

City of Eudora Modified Public Meeting Procedure

The City of Eudora will hold a City Commission meeting on Monday, September 28, 2020 beginning at 7:00 pm. Due to the concerns of spread of COVID-19, the City Commission meeting will be held at City Hall but some city commissioners may participate remotely. To meet the spirit and intent of the Kansas Open Meetings Act (KOMA), anyone can listen to the meeting live via a conference call. This access can be gained as follows:

Dial-in number (US): (701) 802-5407

Access code: 7548666#

Members of the City Commission, presenters, or staff will identify themselves when speaking so that everyone will know who is speaking at the time.

**EUDORA CITY COMMISSION
MEETING AGENDA
September 28, 2020
Eudora City Office
4 East 7th Street Eudora, Kansas
7:00 P.M.**

Mayor: Tim Reazin

Vice Mayor: Ruth Hughs

City Commissioners: Jolene Born, Roberta Lehmann & Tim Bruce

- I. CALL TO ORDER Roll Call Pledge of Allegiance**

- II. CHANGES OR ADDITIONS TO AGENDA – Approve agenda**

- III. CONSENT ITEMS**
 - A. Consider minutes of September 14, 2020 Eudora City Commission meeting**
 - B. Consider minutes of September 21, 2020 Eudora City Commission special meeting**
 - C. Consider warrants against the City of Eudora**
 - D. Consider agreement for 2020 Audit Services: Gordon CPA, LLC**

PUBLIC COMMENTS: Please state name and address prior to addressing the Governing Body. Public comments are limited to 5 minutes per speaker.

- IV. BUSINESS ITEMS**
 - A. Consider Resolution 2020-10 authorizing and directing the issuance, sale and delivery of taxable GO temporary notes, Series 2020-A**
 - B. Consider contract with Governmental Assistance Services for 714 Main Street**

- V. Mayor & City Commission comments**

- VI. City Manager & staff comments**

- VII. WORK SESSION**
 - A. None**

- VIII. EXECUTIVE SESSION**
 - A. Non-elected personnel**

- IX. Adjournment**

As a courtesy, please silence all cell phones while the City Commission meeting is in session.

Eudora City Commission Meeting
City Hall – 4 E. 7th Street
Eudora, Kansas
September 14, 2020
7:00 pm

Call to Order

Mayor Tim Reazin	attended virtually
Vice Mayor Ruth Hughs	
Commissioner Jolene Born	attended virtually
Commissioner Roberta Lehmann	attended virtually
Commissioner Tim Bruce	

Quorum noted.

Pledge of Allegiance was recited.

Changes or additions to agenda

Commissioner Hughs requested the addition of a Work Session to discuss grant funding through Kansas Housing Resources Corporation (KHRC) and the removal of the Executive Session for non-elected personnel from the agenda.

Mayor Reazin moved the City Commission approve the agenda with the addition of a work session to discuss KHRC grant funding and removal of the Executive Session for Non-elected personnel, motion seconded by Commissioner Bruce, all ayes, motion carried, 5-0.

Consent agenda items

- A. Consider minutes of August 24, 2020 Eudora City Commission meeting
- B. Consider warrants against the City of Eudora
- C. Consider August Police Department report
- D. Consider August Fire Department report

Commissioner Born moved the City Commission approve the consent items, motion seconded by Commissioner Bruce, all ayes, motion carried, 5-0.

Public comments

Public comments were invited, and none were heard or submitted.

Business Items

A. Consider Nottingham Center Final Plat Development at 1428 Elm Street
Dave Knopick, City Planning Consultant stated on July 28, 2020 the City of Eudora received a Final Plat for the Nottingham commercial development on property addressed as 1428 Elm Street. Knopick noted the preliminary plat for the Nottingham commercial development was considered and approved previously with the preliminary development plan earlier this year.

Knopick stated the proposed final plat is for the entire 14.65 acres and would divide the property into two parcels (Lot 1 and Lot 2); Tract A for access, drainage and utility purposes to be owned and maintained by the Owners Association; and Tract B to be held for future subdivision by the City of Eudora. The proposed final plat also includes the identification of various easement and right-of-way areas that would be dedicated for the provision of access, drainage, and utilities to and around the entire development site. In addition to the proposed final plat document, the Declaration of Association and Easements, Covenants, Conditions and Restrictions has been provided by the current owner to be filed with the final plat if approved.

Knopick noted that during review by the Planning Commission it was found that although the final plat proposed fewer lots (2 lots and 2 tracts) than the preliminary plat (8 lots and 2 tracts) this was done to allow flexibility in consideration of future tenant needs and thus the proposed final plat did not differ materially from the approved preliminary plat. Any future proposed adjustments related to lot/tract configuration, easements or rights-of-way will require lot split or replating processes and will be evaluated in light of the approved preliminary plat and this final plat.

Knopick stated the Planning Commission approved the Final Plat with the following four conditions:

1. Clean up any general typographical/technical errors and add information as necessary to address previous staff review comments and meet Douglas County requirements for filing/recording such plat documents. Such final version of the plat document shall be provided for City Staff review/approval prior to executing signatures on the document.
2. Provision of the certificates, outlined in item (2) E – L of Section 17-403 (b), as evidenced by the signatures on the final plat document and supporting documents prior to filing/recording.
3. Per Section 17-403 (b) 3 – 5 the following items be adequately addressed to the satisfaction of City Staff:
 - A. Prior to filing of the final plat with the Register of Deeds, the licensed engineer or licensed land surveyor responsible for the survey and final plat shall certify to the city officer that all lots shown have been pinned.
 - B. Prior to filing of the final plat with the Register of Deeds, the applicant shall submit Homeowners Association documents to the Codes Administrator for review by the City attorney.
 - C. Prior to filing of the final plat with the Register of Deeds, construction plans shall be submitted to the Codes Administrator and approved by the City Engineer and Public Works Director.
4. Meet all applicable federal, state, and local regulations and acquiring applicable permits.

Noting that per Section 17-402 (c) (6):

If a building permit for substantial construction has not been applied for and issued for any portion of a subdivision within five years of filing with the Douglas County register of deeds the final plat shall be null and void.

Mayor Reazin asked if the one residential property on the site becomes part of the plat, will a revision have to be made to include it. Knopick stated if it became part of the development it would have to be revised to incorporate the parcel.

Commissioner Hughs asked when tract B is developed, will the process have to be repeated to divide it. Knopick stated that a lot split could be done administratively, unless it involves easements or Right-of-ways. If it involved easements or R.O.W., it would have to be a revised final plat but would not require a revised preliminary plat as well.

Mayor Reazin moved the City Commission approve the action taken by the Planning Commission and accept the dedication of streets and other public ways, service, and utility easements and any land dedicated for public use as shown on the plat, motion seconded by Vice Mayor Hughs, all ayes, motion carried, 5-0.

Mayor Reazin moved the City Commission approve the Nottingham Center Declaration of Association and Easements, Covenants, Conditions and Restrictions Document and direct the City Manager to create the Owners Association that will oversee and maintain the Nottingham Center Development, motion seconded by Commissioner Bruce, all ayes, motion carried, 5-0.

