

TRIPLETT WOOLF GARRETSON, LLC

RESOLUTION NO. 2021-020

OF THE

CITY OF PAOLA, KANSAS

DECEMBER 14, 2021

RESOLUTION NO. 2021-020

A RESOLUTION AUTHORIZING ISSUANCE OF GENERAL OBLIGATION TEMPORARY NOTES OF THE CITY OF PAOLA, KANSAS, IN THE PRINCIPAL AMOUNT OF \$3,110,000, TO PROVIDE FUNDS FOR TEMPORARY FINANCING OF THE COSTS OF CONSTRUCTION OF INTERNAL IMPROVEMENTS PREVIOUSLY AUTHORIZED BY ORDINANCE OF THE CITY; AND PROVIDING THE TERMS, DETAILS, FORM AND CONDITIONS OF SUCH TEMPORARY NOTES.

WHEREAS, the governing body of the City of Paola, Kansas (the "City") adopted Ordinance No. 3181 on October 12, 2021, which authorized (a) (i) the construction, reconstruction, remodeling, replacement, and additions to the City's public swimming pool facilities, known as the Paola Family Pool, including but not limited to maintenance and preservation of the existing pool facilities and enhancement and improvement of the pool facilities, all pursuant to K.S.A. 12-1736 *et seq.*, as amended (the "Public Building Act"), (ii) the construction, reconstruction, remodeling, replacement, and making additions to the recreational structures and facilities located in Wallace Park, and all things necessary and related thereto, pursuant to the Public Building Act, (iii) the construction of stabilization improvements to the dam at City owned Lake Miola, which serves the City's drainage system as a regional catchment pool, and all things necessary and related thereto, pursuant to K.S.A. 12-617 and 12-618 (the "Drainage Act") and Article 12, Section 5 of the Kansas Constitution (the "Home Rule Amendment") (collectively, the "Project"); (b) authorized the payment of costs of the Project by issuance of general obligation bonds of the City; and (c) authorized the issuance of temporary notes to provide temporary financing for the costs and expenses of the Project during construction; and

WHEREAS, pursuant to K.S.A. 10-123, the governing body of the City is authorized to issue temporary notes in anticipation of the issuance of general obligation bonds from time to time as funds are needed; and

WHEREAS, the governing body of the City finds and determines it necessary to issue temporary notes of the City pursuant to the authority of the above described Ordinance in the amount of \$3,110,000, which does not exceed the total estimated cost of the Project, for the purpose of financing the costs of the Project during the construction thereof, and further to specify the terms, details, form and conditions of the temporary notes.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF PAOLA, KANSAS:

SECTION 1. Authority for the Notes; Security. The City's General Obligation Temporary Notes, Series 2022, in the principal amount of \$3,110,000 (the "Notes") are authorized to be issued to pay a portion of the costs of the of the Project.

In all matters relating to the issuance, registration and delivery of the Notes, the City will comply with the provisions, requirements and restrictions of K.S.A. 10-101 *et seq.*, as amended and supplemented, including specifically K.S.A. 10-123, as amended.

In all matters relating to the issuance, registration and delivery of the Notes, the City will comply with the provisions, requirements and restrictions of K.S.A. 10-101 *et seq.*, as amended and supplemented, including specifically K.S.A. 10-123, as amended.

The Notes are general obligations of the City, payable from the proceeds of general obligation bonds of the City issued to permanently finance the Project, from other available funds of the City, and if not so paid, from ad valorem taxes that may be levied without limitation as to rate or amount, upon all the taxable tangible property within the City. The full faith, credit and resources of the City are pledged to secure the payment of the principal of and interest on the Notes as and when the same become due and payable in accordance with the terms thereof. The governing body covenants to make provision for the payment of the principal of and the interest on the Notes by issuing general obligation bonds and applying the proceeds therefrom, together with any current revenues of the City available for such purpose.

SECTION 2. Details of the Notes; Payment of Principal and Interest. The Notes shall be issued in the total principal amount of Three Million Eighty Thousand Dollars (\$3,110,000). The Notes are designated “City of Paola, Kansas, General Obligation Temporary Notes, Series 2022”, are dated January 6, 2022 (the “Dated Date”) and shall mature December 1, 2023 (“Maturity Date”), unless redeemed and prepaid prior to the Maturity Date as the City may elect pursuant to Section 3 of this resolution.

