

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF OSAWATOMIE, KANSAS
HELD ON MARCH 2, 2021**

The governing body met in special session at the usual meeting place in the City, at ____ P.M., the following members being present and participating, to-wit:

Absent:

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

* * * * *

(Other Proceedings)

Thereupon there was presented a Resolution entitled:

A RESOLUTION AUTHORIZING THE ISSUANCE AND DELIVERY OF \$400,000 PRINCIPAL AMOUNT OF TAXABLE NO FUND WARRANTS (ELECTRIC UTILITY SYSTEM), SERIES 2021, OF THE CITY OF OSAWATOMIE, KANSAS, FOR THE PURPOSE OF PROVIDING FOR EXTRAORDINARY EMERGENCY FUNDS OF THE CITY; AND PRESCRIBING THE TERMS AND DETAILS OF SAID WARRANTS.

Thereupon, Councilmember _____ moved that said Resolution be adopted. The motion was seconded by Councilmember _____. Said Resolution was duly read and considered, and upon being put, the motion for the adoption of said Resolution was carried by the vote of the governing body, the vote being as follows:

Aye:

Nay:

Thereupon, the Mayor declared said Resolution duly adopted and the Resolution was then duly numbered Resolution No. 850 and was signed by the Mayor and attested by the City Clerk.

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

CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the City of Osawatomie, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

Clerk

RESOLUTION NO. 850

OF THE

CITY OF OSAWATOMIE, KANSAS

ADOPTED

March 2, 2021

CITY OF OSAWATOMIE, KANSAS

\$400,000

TAXABLE NO-FUND WARRANTS (ELECTRIC UTILITY SYSTEM)

SERIES 2021

DATED MARCH 3, 2021

RESOLUTION

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RESOLUTION NO. 850

A RESOLUTION AUTHORIZING THE ISSUANCE AND DELIVERY OF \$400,000 PRINCIPAL AMOUNT OF TAXABLE NO FUND WARRANTS (ELECTRIC UTILITY SYSTEM), SERIES 2021, OF THE CITY OF OSAWATOMIE, KANSAS, FOR THE PURPOSE OF PROVIDING FOR EXTRAORDINARY EMERGENCY FUNDS OF THE CITY; AND PRESCRIBING THE TERMS AND DETAILS OF SAID WARRANTS.

WHEREAS, K.S.A. 10-1116a (the “Act”), provides that the governing body of any city may declare, by resolution, that an extraordinary emergency exists with respect to the ownership and operation of any municipal utility; and

WHEREAS, the City of Osawatomie (the “City” or the “Issuer”) owns and operates an Electric Utility System (the “System”); and

WHEREAS, over a two-week period in February, historically low temperatures with sub-zero wind chills over several days, accompanied by snow, sleet, and freezing rain (collectively, the “Weather Event”) across the state of Kansas significantly strained the regional energy infrastructure, including the increased demand for electricity and natural gas and decreased production of such resources over the same time period; and

WHEREAS, the Governor of the State of Kansas declared a State of Disaster Emergency Proclamation within the state on February 14, 2021; and

WHEREAS, the Board of County Commissioners for Miami, Kansas approved a resolution Declaring a State of Local Disaster Emergency on February 24, 2021; and

WHEREAS, as a result of the Weather Event, the cost to purchase essential natural gas and electricity exceeded 10 – 200 times the normal prices and the City was forced to pay higher than anticipated costs to acquire electric energy to operate the System than budgeted and a resulting System revenue deficiency of not less than \$400,000 exists (the “Deficiency”); and

WHEREAS, pursuant to the Act, and all other provisions of the laws of the State applicable thereto, by proceedings duly had, the City has heretofore by Resolution No. 849 declared an extraordinary emergency and indicated an intent to fund on an interim basis the Deficiency by the issuance of no fund warrants of the System; and

WHEREAS, Resolution No. 849 was duly published in accordance with the Act; and

WHEREAS, the gross revenues from the sales of service of the System for the year 2020 were in the amount of \$3,645,934 and the Series 2021 Warrants (as herein defined), the only outstanding no fund warrants on the utility fund, do not exceed 25% of such 2020 revenues.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE, KANSAS, AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms.