B. Consider presentation from Amino Brother Co., Inc. – Proposed Construction Manager-at-Risk (CMAR) for Nottingham and Church Street Improvement Projects

City Manager Matite stated at the July 27th Commission meeting the Commission was notified of the need to change the contractor for the Nottingham project and a RFQ process was needed to do so. The RFQ was sent out to qualified contractors and the city received three responses to the RFQ. The responses received were from Bettis Asphalt & Co., Inc., Aminos Brothers Co., Inc., and Pyramid Contractors, Inc.

The city development team interviewed all three contractors and Aminos Brothers Co., Inc. was selected as the CMAR for the project. Matite stated that Don Comprise, with the development team was online for comments. Comprise appreciated the teams help with the review process to find the new CMAR. Comprise stated he would like to recommend them to the city for the project, subject to working out a final contract they hope to present at the next Commission meeting.

Al Seeman, Vice President of Amino Brothers Co. introduced the team to the Commission. Seeman thanked the commission for the opportunity and gave a brief history of the company. Seeman stated that the Nottingham project is similar to projects that they do on a regular basis.

Commissioner Bruce stated he was satisfied with the process that took place in choosing the CMAR and the team had three good applicants to choose from. He added he feels Amino Brothers is extremely qualified for the project.

Mayor and City Commission Comments

Mayor Reazin appreciates all the work that has taken place on the Nottingham project.

Commissioner Bruce – No comment.

Vice Mayor Hughs is looking forward to September 17, 2020 business announcement at City Hall.

Commissioner Born – No comment.

Commissioner Lehmann – No comment

City Manager and Staff Comments

City Manager Barack Matite – No comment.

City Management Analyst Jeff Rhodes commented the CARES Act funding is going forward and staff will move forward to take formal action. At the July 13th meeting, the Commission asked staff to look into the fireworks ordinance for possible changes. The committee that includes community members will meet for the first time tomorrow. The goal is to have recommendations to the Commission by the end of the year.

Commissioner Lehmann stated she thought she was going to be on the firework committee. Rhodes stated that his plan was to have the Commission more as consultants, and the first meeting was to set groundwork and expectations but would include Lehmann for future meetings.

Sidewalk grant application is due by November 6, 2020.

Director of Public Works Branden Boyd did not attend meeting.

Police Chief Wes Lovett – No comment.

Fire Chief Ken Keiter commented four new volunteers have started a seven-week program.

Parks & Recreation Director Sally Pennington commented Bluejacket project is on schedule with a mid-October finish. Youth soccer began with safety procedures in place. The Wakarusa project will begin this week.

City Clerk Pam Schmeck thanked Public Works employees Shane Hill and Austin Casagrande for helping with the cemetery clean up on Friday.

Vice Mayor Hughs moved to recess for KHRC Work Session, motion seconded by Commissioner Bruce, all ayes, motion carried, 5-0.

Work Sessions

A. Moderate Income Housing Grant Application through Kansas Housing Resources Corporation (KHRC). Jeffery Rhoades, Management Analyst, stated that with a partnership between Douglas County, the City of Eudora and Lawrence Habitat for Humanity have partnered together to submit a Moderate-Income Housing grant application to build three single-family-for-purchase homes in Eudora. There would also be two houses built through non-profit Tenants to Homeowners, Inc.

Presentations were provided by Erika Zimmerman and Jill Jolicoeur with Douglas County. The presentation went over the 99-year ground lease for the properties restricting the resale of the homes to families that meet criteria with a reduced resale price.

City Manager Matite stated that a Resolution would be brought back to the Commission for action. The Resolution would include language about waiving or lowering the permit fees.

Vice Mayor Hughs moved to bring the meeting back to order, motion was seconded by Mayor Reazin, all ayes, motion carried, 5-0.

Commissioner Bruce moved to adjourn, motion seconded by Mayor Reazin, all ayes, motion carried, 5-0.

Meeting adjourned at 7:52 pm.

Tim Reazin, Mayor

Eric Strimple, Billing Specialist

Eudora City Commission Special Meeting
City Hall – 4 E. 7th Street
Eudora, Kansas
September 21, 2020
6:00 pm

Call to Order

Mayor Tim Reazin	attended virtually
Vice Mayor Ruth Hughs	
Commissioner Jolene Born	attended virtually
Commissioner Roberta Lehmann	
Commissioner Tim Bruce	attended virtually at 6:07 pm

Quorum noted.

Pledge of Allegiance was recited.

Changes or additions to agenda

Commissioner Lehmann moved the City Commission approve the agenda, motion seconded by Vice Mayor Hughs, all ayes, motion carried, 4-0.

Consent agenda items

A. None

Business Items

A. Consider a Second Amendment to the Real Estate Purchase Agreement with Casey's General Stores, Inc.

City Manager Matite stated that staff received a request from Casey's General Stores, Inc for a one week extension of the due diligence period, which was set to expire on Monday, September 21st per the current signed Purchase Agreement. The extension would allow Casey's sufficient time to issue a notice to close after receiving the city plan approval which were submitted last week for review and the issuance of permits.

Matite stated that staff does not see any issue with the extension and the notice to close benchmark is still in place, which is one of the benchmarks that the city needed to secure so the city could move forward with financing on September 28th and keep the project on schedule.

Vice Mayor Hughs asked why Casey's needed the extension. Matite stated he noticed some personnel changes to the Casey's team along with some last-minute submissions to staff.

Commissioner Lehmann asked if staff was confident that closing will take place on September 28th. Matite hopes to have the notice to close before Monday the 28th. He added the notice to close is needed to secure the deal and guarantee the city will receive funding.

Commissioner Lehmann moved the City Commission approve the Second Amendment to the Purchase Agreement with Casey's General Stores, Inc. and authorize Mayor Reazin to execute the Agreement, motion seconded by Mayor Reazin, all ayes, motion carried, 5-0.

B. Consider Resolution 2020-09: A resolution in support of the City's application to the Moderate-Income-Housing (MIH) Grant Program

City Manager Matite stated this item is a follow-up from the work session at the last meeting on Moderate-Income Housing Grant Program. He added staff would like the Commission to look at passing a resolution and consider waving the permit fees to make the homes more affordable to construct.

Management Analyst Jeffery Rhodes commented the full background on the grant application was provided in the agenda statement. Rhodes added the city is requesting \$200,000 of the grant to build three homes and offer down payment assistance on the other two homes.

Rhodes noted this step is a piece of the application process where the application from the Kansas Housing Authority is asking for a resolution of support from the Commission, acknowledging the understanding of the program, along with community support. Rhodes has also been working with Codes Administrator Curt Baumann to identify the different permit fees recommended to be waived and the impact it would have on the budget. He stated if the resolution is passed the waived fees would be between \$6500.00 and \$8500.00 per house.

Commissioner Lehmann asked, based on her document, if fees would be waived except for the sewer connect fee and park impact fee. Rhodes stated there were last minute changes made and the way it will be written is for permit fees to be waived except the water and sewer connection fees. The water and sewer connection fees are to cover actual costs of equipment to get water and sewer connected to the property.