Subject to the Book-Entry Provisions of Section 6 of this Resolution, the Notes shall be issued as fully registered certificated securities and shall be numbered R1 upwards and shall be issued in the denomination of \$5,000.00 or integral multiples thereof (the “Authorized Denomination”). The Notes shall bear interest from the Dated Date (computed on the basis of a 360-day year of twelve 30-day months) at the rate of 2.00% per annum, with interest payable semi-annually on June 1 and December 1, commencing June 1, 2022 (the “Interest Payment Dates”), or otherwise payable upon earlier redemption, as the case may be.

The Notes shall bear interest from the Interest Payment Date immediately preceding their effective authentication date, unless the effective authentication date is an Interest Payment Date in which case the Notes shall bear interest from such Interest Payment Date, or unless the effective authentication date is prior to the first Interest Payment Date, in which case the Notes shall bear interest from their dated date. The effective date of authentication shall be set forth on each Note, such date to be the date of authentication by the Note Registrar.

The principal amount of the Notes shall be payable in lawful money of the United States of America by check or draft of the Paying Agent (as defined in this Resolution) upon the presentation of the Notes for payment and cancellation at the Paying Agent’s principal office in the City of Topeka, Kansas. The interest on the Notes shall be payable in lawful money of the United States of America to the owners of notes (the “Owners”) of record as of the as of the fifteenth (15th) day of the month prior to the Interest Payment Dates (the “Record Date”), by check or draft of the Paying Agent mailed to the Owners at their addresses as shown on the Registration Books, or at such other address as an Owner has furnished in writing to the Note Registrar, or, in the case of an interest payment to an Owner that is a securities depository or an owner of \$500,000 or more aggregate principal amount of the Notes, by electronic transfer, upon

written notice given to the Paying Agent by that Owner, not less than 15 days before the Record Date for such payment, containing the electronic transfer instructions, including the bank address, ABA routing number and account number where the wire transfer should be directed.

In any case where an Interest Payment Date occurs on a date which is a Saturday, Sunday, or any day designated as a holiday by the Congress of the United States or by the Legislature of the State of Kansas and on which the Paying Agent is scheduled in the normal course of its operations to not be open to the public for conduct of its operations, then the payment of such principal, premium or interest need not be made on such Interest Payment Date, but may be made on the next succeeding business day with the same force and effect as if made on the applicable Interest Payment Date, and no interest shall accrue for the period after such scheduled Interest Payment Date.

While the Notes are in book-entry form the Paying Agent (defined in this Resolution) shall make payments directly to DTC or its nominee, as the registered owner, for the principal of and the interest on the Notes; and DTC will remit such principal and interest to its Direct Participants for distribution to the Beneficial Owners, all as defined and in the manner set forth in the following Section 6 and as governed by the terms of the Letter of Representation described in Section 6.

If the Notes are issued and delivered in certificated form at any time after the initial delivery of the Notes, the Paying Agent shall maintain Registration Books for the ownership of the Notes on behalf of the City; and the Paying Agent will make payment for the Notes directly to the registered owners of the Notes as shown by the Registration Books as described in this Section 2.

SECTION 3. Optional Redemption and Prepayment of Notes. At the option of the City, the Notes may be redeemed and prepaid by the City prior to the Maturity Date, in whole or in part, on June 1, 2022, and at any time thereafter, by the payment of the principal amount thereof plus the accrued and unpaid interest thereon, to the date of such redemption (the "Redemption Price").

The Notes may be redeemed in any Authorized Denomination and if the City elects to call for redemption less than all of the Notes which are at the time outstanding, the Notes shall be redeemed in such equitable manner as the City shall determine. In the case of a partial redemption of the Notes, then for all the purposes in connection with such redemption, each Authorized Denomination of face value of a Note shall be treated as though it was a separate Note of the minimum Authorized Denomination. If it is determined that one or more, but not all, of the Authorized Denominations of face value represented by any Note has been selected for prepayment, then upon receipt of notice of such prepayment, the Owner shall forthwith present and surrender such Note to the Paying Agent (i) for payment of the principal amount thereof and accrued interest to the date of such redemption of the Authorized Denominations of face value of the Note called for redemption, and (ii) for exchange, without charge to the Owner, for a new Note or Notes of the aggregate principal amount of the unpaid portion of the principal amount of such Note. If the Owner of any Note of which one or more, but not all, of the Authorized

Denominations of face value thereof has been selected for redemption shall fail to present such Note for payment for any reason, the Authorized Denominations prepaid shall, nevertheless, become due and payable on the date of the redemption, and no further interest shall accrue on such paid but unrepresented Authorized Denominations of face value from and after the date of such redemption.