“Act” means the Constitution and statutes of the State of Kansas including K.S.A. 10-801 *et seq.*, as amended and K.S.A. 10-1116a.

“Authorized Investments” shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the Issuer which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

“Bond Counsel” means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the City.

“Business Day” means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

“City” means the City of Osawatomie, Kansas.

“City Clerk” means the duly appointed and acting City Clerk or, in the City Clerk's absence, the duly appointed and/or elected Deputy City Clerk or Acting City Clerk of the City.

“Costs of Issuance” shall mean all costs of issuing the Warrants, including all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with determination of yield, all expenses incurred in connection with receiving ratings on the Warrants, and any premiums or expenses incurred in obtaining municipal bond insurance on the Warrants.

“Deficiency” means the Deficiency referred to in the preamble to this Resolution.

“Deficiency Fund” means the Deficiency Fund for the City No Fund Warrants, Series 2021 (Electric Utility System) created herein.

“Derivative” means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

“Interest Payment Dates” means the Stated Maturity of the 2021 Warrants, which shall be March 3, 2022, or such other time as the Warrants are paid or provision is made for the payment thereof.

“Maturity” means the date on which the principal of the Warrants becomes due and payable, whether at the Stated Maturity thereof or Redemption Date.

“Mayor” means the duly elected and acting Mayor of the City or, in the Mayor's absence, the duly appointed and/or elected Vice Mayor or Acting Mayor of the City.

“Net Revenues” means gross revenues less current expenses of the System, as defined in the Series 2015 Bond Resolution.

“Original Purchaser” means First Option Bank, Osawatomie, Kansas.

“Owner” or **“Registered Owner”** when used with respect to any Warrant means the person in whose name such Warrant is registered on the registration books of the City as maintained by the Warrant Registrar.

“Outstanding” means as of a particular date, all Warrants heretofore issued, authenticated and delivered under the provisions of this Resolution, except:

(a) Warrants theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation pursuant to this Resolution;

(b) Warrants for the payment or redemption of which monies or investments have been deposited in accordance with this Resolution; and

(c) Warrants in exchange for or in lieu of which other Warrants have been authenticated and delivered pursuant to this Resolution.

“Parity Certificate” means the certificate required by the Series 2015 Bond Resolution in order for the Series 2021 Warrants to be issued as parity obligations with the Series 2015 Bonds.

“Paying Agent” means the City Treasurer and any successors and assigns.

“Principal and Interest Account” means the Principal and Interest Account for the City of Osawatomie, Kansas No Fund Warrants (Electric Utility System), Series 2021 created herein.

“Principal Payment Date” means the Maturity date of the Warrants, or until such time as the aggregate principal amount of the Warrants has been paid or provision is made for the payment thereof.

“Purchase Price” means the par value of the Warrants plus accrued interest to the date of delivery.

“Record Dates” means the fifteenth day of each month preceding the Interest Payment Dates of each year the Warrants are Outstanding.

“Redemption Date” means the date fixed for the redemption of Warrants pursuant to the terms of this Resolution.

“Resolution” means this Resolution authorizing the issuance of the Warrants.

“Revenues” means the fees, charges, income and revenues derived by the City from the operation of the System, as defined in the Series 2015 Bond Resolution.

“Stated Maturity” means March 3, 2022.

“Series 2015 Bonds” means the City’s Electric System Revenue Bonds, Series 2015-A.

“Series 2015 Bond Resolution” means Resolution No. 711 of the City, authorizing the issuance and prescribing the details of the Series 2015 Bonds.

“Special Record Date” means the date fixed by the Paying Agent pursuant to *Section 204* hereof for the payment of Defaulted Interest.

“System” means the Electric Utility System of the City.

“Treasurer” means the Treasurer of the City.

“United States Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

“Warrant Payment Date” means an Interest Payment Date or Principal Payment Date, or both.

“Warrant Registrar” means the Treasurer and any successors and assigns.

“Warrants” means the Taxable No Fund Warrants (Electric Utility System), Series 2021 authorized by the Resolution in the aggregate principal amount of \$400,000, and dated March 3, 2021.

ARTICLE II

AUTHORIZATION OF THE WARRANTS

Section 201. Authorization of and Security for the Warrants. There shall be issued and hereby are authorized and directed to be issued the Taxable No Fund Warrants (Electric Utility System), Series 2021 of the City in the principal amount of \$400,000, for the purpose of providing funds to pay all or a portion of the costs of the Deficiency.