Commissioner Lehmann moved the City Commission approve Resolution 2020-09, formalizing approval for the City's participation in Douglas County's application for the 2020 Moderate-Income-Housing Grant Program and waiving certain building permit fees as outlined by staff, motion seconded by Commissioner Bruce, all ayes, motion carried, 5-0.

Commissioner Bruce moved to adjourn, motion seconded by Commissioner Lehmann, all ayes, motion carried, 5-0.

Meeting adjourned at 6:17 pm.

Tim Reazin, Mayor

Eric Strimple, Utility Billing Specialist



Agenda Statement

Date: September 28, 2020
To: Mayor Reazin and City Commission
From: Barack Matite, City Manager
Renee Davis, Budget Analyst / Treasurer
Re: Agreement for 2020 Audit Services: Gordon CPA, LLC

Background

In 2019, the City engaged Sean Gordon, Gordon CPA, LLC, who had spent the previous 10 years performing government audit services with Mize Houser & Company P.A., to provide financial auditing services.

Enclosed in the packet is an agreement from Gordon CPA, LLC for 2020 auditing services for the City Commission's review.

Staff Comments and Recommendation

City staff recommends engaging Gordon CPA, LLC for the 2020 financial audit. Although his firm is new, Mr. Gordon is familiar with City staff and the City's financial software, has staff capacity, knowledge and expertise to perform the annual audit. Staff was satisfied with how the audit was performed last year and looks forward to working with Mr. Gordon and his staff again this year.

Budget Impact – N/A

City Manager Approval – N/A

Recommended Commission Action

Suggested Motion: I move the City Commission authorize the City Manager to execute the Letter of Engagement for audit services with Gordon CPA, LLC for the 2020 financial audit.

GORDON CPA

AUDITING
ACCOUNTING
CONSULTING

2500 W 31st St Ste G-1B
Lawrence, KS 66047

(785) 371-4847
cpagordon.com

July 23, 2020

Mayor and City Commission
City of Eudora
PO Box 650
Eudora, KS 66025

I am pleased to confirm our understanding of the services I am to provide City of Eudora, Kansas (the City) for the year ended December 31, 2020.

Audit Objectives and Scope

I will audit the financial statements of the City for the year ended December 31, 2020. I understand that the financial statements will be presented in accordance with the Kansas regulatory basis of accounting.

I have also been engaged to report on Kansas regulatory required supplementary information that accompanies the City's financial statements. I will subject the following regulatory required supplementary information to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole: summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of regulatory basis receipts and disbursements-agency funds.

The objectives of my audit are to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with the Kansas regulatory basis of accounting; to report on the fairness of the supplementary information referred to above when considered in relation to the financial statements taken as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

My audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide* and will include tests of the accounting records and other procedures I consider necessary to enable me to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit.

I will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. I will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. I will plan and perform the audit to obtain reasonable assurance about

whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws and governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, I will inform the appropriate level of management of any material errors, fraudulent financial reporting or misappropriation of assets that come to my attention. I will also inform the appropriate level of management of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. My responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which I am not engaged as auditor.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include direct confirmation of certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. I will request written representations from your attorneys as part of this engagement, and they may bill you for responding to this inquiry.

Audit Procedures-Internal Control

My audit will include obtaining an understanding of the entity and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Accordingly, I will express no such opinion. However, during the audit, I will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures-Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts and agreements. However, the objective of my audit will not be to provide an opinion on overall compliance and I will not express such an opinion.

Other Services

I will also prepare the financial statements of the City in conformity with the Kansas regulatory basis of accounting based on information provided by you. I will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements previously defined. I, in my sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with the Kansas regulatory basis of accounting.

Management is also responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. You are also responsible for providing me with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that I may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom I determine it necessary to obtain audit evidence. At the conclusion of our audit, I will require certain written representations from you about the financial statements and related matters.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to me in the management representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing me about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

You are responsible for the preparation of the regulatory required supplementary information in conformity with the Kansas regulatory basis of accounting. You agree to include my report on the regulatory required supplementary information in any document that contains and indicates that I have reported on the regulatory required supplementary information. You also agree to include the audited financial statements with any presentation of the regulatory required supplementary information that includes my report thereon. Your responsibilities include acknowledging to me in the representation letter that (a) you are responsible for presentation of the regulatory required supplementary information in accordance with the Kansas regulatory basis of accounting; (b) that you believe the regulatory required supplementary information, including its form and content, is fairly presented in accordance with the Kansas regulatory basis of accounting; (c) that the methods of measurement or presentation have not changed from those used in the prior period; and (d) you have disclosed to me any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonaudit services I provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

In connection with this engagement, I may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, I cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, I specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that I shall have no liability for an loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Reporting

I will issue a written report upon completion of the audit of the City's financial statements. My report will be addressed to the governing body of the City. I cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary to modify my opinions or add emphasis-of-matter or other-matter paragraphs. If my opinion on the financial statements is other than unmodified, I will fully discuss the reasons with you in advance. If for any reason, I am unable to complete the audit or are unable to form or have not formed an opinion, I may decline to express an opinion or may withdraw from this engagement.

Engagement Administration, Fees and Other

When delivered to the City the audit reports and financial statements produced in connection with this engagement letter are public records and may be used (a) to fulfill the requirements of continuing disclosure under SEC Rule 15c2-12, (b) as inserts or incorporated by reference in offering documents issued by the City and (c) for any lawful purpose of the City all without subsequent consent from us. Any official statements in connection with debt issuances which include the above mentioned audit reports and financial statements shall contain the following: "Our independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this official statement."

My audit engagement ends on delivery of my audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

The workpapers for this engagement are my property and constitute confidential information. However, pursuant to authority given by law or regulation, I may be requested to make certain audit documentation available. If requested, access to such workpapers will be provided under the supervision of firm personnel. Furthermore, upon request, I may provide photocopies of selected workpapers to governmental agencies who may intend or decide to distribute the photocopies or information contained therein to others, including other governmental agencies. You agree to reimburse me for our personnel and other costs associated with our compliance with such requests. My policy is to retain workpapers for five years after the engagement.

During the term of this engagement, I agree to comply with the provisions of K.S.A. 44-1030.

You agree that the term "those charged with governance", as used in Statement of Auditing Standards No. 114 for defining our communication responsibilities under that standard, consists of the mayor, city commission and the city clerk.

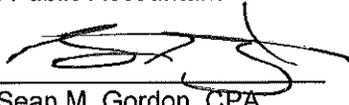
It is understood that the services provided by my firm necessarily rely, to some extent, on information provided by your organization, including management representations, as well as information and documents. Accordingly, your organization indemnifies my firm and its owners and employees, and holds them harmless from all claims, liabilities, losses or costs in connection with services provided by our firm that are affected in any way by erroneous, misleading, or incomplete information furnished by your organization. This indemnification will survive any terminations under this letter.