The City shall give notice of any call for redemption and payment in writing to the Paying Agent not less than forty-five (45) days prior to the redemption date; and the Paying Agent shall give notice of such call for redemption and payment in writing mailed via United States first class mail to the Owners of the Notes so called not less than thirty (30) days prior to the redemption date, unless any Owner has waived such written notice of redemption. The City shall also give or cause to be given such additional notice of any call for redemption and payment as may be required by the laws of the State of Kansas which are in effect as of the date of giving any such notice. All notices of redemption given under the provisions of this Section shall state (i) the redemption date, (ii) the redemption price, (iii) if less than all Outstanding Notes are to be redeemed, the identification (and in the case of partial redemption, the respective principal amounts) of the Notes to be redeemed, (iv) that on the redemption date the principal amount, and premium, if any, will become due and payable upon each such Note or portion thereof which has been selected for redemption, and that the interest thereon shall cease to accrue from and after the redemption date, (v) any conditions required prior to redemption and payment, and (vi) that the Notes so selected for redemption are to be surrendered to or at the principal office of the Paying Agent for payment. The failure of any Owner of the Notes to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

An optional redemption notice may be made conditional upon moneys being on deposit with the Paying Agent on or prior to the redemption date in an amount sufficient to pay the redemption price on the redemption date. If a notice is conditional and moneys are not received, the notice shall be of no force and effect, the Paying Agent shall not redeem such Notes and the Paying Agent shall give notice, in the same manner the notice of redemption was given, that such moneys were not so received and that such Notes will not be redeemed.

On or prior to the redemption date, the City shall deposit with the Paying Agent sufficient funds to pay the redemption price, together with all unpaid and accrued interest thereon to the redemption date, of all Notes or portions thereof selected for redemption on the redemption date. Upon the surrender by the Owners of Notes selected for redemption, the Paying Agent shall pay the redemption price therefor to the Owners. If one or more, but not all, of the Authorized Denominations of face value represented by any Note is selected for redemption and surrendered and paid, then the Paying Agent shall prepare and furnish to the Owner thereof a new Note or Notes of the same maturity and in the amount of the unredeemed portion of such Note as provided above. All Notes selected, called and surrendered for redemption shall be canceled by the Paying Agent and shall not be reissued.

Whenever any Note, or one or more of the Authorized Denominations of face value represented by any Note, has been selected for redemption and payment as provided in this Section, all interest on such Note, or such one or more of the Authorized Denominations of face

value represented by any such Note, shall cease from and after the redemption date, provided funds are then available for its payment at the price hereinbefore specified.

For as long as the Securities Depository (defined in Section 6) is making book-entry transfers of the Notes, the Note Registrar shall provide the notices specified in this subsection to the Securities Depository. It is expected the Securities Depository will, in turn, notify its Participants and that its Participants, in turn, will notify or cause to notification of the Beneficial Owners of the Notes. A failure on the part of the Securities Depository or a Participant, or a failure on the part of a nominee of a Beneficial Owner of Note (having received notice of a redemption from the Note Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Notes so affected, shall not affect the validity of the redemption of such Notes.

SECTION 4. Designation of Paying Agent and Note Registrar; Agreement. Pursuant to K.S.A. 10-620 *et seq.*, the governing body elects that the provisions of the Kansas Bond Registration Law apply to the Notes and pursuant thereto, designates and appoints the Treasurer of the State of Kansas, Topeka, Kansas, as the Note Registrar and Paying Agent for the Notes (the “Paying Agent” or “Note Registrar”). The terms, conditions and provisions under which the State Treasurer will perform duties as Note Registrar and Paying Agent for the Notes are set forth in an “Agreement between Issuer and Agent”, dated as of January 6, 2022 (the “Agreement”). The form and text of the Agreement is approved and accepted by the governing body, and all of the covenants, duties and responsibilities therein contained which are to be performed by and on behalf of the City are declared to be the covenants, duties and responsibilities of the City as though fully set forth at this place. The Mayor and City Clerk are authorized to execute and deliver the Agreement for and on behalf of the City. The text of the Agreement is incorporated herein by this reference and made a part of this Resolution as though fully set forth at this place.

