this lease lessee abandons the demised premises or any part thereof, lessor may enter the demised premises by any means without being liable for any prosecution therefor, and without becoming liable to lessee for damages of any kind whatever. If lessor's right of reentry is exercised hereunder, then lessor may consider any personal property belonging to lessee and left on the premises to have been abandoned as well. In such case, lessor may dispose of all such personal property in any manner lessor shall deem proper and is hereby relieved of all liability for doing so.

SECTION FOURTEEN
BINDING EFFECT

The covenants and conditions herein contained shall apply to the parties hereto and shall bind their heirs, legal representatives and assigns.

IN WITNESS WHEREOF, the parties have executed this lease in Allen County, Kansas the day and year first above written.

Discussion followed on layout of the 412 N. State Street building; proposed changes and what would fit in it in the way of backup ambulance, Fire, Hazmat and Rescue Vehicles. They also discussed the space of the fire station on N. Washington Street. The discussion on rent was presented to the City of Iola powers to be, they were agreeable as per Ryan.

Chairman Works wanted reassurance that the Type I is the first vehicle out to a scene. Discussion followed on things that would work throughout the county, such as 1st Responders.

Ryan stated they (the City) are not interested in covering the west part of Bourbon County. Discussion followed on mutual aid coverage.

Commissioners requested Alan to fill out the contract with the City of Iola and bring back for approval.

Michael and Ryan both stated the changeover is going great. There are a few things that they are working out but no big issues.

Alan discussed the changes proposed by the City of Iola Neighborhood revitalization. They are covering the entire city except for USD's and Government entities; which are already exempt from taxes. Discussion followed. No action was taken at this time.

Alan discussed the moving company's policy for the new hospital. Discussion followed.

Carl Slauch, City of Iola Administrator, discussed the Neighborhood Revitalization. A lot of cities are going to citywide NRP.

Carl was asked about and discussed households in the proposed annexation of Country Estates.

Commissioners asked about accrued vacation and sick leave for EMS employees moving to City of Iola employees. Discussion followed.

Greg Vahrenberg, Piper Jaffray & Co Managing Director, discussed ratings from Standard and Poor's. Allen County is an "A" rating. Discussion followed on Bond Buyer 20 G.O. Bond Index involving interest rates. Greg reviewed the summary of bonds refunded on the Series 2013 -2 refunding series. The savings to Allen County will be \$87,351.85 over the life of the new bond over the old bond. Discussion followed on interest rate changes and savings for short terms. Allen County's bond date is from February 1, 2014 to February 1, 2023. This is on the Law Enforcement Center Bond. Greg reported on the sources and use of the funds for refinancing the bonds. Closing date of Bond is on December 10, 2014. Greg discussed the bond pricing on bond component for this bond; this includes amounts, interest rates and yield percent.

**EXCERPT OF MINUTES OF A MEETING OF THE GOVERNING BODY OF
ALLEN COUNTY, KANSAS HELD ON NOVEMBER 26, 2013**

The governing body of Allen County, Kansas (the "County"), met in regular session at the usual meeting place in the County at 8:30 a.m. The Chairperson presided and the following members of the governing body were present:

Absent: None

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

(Other proceedings)

Thereupon, there was presented a Resolution entitled:

A RESOLUTION AUTHORIZING ALLEN COUNTY, KANSAS TO ENTER INTO A SUPPLEMENTAL LEASE NO. 2, DATED DECEMBER 10, 2013, WHICH SUPPLEMENTS A LEASE BETWEEN THE COUNTY AND ALLEN COUNTY, KANSAS PUBLIC BUILDING COMMISSION, DATED AS OF DECEMBER 15, 2002, AND A SUPPLEMENTAL LEASE NO. 1, DATED NOVEMBER 1, 2006, WHEREBY THE COUNTY WILL CONTINUE TO LEASE FROM THE PUBLIC BUILDING COMMISSION CERTAIN PROPERTY; APPROVING THE FORM OF SAID SUPPLEMENTAL LEASE NO. 2; AND AUTHORIZING THE EXECUTION THEREOF AND CERTAIN RELATED DOCUMENTS.

