

RESOLUTION NO. 170-2017

A RESOLUTION RELATING TO A LOCAL RESIDENTIAL HOUSING FINANCE PLAN OF SEDGWICK COUNTY, KANSAS, AND SHAWNEE COUNTY, KANSAS, THE ORIGINATION OF MORTGAGE LOANS AND THE SALE OF MORTGAGE BACKED SECURITIES; AUTHORIZING THE ISSUANCE OF SINGLE FAMILY MORTGAGE REVENUE BONDS (MORTGAGE-BACKED SECURITIES PROGRAM) OF SEDGWICK COUNTY, KANSAS AND SHAWNEE COUNTY, KANSAS, TO BE ISSUED IN MULTIPLE SERIES; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE AND CERTAIN DOCUMENTS; AND AUTHORIZING THE OFFICERS, EMPLOYEES AND REPRESENTATIVES OF SEDGWICK COUNTY, KANSAS, TO EXECUTE CERTAIN DOCUMENTS AND DO AND PERFORM ALL THINGS NECESSARY, APPROPRIATE AND INCIDENTAL THERETO UNDER THE AUTHORITY OF THE ACT.

WHEREAS, pursuant to K.S.A. 12-5219 *et seq.*, as amended (the "Act"), and the Constitution and laws of the State of Kansas (the "State"), Sedgwick County, Kansas (the "County") is authorized to establish a local residential housing finance plan (the "Program"), to issue its revenue bonds jointly with other cities and counties of the State, to make mortgage loans, to pledge the mortgage notes and mortgages relating to such mortgage loans as security for the payment of the principal of and interest on any such revenue bonds, to refund bonds previously issued, and to enter into any agreements made in connection therewith; and

WHEREAS, to provide more adequate residential housing facilities for persons and families of low and moderate income residing within the unincorporated areas of the County and Shawnee County, Kansas (jointly, the "Issuers") and within the unincorporated areas of the counties and the incorporated areas of the cities that enter into cooperation agreements with either or both of the Issuers (the "Program Area"), the Issuers have developed a program with respect to the acquisition of securities backed by mortgage notes (the "Mortgage Notes") secured by mortgages (the "Mortgages") given to evidence mortgage loans (the "Mortgage Loans") made to finance owner-occupied residential real property owned by low and moderate income persons and families in the Program Area, the acquisition of such securities to be financed through the joint issuance of Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program) (the "Bonds") in multiple series or, if Bonds are not issued, by the sale of such securities to other purchasers available to the Issuers; and

WHEREAS, each participating mortgage lending institution (each a "Lender," collectively, the "Lenders") has or will enter into the Lender Origination Agreement (the "Origination Agreement") pursuant to which the Issuers will acquire mortgage-backed securities guaranteed by the Government National Mortgage Association, Freddie Mac or Fannie Mae, backed by and based on the Mortgage Loans originated by the Lenders (the "Securities"); and

WHEREAS, the County has now determined continue the Program jointly with Shawnee County, Kansas and to enter into the hereinafter described Indenture to secure the Bonds by a pledge and assignment of the proceeds of the Bonds, the Securities, the proceeds thereof and the Issuers' rights under the Origination Agreement and certain other documents.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF SEDGWICK COUNTY, KANSAS, AS FOLLOWS:

Section 1. Declaration of Purposes. It is hereby declared and determined that the purpose of this Resolution is to provide for the establishment of a local residential housing finance plan pursuant to the Act and to provide a means of financing the cost of acquiring and purchasing single family residential

property to provide adequate, safe and sanitary housing which persons and families of low and moderate income can afford. It is further declared and determined that such local residential housing finance plan will (a) provide for and promote public health, safety, morals and welfare, (b) maintain and promote industrial and commercial activity and economic development, and (c) preserve and increase the ad valorem tax base of the County and its environs, all of which are hereby declared to be public purposes and functions pertaining to the governing body and affairs of the County.

Section 2. Authorization of the Program. There is hereby authorized to be established and continued a local residential housing finance plan (the "Program") pursuant to the Act to encourage and assist in financing the acquisition of decent, safe and sanitary residential housing facilities for low and moderate income persons and families residing within the unincorporated areas of the County and Shawnee County, Kansas and within the unincorporated areas of the counties and the incorporated areas of the cities which enter into Cooperation Agreements with either or both of the Issuers (the "Cooperating Jurisdictions"). The Program shall be implemented, administered and created in accordance with the Act, this Resolution and the other financing documents hereinafter authorized.