SECTION 5. Form of Notes. The Notes shall be in the usual and customary form and shall contain recitals as required by law, including a recital that they are issued under the authority of K.S.A. 10-123. The Notes shall further contain a recital that they are issued for the purpose of temporarily financing the costs of constructing the Project pursuant to the provisions of Article 12, Section 5 of the Constitution of the State of Kansas K.S.A. 12-1736 to 12-1739, inclusive, and K.S.A. 12-617 to 12-618, as amended and supplemented, and shall also contain a recital that they are subject to redemption prior to maturity at the City’s election in accordance with Section 3 hereof. The City’s Bond Counsel, Triplett Woolf Garretson, LLC, is authorized and directed to prepare the form and text of the certificates for the Notes, and to cause the same to be printed as the definitive certificates for the Notes.

SECTION 6. Book-Entry-Only Notes. The Notes shall be initially distributed in bookentry-only form through The Depository Trust Company, New York, New York (“DTC”), by depositing with DTC one certificate in fully registered form, registered in the name of DTC’s nominee, Cede & Co., in an amount equal to the total principal amount of the Notes as authorized herein. Notwithstanding anything in this Resolution to the contrary, so long as the Notes remain in book-entry-only form the manner of payment of the principal of and the interest on the Notes to DTC, and other matters relating to the distribution of the Notes in book-entry-

only form through DTC, shall be governed by the provisions of this Section 6 and a Letter of Representations (the "Letter of Representations") from the City to DTC, which the Mayor is hereby authorized to execute and deliver on behalf of the City.

One certificate registered in the name of DTC's nominee, Cede & Co., for the total principal amount of the Notes will be issued to DTC in New York, New York; and such certificate will be immobilized in its custody. Purchases of the Notes in denominations permitted by Section 2 hereof must be made by or through Direct Participants of DTC (as defined in the Letter of Representations), which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Transfers of ownership will be effected on the records of DTC and its Participants pursuant to the rules and procedures established by DTC and its Participants. Payment of principal and interest on the Notes will be made in same day funds directly to DTC. The transfer of principal and interest to Participants of DTC will be the responsibility of DTC; the transfer of principal and interest to Beneficial Owners by Participants of DTC will be the responsibility of such Participants. Neither the City nor the Paying Agent and Note Registrar will be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

In the event (a) the City determines (i) that DTC is unable to properly discharge its responsibilities, or (ii) that DTC is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (iii) that the continuation of a book-entry system to the exclusion of any Notes being issued to any owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Notes; or (b) the Note Registrar receives written notice from Participants having interest in not less than 50% of the Notes outstanding, as shown on the records of DTC (and certified to such effect by DTC), that the continuation of a book-entry only system to the exclusion of any Notes being issued to any Registered Owner other than Cede & Co., is no longer in the best interests of the Beneficial Owners of the Notes, then the Note Registrar shall notify the registered owners of such determination or such notice, and the Note Registrar shall register in the name of and authenticate and deliver replacement Notes to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption ("Replacement Notes"); provided, that in the case of a determination under (a)(i) or (a)(ii) of this paragraph, the City, with the consent of the Note Registrar, may select a successor securities depository in accordance with the provisions hereof to effect book-entry transfers. If issued in certificated form, the certificates representing the Notes shall be numbered in such manner as the Note Registrar shall determine.

All references to DTC herein shall relate to the period of time when DTC has possession of at least one Note. Upon the issuance of Replacement Notes, all references herein to obligations imposed upon or to be performed by DTC shall be deemed to be imposed upon and performed by the Note Registrar, to the extent applicable with respect to such Replacement Notes. If DTC resigns and the City, the Note Registrar or the Owners are unable to locate a qualified successor of the securities depository, then the Note Registrar shall authenticate and

cause delivery of Replacement Notes to Owners, as provided herein. The Note Registrar may rely on information from DTC and its Participants as to the names of the Beneficial Owners of the Notes. The cost of printing, registration, authentication, and delivery of Replacement Notes shall be paid for by the City.