The Warrants shall be special obligations of the City payable from, and secured as to the payment of principal and interest by a pledge of the Net Revenues. The City may use other lawfully available funds to pay principal and/or interest on the Warrants, but such funds are not pledged as security for such payments. The taxing power of the City is not pledged to the payment of the Warrants either as to principal or interest. The Warrants shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction.

Section 202. Parity Obligations The Series 2021 Warrants shall be on a parity of lien with respect to the payment of principal and interest from the Revenues and in all other respects to the Series 2015 Bonds and any bonds issued on a parity therewith; *provided* that the Warrants shall not be secured by the Bond Reserve Account established pursuant to the Series 2015 Bond Resolution. The Mayor or other authorized personnel of the City shall execute the Parity Certificate in accordance with the requirements of the Series 2015 Bond Resolution.

Section 203. Description of the Warrants. The Warrants shall consist of fully registered warrants in the denomination of \$5,000 or any integral multiple thereof and shall be numbered in such manner as the Warrant Registrar shall determine. All of the Warrants shall be dated March 3, 2022, shall become due on the Principal Payment Date, and shall bear interest from the date thereof as follows:

MATURITY	PRINCIPAL AMOUNT	INTEREST RATE
March 3, 2022	\$400,000	1.20%

Interest on the Warrants at the rates aforesaid (computed on the basis of a 360-day year of twelve 30-day months) from the most recent Interest Payment Date to which interest has been paid or duly provided for, shall be payable on the Interest Payment Dates to the Owners thereof whose names appear on the books maintained by the Warrant Registrar at the close of business on the Record Dates.

Section 204. Designation of Paying Agent and Warrant Registrar. The City Treasurer of Osawatomie, Kansas, is hereby designated as the Paying Agent and Warrant Registrar for the Warrants.

Section 205. Method and Place of Payment of the Warrants. The principal of, premium, if any, and interest on the Warrants shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of debts due the United States of America.

The principal of the Warrants shall be paid to the Registered Owner of each Warrant upon presentation of the Warrant at the maturity or redemption date to the Paying Agent for cancellation. The interest payable on each Warrant on any Interest Payment Date shall be paid to the Owner of such Warrant as shown on the Warrant Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Warrant Register, or (b) at such other address as is furnished to the Paying Agent in writing by such Owner.

Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Warrant shall cease to be payable to the Owner of such Warrant on the relevant Record Date and shall be payable to the Owner in whose name such Warrant is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Warrant and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be

paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Warrant entitled to such notice at the address of such Owner as it appears on the Warrant Register not less than 10 days prior to such Special Record Date.

The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Warrants and at least annually shall forward a copy or summary of such records to the Issuer.

In any case where a Warrant Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Warrant Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Warrant Payment Date, and no interest shall accrue for the period after such Warrant Payment Date.

Section 206. Method of Execution and Authentication of the Warrants. The Warrants shall be executed for and on behalf of the City by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the City Clerk and the seal of the City shall be affixed thereto or imprinted thereon. The Warrants shall be registered in the office of the City Clerk, which registration shall be evidenced by the manual or facsimile signature of the City Clerk with the seal of the City affixed thereto or imprinted thereon. The Warrants shall also be registered in the office of the Treasurer, which registration shall be evidenced by the manual or facsimile signature of the Treasurer with the seal of the City affixed thereto or imprinted thereon. In the event that any of the aforementioned officers shall cease to hold such offices before the Warrants are issued and delivered, the Warrants may be issued and transferred to other Owners as though said officers had not ceased to hold office, and such signatures appearing on the Warrants shall be valid and sufficient for all purposes as if they had remained in office until such issuance or transfer.

The Warrants shall have endorsed thereon a certificate of authentication substantially in the forms attached hereto as *Exhibit A* hereof, which shall be manually executed by an authorized officer or employee of the Warrant Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Warrants that may be issued hereunder at any one time. No Warrant shall be entitled to any security or benefit under this Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Warrant Registrar. Such executed certificate of authentication upon any Warrant shall be conclusive evidence that such Warrant has been duly authenticated and delivered under this Resolution. Upon authentication, the Warrant Registrar shall deliver the Warrants to the Purchaser upon instructions of the Issuer or its representative.