Section 3. Execution of the Indenture; Designation of Trustee. For the purposes of providing for implementation of the Program and to secure payment of the Bonds hereinafter authorized, the Chairman of the Board of County Commissioners (the "Chairman") is hereby authorized to execute, and the County Clerk is hereby authorized to affix the official seal of the County and to attest the execution of the Trust Indenture with respect to the Bonds, including the applicable Series Supplement relating to each series of Bonds (the "Indenture"), substantially in the form submitted to this meeting with such changes or amendments thereto as the Chairman shall approve, such officer's execution thereof being conclusive evidence of such approval.

UMB Bank, N.A., the financial institution named in the Indenture, is hereby designated to serve in the capacity of Trustee under and pursuant to the terms of the Indenture. The Trustee shall evidence its acceptance of the Trust Estate granted pursuant to the Indenture and shall evidence its acceptance of the rights, duties, responsibilities and obligations as Trustee under the Indenture by the execution thereof.

Section 4. Authorization for Issuance of the Bonds; Execution of the Bonds. For the purpose of providing funds necessary to establish the Program there is hereby authorized to be issued and delivered pursuant to the Act and this Resolution and under and in accordance with the Indenture, Bonds in the aggregate principal amount of not to exceed \$200,000,000 to be issued in multiple series, and to be designated "Sedgwick County, Kansas and Shawnee County, Kansas Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program)." The Bonds of each series shall be dated, shall be further designated by series, shall mature on the dates (not later than 33 years following the date of issuance of a series), shall bear interest payable on the dates and at the interest rates (not to exceed an average stated interest rate of 6.00% per annum), and shall be in the form, all as set forth and specified in the Indenture and the applicable Series Supplement. The Bonds of each series shall be subject to redemption and payment prior to their respective maturities as provided in the Indenture and the applicable Series Supplement. The Chairman and the County Clerk are hereby authorized to execute the Bonds by their manual or facsimile signatures in the manner specified in the Indenture authorized by **Section 3** of this Resolution, and the County Clerk is hereby further authorized and directed to register the Bonds.

Section 5. Sale of the Bonds. The Bonds of each series shall be sold and delivered to George K. Baum & Company, as the Purchaser thereof. The Preliminary Official Statement relating to the Bonds, in substantially the form submitted to this meeting, with such changes or amendments as the Chairman may approve, is authorized to be distributed to prospective purchasers of the Bonds. The Chairman is hereby authorized to execute and deliver for, on behalf of and as the act and deed of the County the Bond Purchase Agreement with respect to the sale of the Bonds of each Series between the Issuers and said Purchaser.

Section 6. Ratification of Origination Agreement, Servicing Agreements, Program Administration Agreement, Security Purchase Agreement and Purchase Contracts. The Issuers have previously executed and delivered, for and on behalf of the County the following documents (collectively, the "Program Documents"): (i) the Lender Origination Agreement (the "Origination Agreement") between the Issuers and participating lending institutions (the "Lenders"), (ii) the Servicing Agreement (the "Servicing Agreement") between the Issuers and U.S. Bank, N.A. (the "Master Servicer"), (iii) the Master GNMA Security Purchase Agreement (the "Security Purchase Agreement") among the Issuers, the Master Servicer, George K. Baum & Company, or assigns (the "Security Purchaser") and UMB Bank, N.A., and (iv) the Program Administration Agreement between the Issuers and Housing and Development Services, Inc. with respect to the Mortgage Loans (the "Program Administration Agreement"). The Chairman is hereby authorized to execute and deliver, for and on behalf of the County, modifications or supplements to the Program Documents in order to implement and improve the Program; provided, that (a) the Program Fee payable to the Issuers shall not be less than 0.43% of the principal amount of each Mortgage Loan; (b) the Security Purchaser fee shall be not less than 0.50% of the principal amount of each Mortgage Loan; and (c) the Household Income Limit (as defined in the Lender Origination Agreement) shall not exceed applicable federal income tax law limits for Mortgage Loans financed with tax exempt Bonds and shall not exceed 140% of Area Median Income (AMI) for Mortgage Loans financed with taxable Bonds or from other sources. Any such modifications or agreements executed prior to the date of this Resolution are hereby ratified and confirmed.