Gordon CPA LLC and the City agree that any dispute arising hereunder (other than my efforts to collect unpaid fees and expenses) will, prior to resorting to litigation, be submitted to mediation by the parties. The parties will engage in the mediation process in good faith and such process shall be commenced by the written request by either party to the other to mediate any such dispute or alleged breach of this Agreement. Any mediation initiated as a result shall be administered within the state and county of the Gordon CPA LLC office servicing the City by a mutually agreed-upon mediator in accordance with generally accepted mediation rules. Such mediation shall be binding on both parties only after execution of a written agreement setting forth the terms and conditions agreed to pursuant to such mediation. Any and all costs of mediation shall be divided equally between the parties hereto.

We agree that my gross fee, including all expenses, for the above services shall not exceed \$15,845. Invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with my firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If I elect to terminate our services for nonpayment, my engagement will be deemed to have been completed upon written notification of termination, even if I have not completed my report. You will be obligated to compensate me for all time expended and to reimburse me for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit, including but not limited to delays resulting from the untimely delivery of and/or incomplete preparation of schedules and questionnaires I have requested from your staff. If significant additional time is necessary, I will discuss it with you and arrive at a new fee estimate before I incur the additional costs.

I appreciate the opportunity to be of service to City of Eudora, Kansas and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let me know. If you agree with the terms of my engagement as described in this letter, please sign the enclosed copy and return to me.

Gordon CPA LLC
Certified Public Accountant

By: 
Sean M. Gordon, CPA

RESPONSE:

This letter correctly sets forth the understanding of City of Eudora, Kansas.

By: _____

Title: _____

Date: _____



Agenda Statement

Date: Monday, September 28, 2020
To: Mayor and City Commissioners
From: Barack Matite City Manager
Re: Bids for the purchase of temporary notes Series 2020-A

Background

Pursuant to the Notice of Note Sale discussed previously with the City Commission regarding the funding of the Nottingham and Church Street infrastructure improvements, bids for the purchase of Taxable General Obligation Temporary Notes, series 2020-A, will be received Monday, September 28, 2020. Jack Ryan-Feldman with Baker Tilly, the City's municipal advisors, will be present at the meeting to review the results of the sale with the City Commission. Kevin Wempe, Bond Counsel, will be present as well.

The Standard and Poor's rating agency affirmed a bond rating of AA- for this issuance. A summary of their report is attached for your review. We anticipate favorable rates. The associated resolution is being submitted for your consideration and approval.

Budget Approval - N/A

City Manager Approval - N/A

Recommended Commission Action

Suggested Motion: I move the City Commission approve Resolution 2020-10 authorizing and directing the issuance, sale and delivery of taxable general obligation temporary notes, Series 2020-A as discussed with the City's municipal advisors, and hereby authorize the Mayor to sign said resolution (attached).

RatingsDirect®

Summary:

Eudora, Kansas; General Obligation

Primary Credit Analyst:

Melissa Banuelos, Dallas + 1 (214) 871 1403; Melissa.Banuelos@spglobal.com

Secondary Contact:

Joshua Travis, Farmers Branch 972-367-3340; joshua.travis@spglobal.com

Table Of Contents

Rating Action

Stable Outlook

Credit Opinion

Related Research

Summary:

Eudora, Kansas; General Obligation

Credit Profile

US\$5.935 mil taxable GO temp nts ser 2020-A due 09/01/2024

Long Term Rating AA-/Stable New

Eudora GO

Long Term Rating AA-/Stable Affirmed

Eudora GO rfdg bnds (Rfdg of Kansas Dept of Hlth and Envir Wastewtr Lns)

Long Term Rating AA-/Stable Affirmed

Rating Action

S&P Global Ratings assigned its 'AA-' long-term rating to Eudora, Kan.'s anticipated \$5.935 million series 2020-A taxable general obligation temporary notes. At the same time, S&P Global Ratings affirmed its 'AA-' long-term rating on the city's parity GO debt. The outlook is stable.

The city's full-faith-and-credit pledge, including an unlimited-ad valorem property-tax pledge, secures the GO bonds and temporary notes. Proceeds from the bonds will be used to finance infrastructure related to the Nottingham development and reconstruction projects.

Credit overview

Eudora is a bedroom community located 40 miles west of Kansas City. Although the city does not participate in a major metropolitan statistical area, it had strong and consistent growth during the past three years as a result of residential and commercial developments. We expect continued stability in Eudora's finances, supported by an adherence to established policies and conservative budgeting practices of the management team despite the potential for reduced sales tax collections given COVID-19 and the recession. For our latest U.S. economic forecast, see "The U.S. Faces A Longer And Slower Climb From The Bottom," published June 25, 2020, on RatingsDirect, as well as "U.S. Economic Report: U.S. Real-Time Economic Data Continues To Paint A Mixed Picture," published Aug. 14, 2020. Although the city's economy will likely continue to modestly expand, the city has no debt plans to accommodate the growth. There is a possibility of additional debt plans in 2021 for upgrades to its sewer utility system; however, we believe the city will be able to maintain a manageable debt profile given its rapid amortization.

The rating reflects our view of the city's:

- Weak economy, with market value per capita of \$62,267 and projected per capita effective buying income at 82.8% of the national level;
- Adequate management, with "standard" financial policies and practices under our Financial Management Assessment methodology;
- Adequate budgetary performance, with an operating surplus in the general fund and a slight operating surplus at the

total governmental fund level in fiscal 2019;

- Very strong budgetary flexibility, with an available cash reserve in fiscal 2019 of 59% of operating expenditures;
- Very strong liquidity, with total government available cash at 128.9% of total governmental fund expenditures and 15.1x governmental debt service, and access to external liquidity we consider strong;
- Weak debt and contingent liability position, with debt service carrying charges at 8.5% of expenditures and net direct debt that is 196.1% of total governmental fund revenue, but rapid amortization, with 89.3% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score.

Environmental, social, and governance factors

Our analysis incorporates our view regarding the health and safety risk posed by the COVID-19 pandemic, which we believe could pressure budgets in the near term. Overall, we consider the city's social risks in line with that of the sector. We also analyzed the city's environmental and governance risks relative to its credit factors, and we determined that both are in line with our view of the sector standard.

Stable Outlook

Downside scenario

We could lower the rating if the economy were to fall to levels we view as very weak and no longer commensurate with those of similarly rated peers, or if the city's debt and contingent liability profile were to be leveraged any further.

Upside scenario

Conversely, we could raise the rating if the city were to see material economic growth, resulting in higher wealth levels and a moderation of the debt profile, in combination with the adoption of more formalized financial management policies.

Credit Opinion

Weak economy

We consider Eudora's economy weak. The city, with an estimated population of 6,704, is located in Douglas County. The city has a projected per capita effective buying income of 82.8% of the national level and per capita market value of \$62,267. Overall, the city's market value grew by 8.0% over the past year to \$417.4 million in 2020. The county unemployment rate was 2.9% in 2019.

Eudora is located about 6 miles east of Lawrence and 40 miles west of Kansas City. The city primarily serves as a bedroom community, with residents commuting to nearby Lawrence and having additional access to employment in Topeka and Kansas City. Locally, the city's leading employers consist of Unified School District No. 491 (250 employees), H.P. Pelzer Automotive Systems Inc. (120), nursing facility Medicalodges Eudora (67), and City of Eudora (46).