Section 207. Registration, Transfer and Exchange of Warrants. As long as the Warrants remain Outstanding, the City shall cause the books for the registration and transfer of the Warrants as provided in the Resolution to be kept by the Warrant Registrar.

Upon presentation of the necessary documents as hereinafter described, the Warrant Registrar shall transfer or exchange any Warrant(s) for new Warrant(s) in an authorized denomination of the same maturity and for the same aggregate principal amount as the Warrant(s) which was presented for transfer or exchange.

All Warrants presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Warrant Registrar, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent. In addition, all Warrants presented for transfer or exchange shall be surrendered to the

Warrant Registrar for cancellation.

Prior to delivery of the new Warrant(s) to the transferee, the Warrant Registrar shall register the same in the registration books kept by the Warrant Registrar for such purpose and shall authenticate each Warrant.

The City shall pay the fees of the Warrant Registrar for registration and transfer of the Warrants and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Warrant Registrar, are the responsibility of the Owners.

The City and the Warrant Registrar shall not be required to issue, register, transfer or exchange any Warrants during a period beginning on the day following the Record Date preceding any Interest Payment Date and ending at the close of business on the Interest Payment Date.

New Warrants delivered upon any transfer or exchange shall be valid obligations of the City, evidencing the same debt as the Warrants surrendered, shall be secured by the Resolution and shall be entitled to all of the security and benefits hereof to the same extent as the Warrants surrendered.

The City, Warrant Registrar and Paying Agent may deem and treat the person in whose name any Warrant is registered as the absolute Owner thereof, whether such Warrant shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, redemption premium, if any, and interest on said Warrant and for all other purposes, and all such payment so made to any such Registered Owner or upon the Registered Owner's order shall be valid and effectual to the extent of the sum or sums so paid, and neither the City, Warrant Registrar and Paying Agent shall be affected by any notice to the contrary.

Section 208. Surrender and Cancellation of Warrants. Whenever any Outstanding Warrants shall be delivered to the Warrant Registrar for cancellation pursuant to the Resolution, upon payment of the principal amount thereof and interest thereon or replacement pursuant to the Resolution, such Warrant shall be canceled by the Warrant Registrar and the canceled Warrant shall be returned to the City Clerk.

Section 209. Mutilated, Lost, Stolen or Destroyed Warrants. In the event any Warrant is mutilated, lost, stolen or destroyed, the City may execute and the Warrant Registrar may authenticate a new Warrant of like date, maturity, denomination and interest rate, as that mutilated, lost, stolen or destroyed; provided, that in the case of any mutilated Warrant, such mutilated Warrant shall first be surrendered to the City or the Warrant Registrar, and, in the case of any lost, stolen or destroyed Warrant there shall be first furnished to the Warrant Registrar and the City evidence of such loss, theft or destruction satisfactory to them, together with an indemnity satisfactory to the City and the Warrant Registrar. In the event any such Warrant shall have matured, instead of issuing a duplicate Warrant, the City and Warrant Registrar may pay the same without surrender thereof. The City and Warrant Registrar may charge to the Registered Owner of such Warrant their reasonable fees and expenses in connection with replacing any Warrant or Warrants mutilated, stolen, lost or destroyed.

Section 210. Execution and Delivery of the Warrants. The Mayor and City Clerk are hereby authorized and directed to prepare and execute the Warrants in the manner hereinbefore specified, and to cause the Warrants to be registered in the offices of the City Clerk and the Treasurer as provided by law, and, when duly executed and registered, to deliver the Warrants to the original purchaser, upon receipt by the City of the Purchase Price.

ARTICLE III

REDEMPTION OF THE WARRANTS

Section 301. Optional Redemption. At the option of the City, Series 2021 Warrants may be called for redemption and payment prior to maturity in whole or in part (selection of Warrants to be designated by the City in such equitable manner as it may determine), at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the date of redemption.

Section 302. Selection of Warrants to be Redeemed. The Warrants shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Warrants are to be redeemed and paid prior to maturity, such Warrants shall be redeemed in such manner as the City shall determine.