Section 7. Transfer of Funds to Indenture. From time to time, the Trustee for the Issuers' Taxable Residual Revenue Capital Appreciation Bonds, Series 2010 (the "2010 Bonds") is hereby authorized to transfer funds on deposit in the Program Fund created under the indenture originally established to secure the 2010 Bonds to (i) provide mortgage assistance to homebuyers under the Program, (ii) make deposits to the Special Reserve Fund established under the Indenture to provide collateral for the Program, and (iii) pay costs associated with the Program.

Section 8. Further Authority. The Chairman is hereby further authorized and directed to execute any and all documents and agreements required to be executed pursuant to the Program Documents or the Indenture or necessary or convenient for implementation of the Program, including, but not limited to, the Series Supplements, Preliminary Official Statements, Official Statements or other offering document with respect to any of the Bonds, the refunding of the prior bonds, if any, specified in the Indenture or the Series Supplements, and amendments to the financing documents relating thereto, and any additional cooperation agreements with other cities and counties of the State of Kansas to be included in the Program Area and any and all documents and agreements with respect to the investment of the funds and accounts created pursuant to the Indenture,. The Chairman, the County Clerk and other officers of the County, its attorneys and other agents, consultants or employees and the officers and employees of the Trustee are hereby authorized and directed to do and perform all acts and things required of them by the provisions of the Bond Resolution, this Resolution, the Indenture, the Program Documents, the Release Date Annexes, the Purchase Contracts, and the Cooperation Agreements necessary or incidental for the purpose of implementing and carrying out the Program, the issuance and delivery of the Bonds, and for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements set forth herein, in the Bonds, the Program Documents and in the Indenture.

Section 9. Approval of Bonds. The issuance of the Bonds is hereby approved for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended.

Section 10. Cooperation Agreements. The form of Cooperation Agreement between either or both of the Issuers and the Cooperating Jurisdictions implementing the Program, as submitted to this meeting and incorporated by reference as if set forth in full herein, is hereby approved in all respects. The Chairman is hereby authorized and directed to execute any such Cooperation Agreements in substantially the form presented to this meeting with any changes therein as the Chairman shall approve, his execution being conclusive evidence of such approval; and the County Clerk is hereby authorized and directed to affix the official seal of the County to said Cooperation Agreements and to attest the same. Any

Cooperation Agreements previously executed by officials of the County or any of the other Issuers in connection with the subject matter of this Resolution are hereby ratified and confirmed in all respects.

Section 11. Authority. This Resolution is adopted under the authority of the Act.

Section 12. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any remaining provisions of this Resolution.

Section 13. Effective Date. This Resolution shall be in full force and effect from and after its adoption and publication once in a newspaper published and of general circulation in the County.

ADOPTED AND APPROVED by the Board of County Commissioners of Sedgwick County, Kansas, on October 11, 2017.

Commissioners present and voting were:

DAVID M. UNRUH	<u> yes </u>
MICHAEL B. O'DONNELL, II	<u> yes </u>
DAVID T. DENNIS	<u> yes </u>
RICHARD RANZAU	<u> yes </u>
JAMES M. HOWELL	<u> yes </u>

**BOARD OF COUNTY COMMISSIONERS
OF SEDGWICK COUNTY, KANSAS**

(Seal)

/S/ DAVID M. UNRUH
DAVID M. UNRUH, Chairman
Commissioner, First District

ATTEST:

/S/ MICHAEL B. O'DONNELL, II
MICHAEL B. O'DONNELL, II, Chair Pro Tem
Commissioner, Second District

/S/ KELLY B. ARNOLD
KELLY B. ARNOLD, County Clerk

/S/ DAVID T. DENNIS
DAVID T. DENNIS
Commissioner, Third District

APPROVED AS TO FORM:

/S/ RICHARD RANZAU
RICHARD RANZAU
Commissioner, Fourth District

/S/ ERIC R. YOST
ERIC R. YOST
County Counselor

/S/ JAMES M. HOWELL
JAMES M. HOWELL
Commissioner, Fifth District