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

SECTION 7. Registration of Ownership, Transfer and Exchange of Certificated Notes. Pursuant to the Agreement, subject to the requirements of Section 6 hereof, the Note Registrar shall maintain books for the recording of the initial registration and any subsequent transfers of the ownership of the Notes (the "Registration Books") and the person(s) in whose name any Notes are registered as shown on the Registration Books shall be deemed and regarded as the absolute Owner thereof for all purposes (the "Owner"). Payment of, or on account of the principal of and the interest on any Notes shall be made only to or upon the order of the Owner or his duly authorized agent. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Notes, including the interest thereon, to the extent of the sum or sums so paid.

The provisions, terms and conditions and requirements for the transfer and exchange of the Notes and for the replacement of a mutilated, lost, stolen or destroyed Note are fully set forth in the Agreement. Replacement certificates delivered upon any transfer or exchange made in compliance with the provisions, terms, conditions, and requirements set forth in the Agreement shall be valid obligations of the City, evidencing the same debt as the certificated Note surrendered, shall be secured by the pledges made in this Resolution and shall be entitled to all of the security and benefits hereof to the same extent as the certificated Note surrendered.

SECTION 8. Notes Not Presented for Payment. If a Note is not presented for payment when the principal is due at maturity and if funds sufficient to pay such Note have been made available to the Paying Agent, then all liability of the City to the Owner thereof for the payment of such Note shall cease and be completely discharged, and it shall be the duty of the Paying Agent to hold such funds, without liability for interest, for the benefit of the Owner of such Note, who shall be restricted exclusively to such funds for any claim of whatever nature on his part under this Note Resolution or on, or with respect to, said Note. If a Note is not presented for payment within four (4) years following the date when such Note becomes due at maturity, the Paying Agent shall repay to the City the funds therefore held by it for payment of such Note, and such Note shall, subject to the defense of any applicable statute of limitation, thereafter be an

unsecured obligation of the City, and the Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

SECTION 9. Execution of the Notes. The Notes shall be executed by the manual signature of the Mayor, shall have the City's official seal impressed or printed thereon, and shall be attested by the manual signature of the City Clerk; and when so executed, the Notes shall be registered in the office of the City Clerk and in the Office of the Treasurer of the State of Kansas as required by law. After registration in the Office of the Treasurer of the State of Kansas, the Notes shall be countersigned by the manual signature of the City Clerk, attested by the City's official seal. In case any officer of the City or of the State whose signature shall appear on the Notes shall cease to be such officer before the actual delivery of the Notes, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until such delivery.

No Notes shall be valid or obligatory for any purpose unless and until the Certificate of Authentication thereon is duly executed by the Note Registrar, and such duly executed Certificate of Authentication on any Note shall be conclusive evidence that it has been authenticated and delivered under this Resolution. The Certificate of Authentication on any Note shall be deemed duly executed by the Note Registrar when manually signed by an authorized officer or signatory thereof, and it shall not be necessary that the same officer or signatory of the Note Registrar manually sign the Certificate of Authentication on all of the Notes issued under this Resolution.

SECTION 10. Payment of Costs. The City shall pay out of the proceeds of the Notes all costs incurred in connection with the issuance, transfer, exchange, registration, redemption and payment of the Notes except (a) the reasonable fees and expenses of replacing a Note or Notes which have been mutilated, stolen, lost or destroyed, or (b) any tax or other governmental charge imposed in relation to the transfer, exchange, registration, redemption or payment of the Notes.