In the case of a partial redemption of Warrants by lot when Warrants of denominations greater than \$5,000 are then Outstanding, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Warrant of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Warrant is selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Warrant to the Warrant Registrar: (i) for payment of the redemption price (including the redemption, if any, and interest to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption; and (ii) for exchange, without charge to the Owner thereof, for a new Warrant(s) of the aggregate principal amount of the unredeemed portion of the principal amount of such Warrant. If the Owner of any Warrant of a denomination greater than \$5,000 shall fail to present such Warrant as aforesaid, such Warrant shall, nevertheless, become due and payable on the redemption date to the extent of the amount called for redemption.

Section 303. Notice of Redemption. Unless waived by any Owner of Warrants to be redeemed, if the City shall call any Warrants for redemption and payment prior to the maturity thereof, the City shall give written notice of its intention to call and pay said Warrants on a specified date, the same being described by maturity, said notice to be mailed by United States first class mail addressed to the Owners of said Warrants and to the Paying Agent, each of said notices to be mailed not less than 30 days prior to the date fixed for redemption. The City shall also give such additional notice as may be required by Kansas law in effect as of the date of such notice.

All official notices of redemption shall be dated and shall state (1) the redemption date, (2) the redemption price, (3) if less than all Outstanding Warrants are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Warrants to be redeemed, (4) that on the redemption date the redemption price will become due and payable upon each such Warrant or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (5) the place where such Warrants are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent.

Prior to any redemption date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Warrants or portions of Warrants which are to be redeemed on that date. Upon surrender of such Warrants for redemption in accordance with said notice, such Warrants shall be paid by the Paying Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Warrant, there shall be prepared for the Registered Owner a new Warrant or Warrants of the same maturity in the amount of the unpaid principal. All Warrants which have been redeemed shall be cancelled and destroyed by the Paying Agent and shall not be reissued.

Section 304. Effect of Call for Redemption. Whenever any Warrant is called for redemption and payment as provided in this Article, all interest on such Warrant shall cease from and after the date for which

such call is made, provided funds are available for its payment at the price hereinbefore specified.

ARTICLE IV

FORM OF THE WARRANTS

Section 401. Form of the Warrants. The Warrants shall be printed in accordance with the Act and shall contain information substantially in the form attached hereto as *Exhibit A*.

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS

Section 501. Creation of Funds and Accounts. Simultaneously with the issuance of the Warrants, there shall be created within the Treasury of the City the following funds and accounts:

- (a) Deficiency Fund for the City of Osawatomie, Kansas, No Fund Warrants, Series 2021 (Electric Utility System); and
- (b) Principal and Interest Account for the City of Osawatomie, Kansas, No Fund Warrants, Series 2021 (Electric Utility System).

Section 502. Administration of Funds and Accounts. The funds and accounts established herein shall be administered in accordance with the provisions of the Resolution so long as the Warrants are outstanding.

ARTICLE VI

APPLICATION OF WARRANT PROCEEDS

Section 601. Disposition of Warrant Proceeds. The proceeds of the Warrants, upon issuance and delivery thereof, shall be deposited in the Deficiency Fund.

Section 602. Withdrawals from the Deficiency Fund. The City Treasurer shall make withdrawals of the Warrant proceeds from the Deficiency Fund solely for the purpose of paying the costs of the Deficiency and Costs of Issuance. Such withdrawals shall be made only on duly authorized and executed warrant accompanied by a statement of the City Clerk, approved by the governing body of the City, that such payment is being made for a purpose within the scope of this Resolution.

Section 603. Surplus in the Deficiency Fund. All Warrant proceeds remaining in the Deficiency Fund after payment of the Deficiency shall be transferred immediately to the Principal and Interest Account and applied to the principal due on the Warrants.

ARTICLE VII

APPLICATION OF REVENUES AND PAYMENT OF THE WARRANTS

Section 701. Incorporation by Reference. The provisions of *Article VII* of the Series 2015 Bond Resolution regarding the collection and application of the Revenues are hereby incorporated by reference. Pursuant to such provisions, the Revenues shall be applied to the Principal and Interest Account for the Series 2021 Warrants on a pari passu basis with the application of Revenues in the principal and interest account for the Series 2015 Bonds.