Recent assessed value growth is supported by ongoing residential and commercial development. Over the last five

years, annual assessed value growth has averaged 6.6%, and in total, the city's tax base increased by approximately \$103.8 million or 33%. There is a possibility of Eudora annexing an additional 130 developable acres for additional residential developments, given the demand for housing as a result of employment opportunities in the city. Recent economic activities include a mixed use development, an assisted living facility, and the Nottingham development. Additionally Modern Manufacturing has recently announced its opening of a new facility in Eudora that is projected to bring an additional 78 jobs.

Management reports there has not been any significant deterioration to the city's economy due to COVID-19. We understand there have been no major business closures or furloughs because of the COVID-19-related recession. Given the city's stable trend of ongoing economic development, we do not expect our view of the local economy to weaken in the near term.

Adequate management

We view the city's management as adequate, with standard financial policies and practices under our Financial Management Assessment methodology, indicating the finance department maintains adequate policies in some but not all key areas.

Key management practices include the city's use of historical trend analysis in preparing the annual budget, as well as its providing quarterly financial updates to the city council. The city adopted a formal general fund reserve policy that specifies 15 reserve categories, with a policy calculation reserve requirement for each. The various reserve categories are intended to account for budgetary contingencies as well as provide resources to account for any disruptions in revenue streams. Overall, the policy calculation is expected to generate a total general fund reserve range of 18% to 25% of budgeted annual expenditures. The city has no formal investment policy but follows state investment standards and provides quarterly updates on returns and holdings to the council. The city includes a long-term capital improvement plan in its annual budget that identifies requested projects through the next five years, but does not identify funding sources beyond the coming year. However, in fiscal 2015, the city approved 0.75% sales tax to finance parks, recreation, and other capital expenditures. Additionally, in fiscal 2017, the city began levying a dedicated four-mill ad valorem tax to also fund these projects. The city performs some long-term financial planning, including forecasting three years of receipts and disbursements in its utility funds. There is no formal debt management policy.

Adequate budgetary performance

Eudora's budgetary performance is adequate in our opinion. The city had surplus operating results in the general fund of 3.4% of expenditures, and slight surplus results across all governmental funds of 0.6% in fiscal 2019. Our assessment accounts for the risk that operating results could moderate from past trends given the cumulative impact of possible revenue softness in the near-term recession.

Adequate performance in the general fund was driven by higher than anticipated revenues from permits as well as sales taxes. The primary sources of general fund revenue are property taxes, which accounted for 42.5% of revenues, followed by sales and use taxes at 19%. Public safety is the largest expenditure category, comprising nearly 36% of general fund expenditures in fiscal 2019.

The revised budget for fiscal 2020 reflects a \$772,000 deficit, however, officials anticipate ending the year with a slight surplus given the expected receipt of grant funds for previously incurred project costs. Management reports it has not

experienced significant revenue shortfalls as a result of COVID-19. Sales and use tax collections as of July were down only 6%, however, management anticipates ending the year with higher-than-budgeted results.

The adopted fiscal 2021 budget reflects a deficit of roughly \$130,000. However, we note that the city has routinely realized positive operating results compared with budget. Given the historically positive budget-to-actual results as well as conservative budgeting practices, we anticipate that the city will maintain at least adequate budgetary performance.

Very strong budgetary flexibility

Eudora's budgetary flexibility is very strong, in our view, with an available cash reserve in fiscal 2019 of 59% of operating expenditures, or \$2.5 million. We expect the available cash reserve to remain above 30% of expenditures for the current and next fiscal years, which we view as a positive credit factor. The cash reserve includes \$1.8 million (42.9% of expenditures) in the general fund and \$678,000 (16% of expenditures) that is outside the general fund but legally available for operations. Negatively affecting budgetary flexibility, in our view, is Eudora's use of cash accounting, which reduces clarity about the amount of funds that are truly available.

The city has consistently maintained very strong budgetary flexibility in each of the past three fiscal years. In addition to the general fund balance, the available reserves, which are reported on a cash basis, include the capital improvement and equipment reserve fund balance, which are available for operations. While the city budgeted for deficit results in fiscal 2020 as it has historically done, management indicated they will add to fund balance, at least maintaining available reserves near its current level. Given the city's strong budgetary performance and historically positive operating results, we do not anticipate deterioration in the city's very strong budget flexibility during the next two years.

Very strong liquidity

In our opinion, Eudora's liquidity is very strong, with total government available cash at 128.9% of total governmental fund expenditures and 15.1x governmental debt service in 2019. In our view, the city has strong access to external liquidity if necessary.

The city has demonstrated strong but infrequent access to the capital markets with issuances of GO bonds, water and sewer bonds, and state agency loans over the past 20 years. In our opinion, the city's investments are not aggressive, with all city funds held in local deposit accounts or certificates of deposit, which are all considered liquid with maturities of less than one year.

The city privately placed its series 2019-A general obligation bonds with UMB Bank in the amount of \$995,000 or 6% of total direct debt. The obligation is fixed rate and does not have acceleration provisions. We do not believe this obligation will put any significant negative effect on the near-term liquidity. Given financial projections for the next fiscal year, we do not expect the city's liquidity will deteriorate over the outlook horizon.

Weak debt and contingent liability profile

In our view, Eudora's debt and contingent liability profile is weak. Total governmental fund debt service is 8.5% of total governmental fund expenditures, and net direct debt is 196.1% of total governmental fund revenue. Approximately 89.3% of the direct debt is scheduled to be repaid within 10 years, which is in our view a positive credit factor.

Eudora does not have any swaps or variable-rate debt. The city's direct debt totals \$15.58 million of tax-backed debt, including GO bonds and notes. Our ratios have been adjusted to reflect the portion of tax-backed debt supported by the city's water and sewer utility fund, leading to \$11.38 million net direct debt outstanding.

The city is anticipating the issuance of roughly \$1 million in 2021 for various projects related to its sewer utility system. However, it is currently exploring various financing options. Given the city's rapid amortization, we anticipate debt service costs will remain manageable if new debt is issued.

Pension and OPEB highlights

We do not view pension, OPEB liabilities as an immediate source of credit pressure, as required contributions currently comprise an affordable share of total governmental expenditures. If required material contributions were to increase unexpectedly during the next few fiscal years, we think this would not have an effect on fiscal stability due to available cash-based reserves officials could use for contingencies, if needed. In addition, Kansas law sets a limitation on annual increases to employer contributions.

At June 30, 2019, the latest measurement date, Eudora participates in Kansas Public Employees' Retirement System (KPERS), which was 69.9% funded, with a net pension liability equal to \$2.8 million. Eudora's pension contributions totaled 5.7% of total governmental fund expenditures in 2019. The city made its full annual required pension contribution in 2019. Actuarial assumptions include a 7.75% discount, which we view as aggressive, representing market risk and resulting in contribution volatility if KPERS fails to meet assumed investment targets. In addition, contributions are likely to grow due to level-payroll funding rather than level-dollar contributions, which would result in consistent payments.

We understand retirees can participate in the city's group health insurance plan as long as the retiree pays the full premium. Although each retiree must pay the full amount of applicable premiums, conceptually, the city subsidizes retirees because each participant pays a level premium regardless of age.