SECTION 11. Creation of Funds and Accounts. Simultaneously with the issuance of the Notes, there shall be created within the Treasury of the City the following funds and accounts:

(A) Project Fund (the "Project Fund"), which shall include a capitalized interest subaccount; and

(B) Principal and Interest Account for the City of Paola, Kansas General Obligation Temporary Notes, Series 2022 (the "Series 2022 Notes Principal and Interest Account")

The Project Fund and Series 2022 Notes Principal and Interest Account shall be administered and maintained for the purpose of depositing moneys received in connection with the issuance, sale and delivery of the Notes. Moneys in the Project Fund, including its capitalized interest subaccount, shall be used to pay the costs of the Project and capitalized interest on the Notes, and any applicable costs of issuance associated with (i) the issuance of the

Notes or (ii) any general obligation bonds ultimately issued to retire such Notes, and can be used, together with the Series 2022 Notes Principal and Interest Account, for the payment of principal of, or interest on the Notes, or the general obligation bonds hereafter issued, as the same may become due. The Series 2022 Notes Principal and Interest Account may be created as a subaccount of the City's Bond and Interest Fund.

SECTION 12. Delivery of Notes; Disposition of Proceeds. The Mayor and City Clerk are authorized and directed to prepare and execute the Note in the form and manner specified herein, including a reasonable inventory quantity of Note certificates for transfer, exchange and replacement in accordance with the provisions hereof, and to cause the registration and countersignature of the Notes as provided herein, all without unnecessary delay. The Notes have been sold to Raymond James & Associates, Inc., Kansas City, Missouri (the "Original Purchaser"), under the terms of a Note Purchase Agreement described in Section 13, between the Original Purchaser and the City, and the Notes shall be delivered to the Original Purchaser upon receipt by the City of the full purchase price of the Notes, as specified in Exhibit A-1 to the Note Purchase Agreement.

The proceeds from the sale of the Notes shall be deposited into the Treasury of the City for the credit of the funds and accounts created by Section 10 hereof, and shall be applied as follows:

(A) The amount of the proceeds representing accrued interest on the Notes, if any, shall be credited to the Series 2022 Notes Principal and Interest Account and shall be set aside to be used to pay the interest on the Notes; and

(B) \$3,106,672.30 of the proceeds of the Notes shall be credited to the Project Fund. Of such amount, \$87,252.78 shall be deposited in the capitalized interest subaccount of the Project Fund.

SECTION 13. Sale of the Notes; Authority to Enter into Purchase Agreement. The Notes shall be sold to the Original Purchaser (defined above), at the purchase price set forth in the Note Purchase Agreement. The Mayor and City Clerk are authorized and directed to execute the Note Purchase Agreement on behalf of the City with the Original Purchaser. The Note Purchase Agreement shall be in final form as may be agreed upon by the governing body and the Original Purchaser.

SECTION 14. Resolution Constitutes Contract, Remedies of Owner. The provisions of this Resolution, and all the covenants and agreements herein contained, shall constitute a contract between the City and the Owners, and the Owners shall have the right:

(A) By mandamus or other suit, action or proceeding at law or in equity to enforce its rights against the City and its officers, agents and employees, and to require and compel the City and its officers, agents and employees to perform all duties and obligations required by the provisions of this Resolution or by the Constitution and laws of the State of Kansas,

(B) By suit, action or other proceeding in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust, and

(C) By suit, action or other proceeding in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners.

SECTION 15. Limitation on Actions by Owner; Remedies Cumulative; Delay or Omission Not Waiver. An Owner secured by this Resolution shall have no right in any manner whatsoever by its action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the benefit of the Owner of the Notes. Nothing in this Resolution or in the Notes shall affect or impair the obligations of the City to pay at the date of maturity thereof or on any prepayment date established therefor, the principal of and the interest on the Notes to the Owner thereof or affect or impair the right of action of the Owner to enforce payment of the Notes held by it, or to reduce to judgment its claim against the City for payment of the principal and interest on the Notes. No remedy herein conferred upon the Owner is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute, and may be exercised without exhausting and without regard to any other remedy however given. No delay or omission of the Owner to exercise any right or power accruing upon default shall be construed as an acquiescence in default, and every right, power and remedy given by this Resolution to the Owner, may be exercised from time to time and as often as may be deemed expedient. In case any proceeding taken by the Owner on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Owner, then in every such case the City and the Owner shall be restored to its former position and right hereunder, and all rights remedies, powers and duties of the Owner shall continue as though no such proceedings had been taken.