The Resolution 201322 was considered and discussed; and on motion of Commissioner Williams, seconded by Commissioner Talkington, the Resolution as a whole was adopted by the following roll call vote:

Aye: Chairperson Dick Works, Commissioner Thomas R. Williams, and Commissioner Jim Talkington.

Nay: None.

Thereupon, a majority of the members of the governing body having voted in favor of the adoption of the Resolution, it was given No. 201322 (the "Resolution") and was signed by the Chairperson and attested by the County Clerk.

(Other Proceedings)

On motion duly made, seconded and carried, the meeting thereupon adjourned.

RESOLUTION NO. 201322

A RESOLUTION AUTHORIZING ALLEN COUNTY, KANSAS TO ENTER INTO A SUPPLEMENTAL LEASE NO. 2, DATED DECEMBER 10, 2013, WHICH SUPPLEMENTS A LEASE BETWEEN THE COUNTY AND ALLEN COUNTY, KANSAS PUBLIC BUILDING COMMISSION, DATED AS OF DECEMBER 15, 2002, AND A SUPPLEMENTAL LEASE NO. 1, DATED NOVEMBER 1, 2006, WHEREBY THE COUNTY WILL CONTINUE TO LEASE FROM THE PUBLIC BUILDING COMMISSION CERTAIN PROPERTY; APPROVING THE FORM OF SAID SUPPLEMENTAL LEASE NO. 2; AND AUTHORIZING THE EXECUTION THEREOF AND CERTAIN RELATED DOCUMENTS.

WHEREAS, the governing body of Allen County, Kansas (the "County") has heretofore by resolution declared it necessary to construct, furnish and equip a detention facility as an addition to the Allen County Courthouse in Iola, Kansas (the "Project"); and

WHEREAS, under the authority of K.S.A. 12-1757 *et seq.* (the "Act"), the Board has heretofore created Allen County, Kansas Public Building Commission, a municipal corporation of the State of Kansas (the "PBC"); and

WHEREAS, the PBC has heretofore leased from the County certain land (the "Land") pursuant to a Base Lease dated as of December 15, 2002 (the "Base Lease"), issued its Refunding Revenue Bonds in an aggregate amount of \$2,550,000 (the "Series 2006 Bonds") to refinance the Project (with the Land, jointly the "Facility") and has leased the Facility to the County pursuant to a Lease dated as of December 15, 2002 (the "Original Lease") and a Supplemental Lease No. 1, dated as of November 1, 2006 ("Supplemental Lease No. 1") with the County to provide a source of revenues for payment of principal and interest on those bonds; and

WHEREAS, the PBC has deemed it advisable to provide for the refinancing of the Facility and refunding the Series 2006 Bonds maturing in the years 2015 through 2023, inclusive (the "Refunded Bonds"), by the issuance of Refunding Revenue Bonds, Series 2013 in the amount of \$1,720,000 (the "Series 2013 Bonds"); and

WHEREAS, in connection with the issuance of such Series 2013 Bonds, the governing body finds it necessary and advisable to entered into a Supplemental Lease No. 2, which supplements the Original Lease and Supplemental Lease No. 1 (collectively, the "Lease"), to ratify the Lease and the Base Lease; and to authorize certain other actions and documents related thereto.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF ALLEN COUNTY, KANSAS:

SECTION 1. The Bond Purchase Agreement among the PBC, the County and Piper Jaffray & Co., dated as of November 26, 2013, whereby Piper Jaffray & Co., as Purchaser, has agreed to purchase the Series 2013 Bonds from the PBC upon the terms and conditions set forth therein, in substantially the form presented to this meeting of the governing body, is in all material respects approved, authorized and confirmed. The Chairperson and the County Clerk are hereby authorized and directed to affix their signatures and the seal of the County to the Bond Purchase Agreement, for and on behalf of the County, with such changes therein as the County Counselor may deem necessary or appropriate.