Strong institutional framework

The institutional framework score for Kansas municipalities with more than \$275,000 in annual gross receipts and more than \$275,000 in GO or revenue bonds outstanding is strong.

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Alternative Financing: Disclosure Is Critical To Credit Analysis In Public Finance
- Criteria Guidance: Assessing U.S. Public Finance Pension And Other Postemployment Obligations For GO Debt, Local Government GO Ratings, And State Ratings, Oct. 7, 2019
- Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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[SERIES 2020-A NOTE TRANSCRIPT DOCUMENTS AND OPINIONS]

- A. Closing List
- B. Transcript Certificate
- C. Agreement Between Issuer and Agent
- D. Underwriting Safekeeping Agreement
- E. Closing Certificate
- G. Receipt for Purchase Price
- H. Receipt and Representation

TRANSCRIPT OF PROCEEDINGS

AUTHORIZING THE ISSUANCE

OF

\$(PRINCIPAL AMOUNT)

CITY OF EUDORA, KANSAS

**TAXABLE GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2020-A**

DATED OCTOBER 15, 2020

Legal Opinion

**Gilmore & Bell, P.C.
Kansas City, Missouri**

CITY OF EUDORA, KANSAS

**TAXABLE GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2020-A**

DATED OCTOBER 15, 2020

CLOSING LIST

The transcript of proceedings will be prepared in electronic format unless otherwise noted, for the above referenced issue (the “Notes”), and distributed as follows:

1. City of Eudora, Kansas (the “Issuer”)
2. Attorney General of the State of Kansas
3. State Treasurer, Topeka, Kansas (the “Paying Agent”)
4. [_____, _____, _____] (the “Original Purchaser”)
5. Baker Tilly Municipal Advisors LLC, Saint Paul, Minnesota (the “Municipal Advisor”)
6. Gilmore & Bell, P.C., Kansas City, Missouri (“Bond Counsel”)

Document
Number

PROCEEDINGS AUTHORIZING THE IMPROVEMENTS

1. Proceedings relating to Charter Ordinance No. 16
2. Nottingham Site Work and Infrastructure

**PROCEEDINGS AUTHORIZING THE SALE
AND ISSUANCE OF THE NOTES**

3. Excerpt of Minutes of the governing body meeting evidencing adoption of Resolution No. 2020-08
4. Resolution No. 2020-08 authorizing the offering for sale of the Notes
5. Notice of Note Sale, Preliminary Official Statement and Certificate Deeming Preliminary Official Statement Final
6. Official Statement

7. Excerpt of Minutes of the governing body meeting evidencing adoption of Resolution No. [2020-__]
8. Resolution No. [2020-__] authorizing the issuance of the Notes and prescribing the form and details of the Notes

CLOSING DOCUMENTS

9. Transcript Certificate
 - Exhibit A*** – Statement of Costs
 - Exhibit B*** – Schedule of Outstanding General Obligation Indebtedness
10. Uniform Facsimile of Signature Certificates
11. Specimen Note
12. Agreement Between Issuer and Agent
13. DTC Documents
 - Blanket Letter of Representations
 - Underwriting Safekeeping Agreement
14. Rating Letter – S&P
15. Closing Certificate
16. Continuing Disclosure Undertaking

LEGAL OPINIONS

17. Approving legal opinion of Gilmore & Bell, P.C.
18. Approval letter of Attorney General

MISCELLANEOUS DOCUMENTS

19. Closing Memorandum
20. Kansas State Treasurer Confirmation of Registration Number
21. Authorization of State Treasurer to use facsimile signature and seal

TRANSCRIPT CERTIFICATE

**[\$[PRINCIPAL AMOUNT]
CITY OF EUDORA, KANSAS
TAXABLE GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2020-A
DATED OCTOBER 15, 2020**

The undersigned Mayor and City Clerk of the City of Eudora, Kansas (the “Issuer”), do hereby make this certificate for inclusion in the transcript of and as a part of the proceedings authorizing and providing for the issuance of the above described notes (the “Notes”); and do hereby certify as of September 28, 2020, as follows:

1. Meaning of Words and Terms. Capitalized words and terms used herein, unless otherwise defined herein or the context requires otherwise, shall have the same meanings ascribed to such words and terms in the hereinafter defined Note Resolution authorizing the Notes.

2. Organization. The Issuer is a legally constituted city of the second class organized and existing under the laws of the State of Kansas.

3. Transcript of Proceedings. The transcript of proceedings (the “Transcript”) relating to the authorization and issuance of the Notes is to the best of our knowledge, information and belief full and complete; none of such proceedings have been modified, amended or repealed, except as might be shown in the Transcript, and the facts stated in the Transcript still exist. In each and every instance where copies appear in the Transcript, such copies are true and correct duplicates of the original instruments now on file with the City Clerk.

4. Newspaper. *The Lawrence Journal-World* was the official newspaper of the Issuer at all times during these proceedings.

5. Meetings. All of the meetings of the governing body of the Issuer at which action was taken as shown in the Transcript were either regular meetings or duly adjourned regular meetings or special meetings duly called and held in accordance with law and the ordinances and rules of the Issuer.

6. Incumbency of Officers. The following named persons were and are the duly qualified and acting officers of the Issuer at and during all the times when action was taken as indicated in the Transcript as follows:

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>
Tim Reazin	Mayor	April 2015 to Present
Ruth Hughes	Vice-Mayor	April 2015 to Present
Jolene Born	Commissioner	April 2013 to Present
Roberta Lehmann	Commissioner	January 2020 to Present
Tim Bruce	Commissioner	April 2015 to Present
Troy Squire	Commissioner	December 2015 to April 2019
Pamela Schmeck	Clerk	

7. Execution of the Notes. The Notes have been executed with manual or facsimile signatures; and the manual or facsimile signatures appearing on the face of the Notes are manual or facsimiles of the true and genuine signatures of the Mayor and City Clerk of the Issuer. Each signature has either been duly filed in the office of the Secretary of State of Kansas pursuant to K.S.A. 75-4001 *et seq.* or executed in accordance with K.S.A. 16-1601 *et seq.* A facsimile of the seal of the Issuer is affixed to or imprinted on each of the Notes and on the reverse side of each of the Notes at the place where the City Clerk has executed by facsimile signature the Certificate of Registration; and each Note bears a Certificate of Registration evidencing the fact that it has been registered in the office of the City Clerk. A true impression of the seal is set forth adjacent to the signature of the City Clerk below. The specimen note included in the Transcript is in the form adopted by the governing body of the Issuer for the Notes.

8. Authorization and Purpose of the Notes. The Notes are being issued pursuant to Resolution No. [2020-__] (the “Note Resolution”) pursuant to K.S.A. 10-123 for the purpose of paying the costs of certain public improvements and economic development projects (the “Improvements”) authorized by the governing body of the Issuer pursuant to Charter Ordinance No. 16 of the Issuer and Article 12, Section 5 of the Constitution of the State of Kansas, as amended, and all other applicable provisions of the laws of the State of Kansas.