ARTICLE VIII

DEPOSITS AND INVESTMENT OF FUNDS

Section 801. Deposits. Cash moneys in each of the funds and accounts herein created and established shall be deposited in a bank or banks or federal or state chartered savings and loan association(s) with offices located in the county or counties in which the City is located, which are members of the Federal Deposit Insurance Corporation, and all such deposits shall be adequately secured by the bank or banks or savings and loan associations holding such deposits in accordance with Kansas law.

Section 802. Investments. Moneys held in the funds and accounts herein created or established in conjunction with the issuance of the Warrants may be invested by the City in Authorized Investments, or in other investments allowed by Kansas law in such amounts and maturing at such times as shall reasonably provide for moneys to be available when required in said accounts or funds; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund or account was created. All interest on any Authorized Investment held in any fund or account shall accrue to and become apart of such fund or account. In determining the amount held in any fund or account under the provisions of the Resolution, Authorized Investments shall be valued at their principal par value or at their then redemption value, whichever is lower.

ARTICLE IX

DEFAULT AND REMEDIES

Section 901. Remedies. The provisions of the Resolution, including the covenants and agreements herein contained, shall constitute a contract between the City and the Owners of the Warrants. The Owner or Owners of any of the Warrants at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Warrants similarly situated:

- (a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Resolution or by the Constitution and laws of the State of Kansas;
- (b) by suit, action or other proceedings 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 proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Warrants.

Section 902. Limitation on Rights of Owners. The covenants and agreements of the City contained herein and in the Warrants shall be for the equal benefit, protection, and security of the Owners of any or all of the Warrants, all of which Warrants shall be of equal rank and without preference or priority of one Warrant over any other Warrant in the application of the funds herein pledged to the payment of the principal of and the interest on the Warrants, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in the Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their 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 equal benefit of all Owners of such Outstanding Warrants.

Section 903. Remedies Cumulative. No remedy conferred herein upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Owner of any Warrant shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Owners of the Warrants by the Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. In case any suit, action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the City and the Owners of the Warrants shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

ARTICLE X

AMENDMENTS

Section 1001. Amendments. Except as set forth herein, the provisions of the Warrants authorized by the Resolution and the provisions of the Resolution may be modified or amended at any time by the City with the written consent of the Owners of not less than seventy-five per cent (75%) in aggregate principal amount of the Warrants herein authorized at the time Outstanding; provided, however, that no such modification or amendment shall permit or be construed as permitting: (a) the extension of the maturity of the principal of any of the Warrants, or the extension of the maturity of any interest on any of the Warrants, or (b) a reduction in the principal amount of any of the Warrants or the rate of interest thereon, or (c) a reduction in the aggregate principal amount of the Warrants; the consent of 100% of the Owners of which is required for any such amendment or modification. The City may from time to time, without the consent of or notice to any of the Owners, provide for amendment to the Warrants or the Resolution, for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in the Resolution or to make any other change not prejudicial to the Owners;

(b) To grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners;

- (c) To more precisely identify the Unforeseen Expenses; or
- (d) To conform the Resolution to the Code or future applicable federal law concerning tax-exempt obligations.

Section 1002. Written Evidence of Amendments. Every amendment or modification of a provision of the Warrants or of the Resolution to which the written consent of the Owners is given as above provided shall be expressed in a resolution of the City amending or supplementing the provisions of the Resolution shall be deemed to be a part of the Resolution. It shall not be necessary to note on any of the Outstanding Warrants any reference to such amendment or modification, if any. A certified copy of every such amendatory or supplemental ordinance, if any, and a certified copy of the Resolution shall always be kept on file in the Office of the City Clerk and shall be made available for inspection by the Owners of any Warrant or prospective purchaser or Owners of any Warrant authorized by the Resolution, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental resolution or of the Resolution will be sent by the City Clerk to any such Owner or prospective Owner.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 1201. Defeasance. When all or any part of the Warrants or scheduled interest payments thereon shall have been paid and discharged, then the requirements contained herein and the pledge of the Issuer's faith and credit hereunder and all other rights granted hereby shall cease and determine. Warrants or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Resolution if there shall have been deposited with the Paying Agent or a bank located in the State of Kansas and having full trust powers, at or prior to the Stated Maturity or Redemption Date of the Warrants, in trust for and irrevocably appropriated thereto, moneys and/or United States Government Obligations, or other investments allowed by Kansas law which, together with the interest to be earned on such United States Government Obligations, will be sufficient for the payment of the principal of the Warrants, the redemption premium thereon, if any there be, and/or interest accrued to the Stated Maturity or Redemption Date, as the case may be, or if default in such payment shall have occurred on such date, then to the date of the tender of such payments, provided, however that if any such Warrants shall be redeemed prior to their Stated Maturity (1) the Issuer has elected to redeem such Warrants and (2) either notice of such redemption has been given or the Issuer has given irrevocable instructions, or shall have provided an escrow agent to give irrevocable instructions to the Paying Agent to give such notice of redemption in compliance with *Article III* of this Resolution. Any moneys and United States Government Obligations which at any time shall be deposited with the Paying Agent or said Kansas bank by or on behalf of the Issuer, for the purpose of paying and discharging any of the Warrants shall be and are hereby assigned, transferred and set over to the Paying Agent or such Kansas bank in trust for the respective Owners of the Warrants, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All moneys and United States Government Obligations deposited with the Paying Agent or said Kansas bank shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Resolution.