SECTION 2. The Supplemental Lease No. 2, in substantially the form presented to this meeting of the governing body, is in all material respects approved, authorized and confirmed. The Chairperson and the County Clerk are hereby

authorized and directed to affix their signatures and the seal of the County to Supplemental Lease No. 2, for and on behalf of the County, with such changes therein as the County Counselor may deem necessary or appropriate. The Base Lease and Lease are hereby ratified and confirmed, and, continue in full force and effect.

SECTION 3. The Preliminary Official Statement dated November 11, 2013, which, for the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, has been reviewed and deemed "final" as of its date by the Chairperson and except for the omission of such information as is permitted by Rule 15c2-12(b)(1), is hereby ratified and approved. The appropriate officers of the County are hereby authorized, if requested, to provide the Purchaser with a letter or certification to such effect and to take such other actions or execute such other documents as such officers, in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirements of such Rule.

The final Official Statement is hereby authorized to be prepared by supplementing, amending or completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to confirm to and describe the transaction. The Chairperson is hereby authorized to execute the final Official Statement as so supplemented, amended and completed, and the use and public distribution of the final Official Statement by the Purchaser in connection with the reoffering of the Refunding Bonds is hereby authorized. The proper officials of the County are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for an delivery of the Refunding Bonds.

The County agrees to provide to the Purchaser within seven business days of the date of the sale of the Refunding Bonds sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

SECTION 4. The County hereby covenants with the Purchaser and the Beneficial Owners of the Series 2013 Bonds to provide and disseminate such information as is required by the SEC Rule 15c2-12, and as further set forth in the County's Omnibus Continuing Disclosure Undertaking, the form of which is hereby approved the provisions of which are incorporated herein and in the Lease by reference. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

SECTION 5. The Chairperson and County Clerk are hereby authorized to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the intent of this Resolution

SECTION 6. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the County or the officials of the County, is hereby ratified, authorized and approved.

SECTION 7. This resolution shall be effective from and its adoption by the governing body of the County.

ADOPTED by the Governing Body of Allen County, Kansas, on November 26, 2013.

Greg and Commissioners discussed the Hospital Bonds.

Alan advised that the LaHarpe Rural Volunteer part of Fire District #2 is constructing a metal building with a cost of \$46,000. Discussion followed on tearing down the old building and selling a portion of the land. They have the monies to build this building but request to have the county help tear down. They need to have December 23 approval and plans are to start building in January 2014. Commissioners will take under consideration.

Bryan Murphy, Allen County Sheriff, and Roy Smith, Allen County deputy, joined the meeting. Bryan introduced Roy as being appointed the new undersheriff. Sherrie swore Roy K. Smith in as Allen County Undersheriff.

Bryan discussed vehicles for 2014. Discussion followed on monies. Commissioners will review monies in the Sheriff fund (095) at the end of the year.

Bryan, Roy and Commissioners discussed Drug Court and Concealed Carry. Discussion followed. Security and/or armed bailiffs will do for now.

Chairman Works discussed the request for lower speed limit on Georgia Road for the sports complex. Bryan stated he thought 35 miles an hour to 1400 Street. Discussion followed.

Commissioner Williams discussed law enforcement, state and county questions.

Commissioners approved the following documents:

- a) Clerk's Vouchers Totaling \$51, 216.42
- b) Payroll Changes
- c) Clerk Journal Entries #86 & 87
- d) Abatements RE Value 2760; \$420.72, Year 2013
PP Value 2611; \$382.54, Year 2013
TR Value 0; \$175.44, Year 2013
Oil Value 1695; \$249.98, Year 2013
Gas Value 5854; \$914.90, Year 2013

With no further business to come before the board, the meeting was adjourned until December 3, 2013, at 8:30 a.m. in the Commission room of the courthouse.

Dick Works, Chairperson

Thomas R. Williams, Commissioner

Sherrie L. Riebel, County Clerk

Jim Talkington, Commissioner