The total principal amount of the Notes does not exceed the cost of the Improvements for which the Notes are issued. A Statement of Cost is attached hereto as *Exhibit A* and made a part hereof by reference as though fully set out herein.

The interest rates on the Notes on the date of the sale of the Notes were within the maximum legal limit for interest rates under K.S.A. 10-1009, as amended.

9. Indebtedness. The currently outstanding applicable indebtedness of the Issuer, including the Notes, does not exceed any applicable constitutional or statutory limitations. A Schedule of Bonded Indebtedness, which sets forth all currently outstanding general obligation indebtedness of the Issuer, is attached hereto as *Exhibit B* and made a part hereof by reference as though fully set out herein.

10. Valuation. The total assessed valuation of the taxable tangible property within the Issuer for the year 2019 is \$55,529,472.

11. Non-litigation. There is no controversy, suit or other proceedings of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way: (a) the legal organization of the Issuer or its boundaries; (b) the right or title of any of its officers to their respective offices; (c) the legality of any official act shown to have been done in the Transcript; (d) the constitutionality or validity of the indebtedness represented by the Notes shown to be authorized in the Transcript; (e) the validity of the Notes, or any of the proceedings had in relation to the authorization, issuance or sale thereof; or (f) the levy and collection of a tax to pay the principal of and interest on the Notes.

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WITNESS our true and genuine manual signatures and the seal of the Issuer.

(SEAL)

Tim Reazin, Mayor

Pamela Schmeck, City Clerk

EXHIBIT A

STATEMENT OF COST

Re: Taxable General Obligation Temporary Notes, Series 2020-A, Dated October 15, 2020, of the City of Eudora, Kansas

Sources of Funds:

Principal Amount of the Notes	\$[_____].00]
[Original Issue Premium]	
Total	\$

Uses of Funds:

Deposit to Improvement Fund	\$
Deposit for Capitalized Interest	
Costs of Issuance	
Underwriter's Discount	
Total	\$

EXHIBIT B

**SCHEDULE OF OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS
(as of October 15, 2020)**

AGREEMENT BETWEEN ISSUER AND AGENT

**[\$[Principal Amount]
CITY OF EUDORA, KANSAS
TAXABLE GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2020-A
DATED OCTOBER 15, 2020**

THIS AGREEMENT, dated as of October 15, 2020, between the City of Eudora, Kansas, a municipality (the “Issuer”), and the State Treasurer of Kansas, as Agent (the “Agent”).

WHEREAS, for its lawful purposes, the Issuer has duly authorized the issue of the above-captioned notes (the “Securities”), and the Issuer wishes the Agent to act as its Paying Agent, Note Registrar, and Transfer Agent for the Securities:

Now, therefore, it is hereby agreed as follows:

I. APPOINTMENT

Issuer hereby appoints or has previously appointed the State Treasurer of Kansas to act as Paying Agent, Note Registrar and Transfer Agent for the Securities. The State Treasurer of Kansas hereby accepts its appointment as the Paying Agent, Note Registrar and Transfer Agent.

II. BASIC DUTIES

- A. Issuer or its duly authorized representative agrees to furnish Agent the name(s) and address(es) of the initial registered owner(s) of the Securities together with such registered owners' tax identification (social security) number(s), the maturity date(s), denomination(s) and interest rate(s) for each Security.
- B. Agent shall manually authenticate the originally issued Securities upon the written order of one or more authorized officers of Issuer. Thereafter, Agent shall manually authenticate all Securities resulting from transfer or exchange of Securities.
- C. Agent shall maintain an office in the City of Topeka, Kansas, where Securities may be presented for registration, transfer and exchange; and shall also maintain an office in the City of Topeka, Kansas, where Securities may be presented for payment. Agent shall keep a register of the Securities and their transfer and exchange.
- D. Agent may rely upon any document believed by it to be genuine and to have been signed or presented by the proper person. Agent need not investigate any fact or matter stated in the document. Agent undertakes to perform such duties and only such duties set forth in K.S.A. 10-620 et seq., except as specifically provided in this Agreement.

Agent shall notify the owners of the Securities upon default in payment of principal or interest on the Securities and the Agent shall have no duties or responsibilities thereafter.

III. COMPENSATION

Issuer covenants and agrees to pay to Agent, as reasonable compensation for the services provided as Agent, an initial setup fee of \$300, a registration fee of \$30, plus a fee of \$600.

This amount will be due at the time of registration unless such fee is to be paid from the proceeds of the note issue in which case Issuer agrees to pay such fee within two (2) business days of the closing of the note issue. In addition to the aforementioned fee, Issuer covenants and agrees to pay to Agent the fee as stated and required by K.S.A. 10-505 for performing the duties of paying the principal of the Securities.

IV. STANDARD OF PERFORMANCE

Issuer shall provide, or shall cause to be provided to Agent, a designation of whether its Securities are to be issued in certificated or uncertificated form, or both.

A. STATEMENTS OF OWNERSHIP

Agent agrees to provide Statements of Ownership to the owner of uncertificated Securities. Such Statements shall be in accordance with the standards set forth by the Attorney General. All Statements shall be issued in the denominations of \$1,000 or \$5,000 or integral multiples thereof except for one additional Security in another denomination, which additional Security shall mature in the initial maturity year of the series of the Securities. Interest is computed on the basis of \$1,000 or \$5,000 units and in all transactions involving the payment of interest, fractions of a cent equaling or exceeding five mills shall be regarded as one cent; fractions of a cent less than five mills shall be disregarded. Agent shall at all times maintain an adequate supply of Statements of Ownership for any anticipated transfers or exchanges of the Statements.

B. CERTIFICATED SECURITIES

All certificated Securities issued by Issuer under this Agreement shall be in accordance with the standards set forth by the Attorney General and unless otherwise authorized by Agent, the principal thereof shall be payable only upon surrender of the Security to Agent. All certificates shall be issued in the denomination of \$1,000 or \$5,000 or integral multiples thereof except one authorized Security in another denomination which additional Security shall mature in the initial maturity year of the series of Securities. Interest is computed on the basis of \$1,000 or \$5,000 units and in all transactions involving the payment of interest, fractions of a cent equaling or exceeding five mills shall be regarded as one cent; fractions of a cent less than five mills shall be disregarded. Issuer shall at Issuer's cost provide Agent with an adequate supply of certificates for any anticipated transfers or exchanges of the certificates. Issuer shall be responsible for the payment of the printing or other expenses for such certificates. Issuer shall be responsible for obtaining appropriate "CUSIP" number(s) and shall notify Agent of each number(s) prior to the issuance of the applicable Securities.

C. INTEREST CALCULATIONS

Agent shall calculate interest on the basis of \$1,000 and \$5,000 units, or in the case of one odd denomination, calculate the unit separately. Each intermediate unit calculation is first determined, then rounded to the sixth decimal position; i.e. whenever the seventh decimal place is equal to or greater than five the sixth decimal place is increased by one. The final

per unit calculation is subsequently rounded to two decimal positions. (See Attachment "A" for sample calculation.)