SECTION 16. Amendments. The City may, without the consent of the Owners, amend or supplement the provisions of this Resolution (i) to cure any ambiguity herein or to correct or supplement any provision herein which may be inconsistent with any other provision herein or to correct errors, provided such action shall not materially adversely affect the interest of the Owner, or (ii) to grant or confer upon the Owner any additional rights, remedies, powers or security, or (iii) to more precisely identify the Project or (iv) to conform this Resolution to the Code (as defined in Section 16 hereof) or future applicable Federal laws concerning tax-exempt obligations. The rights and duties of the City and the Owners and the terms and provisions of this Resolution may be modified or altered in any respect by a resolution of the City with the consent of 100% of the Owners, such consent to be evidenced by an instrument or instruments executed by the Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk; provided that, no such modification or alteration shall, except with the written consent of the Owner:

(A) Extend the maturity of any payment of principal or interest due upon the Notes, or

(B) Effect a reduction in the amount which the City is required to pay by way of principal of or interest on the Notes.

All modifications made in the manner hereinabove provided shall not become effective until there has been filed with the City Clerk a copy of the resolution of the City authorizing said modifications, as hereinabove provided for, duly certified, as well as proof of consent to such modification by the Owner as hereinabove required therefor. It shall not be necessary to note on the outstanding Notes any reference to such amendment or modification.

SECTION 17. Tax Covenants. The governing body of the City covenants that so long as the Notes remain outstanding and unpaid, it will not use or permit use of the proceeds thereof which, if such use had been reasonably expected on the date of issuance and delivery, would have caused the Notes to be “arbitrage bonds” within the meaning of Section 103(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”); and that it will comply with all applicable requirements of Section 148 of the Code and Rules and Regulations of the United States Treasury Department thereunder for so long as the Notes remain outstanding and unpaid. The governing body further covenants to take all such action in its power as may be required from time to time in order to assure the exclusion from gross income for purposes of Federal income taxation of the interest on the Notes, and to comply with all provisions of the Code, as the same be amended, and any applicable Rules and Regulations of the United States Treasury Department thereunder.

SECTION 18. Qualified Tax-Exempt Obligations. The governing body of the City designates the Notes as “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code.

SECTION 19. Further Authority. The City shall, and the officers, agents and employees of the City are authorized and directed to take such actions, expend such moneys and execute such other documents, certificates and instruments as may be necessary or desirable in order to carry out and comply with the provisions of this Resolution and to give effect to the transactions authorized and described herein, including but not limited to, execution and delivery of a Continuing Disclosure Undertaking in connection with delivery of the Notes.

SECTION 20. Severability. If any provision of the Resolution 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 21. Effective Date. This Resolution shall be in force and take effect from and after its adoption and approval.

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ADOPTED AND APPROVED by the governing body of the City of Paola, Kansas on December 14, 2021.

CITY OF PAOLA, KANSAS



By Leigh House
Leigh House, Mayor

ATTEST:

By Stephanie Marler
Stephanie Marler, City Clerk

EXCERPT OF MINUTES

The governing body of the City of Paola, Kansas met in regular session, at the usual meeting place in the City on December 14, 2021 at 6:00 p.m., with Mayor Leigh House presiding, and the following members of the governing body present: Dave Smail, Trent Upshaw, Kathy Peckman and LeAnne Shields.

and the following members absent: None

Among other business, there came on for consideration and discussion the following:

A RESOLUTION AUTHORIZING ISSUANCE OF GENERAL OBLIGATION TEMPORARY NOTES OF THE CITY OF PAOLA, KANSAS, IN THE PRINCIPAL AMOUNT OF \$3,110,000, TO PROVIDE FUNDS FOR TEMPORARY FINANCING OF THE COSTS OF CONSTRUCTION OF INTERNAL IMPROVEMENTS PREVIOUSLY AUTHORIZED BY ORDINANCE OF THE CITY; AND PROVIDING THE TERMS, DETAILS, FORM AND CONDITIONS OF SUCH TEMPORARY NOTES.

The Resolution was considered and discussed, and on motion of Council Member Upshaw, seconded by Council Member Peckman, the Resolution was adopted by vote of the majority of all members present.

The was assigned No. 2021-020.

CITY CLERK'S
CERTIFICATION OF EXCERPT OF MINUTES

I certify that the foregoing is a true and correct Excerpt of Minutes of the December 14,
2021 meeting of the governing body of the City of Paola, Kansas.




Stephanie Marler, City Clerk