Section 1202. Severability. In case any one or more of the provisions of the Resolution or of the Warrants issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of the Resolution, or of the Warrants appertaining thereto, but the Resolution and the Warrants shall be construed and enforced as if such illegal or invalid provision had not been contained herein. In case any covenant, stipulation, obligation or agreement contained in the Warrants or in the Resolution shall for any reason be held to be in violation of law, then such covenant, stipulation,

obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the City to the full extent permitted by law.

Section 1203. Further Authority. The Mayor, City Clerk, Treasurer and other City officials are hereby further authorized and directed 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 purposes of the Resolution to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 1204. Electronic Transactions. The Resolution and the Warrants shall be governed exclusively by and construed in accordance with the applicable laws of the State of Kansas.

Section 1205. Governing Law. The Resolution and the Warrants shall be governed exclusively by and construed in accordance with the applicable laws of the State of Kansas.

Section 1206. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the governing body of the City.

ADOPTED by the governing body of the City this 3rd day of March, 2021.

(SEAL)

Mayor

ATTEST:

Clerk

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of Resolution No. 850 (the "Resolution") of the City of Osawatomie, Kansas, adopted by the governing body on March 2, 2021, as the same appears of record in my office, and that the Resolution has not been modified, amended or repealed and is in full force and effect as of this date.

DATED: March 2, 2021.

Clerk

EXHIBIT A

(Form of Warrant)

REGISTERED
NUMBER _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF MIAMI
CITY OF OSAWATOMIE
TAXABLE NO FUND WARRANT
(ELECTRIC UTILITY SYSTEM)
SERIES 2021

Interest
Rate: 1.20%

Maturity
Date: March 3, 2022

Dated
Date: March 3, 2021

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Osawatomie, Kansas, in the County of Miami, State of Kansas (the “Issuer” or “City”), for value received, hereby acknowledges itself to be indebted and promises to pay to the owner identified above, or registered assigns, as of the Record Dates as hereinafter provided on the Maturity Date, the Principal Amount shown above on the Maturity Date shown above, 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 at maturity or earlier redemption, until the Principal Amount has been paid.

Method and Place of Payment. The principal of and interest on this Warrant shall be payable in lawful money of the United States of America by check or draft of the City Treasurer, Osawatomie, Kansas (the “Paying Agent” and “Warrant Registrar”). The principal on this Warrant shall be payable to the Registered Owner hereof upon presentation of this Warrant at the maturity or redemption date to the Paying Agent for payment and cancellation. The interest payable on this Warrant shall be paid by check or draft mailed by the Paying Agent to the Registered Owner hereof at the address appearing on the registration books of the City maintained by the Warrant Registrar or at such other address provided in writing by the Registered Owner to the Warrant Registrar at the close of business on the fifteenth day of the month preceding the Interest Payment Date (the “Record Dates”). The principal and interest on the Warrants shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of debts due the United States of America. The Warrants shall be special obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge of the Net Revenues of the System, as said terms are defined in the Resolution of the City authorizing the Warrants (the “Resolution”). The City may use other lawfully available funds to pay principal and/or interest on the Warrants, but such funds are not pledged as security for such payments. The taxing power of the City is not pledged to the payment of the Warrants either as to principal or interest. The Warrants shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction. The Warrants are on a parity of lien with respect to the payment

of principal and interest from the Net Revenues of the System and in all other respects to a series of Electric Utility Revenue Bonds, Series 2015, of the City, dated December 14, 2015.

Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the hereinafter defined Resolution.

Authentication. This Warrant shall not be valid or become obligatory for any purpose until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Warrant Registrar.

IT IS HEREBY DECLARED AND CERTIFIED that all acts, conditions, and things required to be done and to exist precedent to and in the issuance of this Warrant have been properly done and performed and do exist in due and regular form and manner as required by the Constitution and laws of the State of Kansas, and that the total indebtedness of the City, including this series of Warrants, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City has caused this Warrant to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk, and its corporate seal to be affixed hereto or imprinted hereon, and this Warrant to be dated the Dated Date shown above.

CITY OF OSAWATOMIE, KANSAS

(Seal)

ATTEST:

(manual or facsimile)
Mayor

By _____
(manual or facsimile)
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Warrant is one of a series of Taxable No Fund Warrants (Electric Utility System), Series 2021 of the City of Osawatomie, Kansas, described in the within-mentioned Resolution.

Registration Date

Office of the Treasurer of Osawatomie, Kansas,
as Warrant Registrar and Paying Agent

By _____

FURTHER TERMS AND PROVISIONS

This Warrant is one of an authorized series of Warrants of the City designated "Taxable No Fund Warrants (Electric Utility System), Series 2021" in an aggregate principal amount of \$400,000 (the "Warrants") issued for the purposes set forth in the Resolution. The Warrants are issued by 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. 10-1116a, as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

At the option of the City, this Warrant may be called for redemption and payment prior to maturity in whole or in part (selection of warrants to be designated by the City in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the date of redemption.

Whenever the City is to select Warrants for the purpose of redemption, it shall, in the case of Warrants in denominations greater than \$5,000, if less than all of the Warrants then outstanding are to be called for redemption, treat each \$5,000 of face value of each such fully registered Warrant as though it were a separate Warrant in the denomination of \$5,000.

If any Warrants are called for redemption and payment prior to maturity, the City shall give written notice of its intention to call and pay such Warrants on a specified date, the same being described by maturity, said notice to be mailed by United States first class mail addressed to the Paying Agent and the Registered Owners of said Warrants, each of said notices to be mailed not less than 30 days prior to the date fixed for redemption. All Warrants so called for redemption and payment as aforesaid shall cease to bear interest from and after the date for which such call is made, provided funds are available for the payment of such Warrants at the price hereinbefore specified.

The Warrants are issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. This Warrant may be exchanged at the office of the Warrant Registrar for a like aggregate principal amount of Warrants of the same maturity of other authorized denominations upon the terms provided in the Resolution.

The City and the Warrant Registrar may deem and treat the registered owner hereof as the absolute owner hereof for purposes of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the City nor the Warrant Registrar shall be affected by any notice to the

contrary.

This Warrant is transferable by the registered owner hereof in person or by the registered owner's agent duly authorized in writing, at the office of the Warrant Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution and upon surrender and cancellation of this Warrant. The City shall pay out of the proceeds of the Warrants all costs incurred in connection with the issuance, payment and initial registration of the Warrants and the cost of a reasonable supply of warrant blanks.

WARRANT ASSIGNMENT

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

(Name and Address)

(Social Security or Taxpayer Identification No.)

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

CERTIFICATE OF CITY CLERK

STATE OF KANSAS)
) SS.
COUNTY OF MIAMI)

I, the undersigned, City Clerk of the City of Osawatomie, Kansas, hereby certify that the within Warrant has been duly registered in my office according to law as of March 3, 2021.

WITNESS my hand and official seal.

(Facsimile Seal)

(manual or facsimile)
City Clerk

CERTIFICATE OF CITY TREASURER

STATE OF KANSAS)
) SS.
COUNTY OF MIAMI)

I, the undersigned, Treasurer of the City of Osawatomie, Kansas, hereby certify that the within Warrant has been duly registered in my office according to law as of March 3, 2021.

WITNESS my hand and official seal.

(Facsimile Seal)

(manual or facsimile)
City Treasurer