D. ***SURRENDER***

Securities surrendered for payment, cancellation or partial redemption shall be cancelled by Agent and returned to Issuer in accordance with K.S.A. 10-111.

E. ***TRANSFERS AND EXCHANGES***

1. When Securities are presented to Agent for transfer or exchange, Agent shall so transfer or exchange such Securities if the requirements of Section 8-401(1) of the Uniform Commercial Code are met.
2. In accordance with the authorizing Resolution of the Issuer (the "Note Resolution"), payments of interest shall be made to the owner of record of each Security as of the close of business on the fifteenth day of the month preceding each interest payment date. The Agent shall make such payments to the record owner of each Security as set forth on the registration books maintained by Agent as of such date.
3. Agent shall not be required to transfer or exchange any Security during a period beginning on the day following the fifteenth day of the month preceding any interest payment date for such Securities and ending at the close of business on the interest payment date, or to transfer or exchange any Security selected or called for redemption in whole or in part subsequent to the date notice of such redemption is given in accordance with the Note Resolution authorizing the Securities.

F. ***REGISTRATION DATES AND FUNDS FOR PAYMENTS***

Date of Registration shall be affixed on the initial Securities. Subsequent transfers or exchanges shall bear a Date of Registration as of the date that all the required documentation is received at the Agent's official place of business. Issuer will provide funds to make any interest or principal payments in accordance with K.S.A. 10-130 and amendments thereto. Agent is hereby authorized to effect any semiannual payment of interest or any principal by charging the Issuer's Fiscal Agency account with Agent.

G. ***REPLACEMENT OF SECURITIES***

If the owner of a Security claims that a Security has been lost, destroyed or wrongfully taken, Issuer shall issue and Agent shall authenticate a replacement Security if the requirements of Section 8-405 of the Uniform Commercial Code are met. Only Agent shall perform this function. An indemnity bond and affidavit of loss shall be provided to Agent and Issuer at the expense of the owner of the Security. Such indemnity bond and affidavit of loss must be sufficient in the judgment of Issuer and Agent to protect Issuer and Agent from any loss which any of them may suffer if the Security is replaced. Issuer may charge the Security owner for its expenses in the replacement of a Security.

H. ***REDEMPTIONS***

Optional Redemption. If any Securities are to be redeemed pursuant to an optional redemption in accordance with their terms, Issuer agrees to give Agent at least fifteen (15) days written notice thereof prior to the notice to be given the Security owners. If there is no provision for notice to the Security owners, Issuer agrees to give at least thirty (30) days written notice to Agent.

Notice of Redemption. Agent shall then notify, by ordinary mail, the owner of such Securities to be so redeemed. Agent shall select the Securities to be so redeemed. Agent shall not be required to exchange or register a transfer of any Security for a period of fifteen (15) days preceding the date notice is to be provided to the Security owners for the purpose of selecting Securities on a partial redemption. Further, in the event notice is given to Agent for a complete redemption of the Issue according to the terms of the Note Resolution, Agent shall not be required to transfer or exchange any Security beginning on the day following the 15th day preceding the date set for redemption.

I. ***MISCELLANEOUS***

Agent hereby acknowledges receipt of numbered Securities of Issuer (in a number equal to one Security for each maturity) for registration and exchange, and shall safeguard any “blank” Securities held for purpose of exchange or transfer.

J. ***REPORTS***

Agent shall provide Issuer an annual report of the activity with respect to the issuance of Securities upon written request of Issuer.

K. ***CONSTRUCTION***

This Agreement shall be construed in accordance with the laws of the State of Kansas and also the Note Resolution authorizing the issuance of the Securities.

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CITY OF EUDORA, KANSAS

(SEAL)

By: _____
Tim Reazin, Mayor

ATTEST:

By: _____
Pamela Schmeck, City Clerk

**OFFICE OF THE TREASURER
OF THE STATE OF KANSAS**

(SEAL)
Director of Bond Services

By: _____

ATTACHMENT "A"

SAMPLE

$$\begin{array}{r} \$5,000.00000 \dots\dots\dots \text{Bond Unit} \\ \times \quad \underline{.06875 \dots\dots\dots \text{Interest Rate}} \\ = \quad 343.750000 \quad \text{Rounded to six decimal places} \\ \\ / \quad \underline{360 \dots\dots\dots \text{Days per year}} \\ = \quad .954861 \quad \text{Rounded to six decimal places} \\ \\ \times \quad \underline{180 \dots\dots\dots \text{Day in interest period}} \\ = \quad 171.874980 \quad (\text{Rounded to second decimal} = \$171.87) \end{array}$$

Unit interest is then multiplied by the number of units in the maturity.

**UNDERWRITING SAFEKEEPING AGREEMENT
BY AND BETWEEN
DEPOSITORY TRUST COMPANY
AND
THE CITY OF EUDORA, KANSAS
AND
THE OFFICE OF THE KANSAS STATE TREASURER**

**[\$[Principal Amount]
CITY OF EUDORA, KANSAS
TAXABLE GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2020-A
DATED OCTOBER 15, 2020**

In order to induce the Depository Trust Company (the “DTC”) to accept delivery of the above captioned notes (the “Notes”) for safekeeping prior to the delivery of the Notes on October 15, 2020 (the “Closing Date”), the City of Eudora, Kansas (the “Issuer”), and the Treasurer of the State of Kansas (the “Agent”) hereby agree to place the entire principal amount of the Notes, in the custody, control and possession of DTC at least one day prior to the Closing Date. The Issuer further agrees that by copy of this letter appropriately executed, it will notify DTC to follow the instructions of the underwriter of the Notes (the “Underwriter”) in distributing the Notes.

DTC will safekeep and hold in escrow the Notes until it shall have received notification from one of the following authorized representatives of the Issuer to release or return the Notes: Pamela Schmeck, City Clerk, or Gilmore & Bell, P.C., Bond Counsel. Notification may be made by telephone or by receipt of an executed notice, delivered or telecopied to DTC; provided, however, that if the notification is made by telephone, written notice must be sent within 24 hours of the original notification. In the event the Issuer executes the release of the Notes, DTC will distribute the Notes pursuant to written instructions provided by the Underwriter; however, in the event a demand for the return of the Notes is received, DTC shall return the Notes as soon as practicable, but in any event, no later than the following business day.

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CITY OF EUDORA, KANSAS

Dated: September 28, 2020

By: _____
Pamela Schmeck, City Clerk

CLOSING CERTIFICATE

**[\$Principal Amount]
CITY OF EUDORA, KANSAS
TAXABLE GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2020-A
DATED OCTOBER 15, 2020**

The undersigned Mayor and City Clerk of the City of Eudora, Kansas (the “Issuer”), make this Certificate for inclusion in the transcript of and as a part of the proceedings authorizing and providing for the issuance of the above described notes (the “Notes”); and certify as of October 15, 2020 (the “Issue Date”), as follows:

1. Meaning of Words and Terms. Capitalized words and terms used in this Certificate, unless otherwise defined in this Certificate or the context requires otherwise, have the same meanings ascribed to such words and terms in the Note Resolution (defined below) authorizing the Notes.

2. Transcript of Proceedings. The transcript of proceedings relating to the authorization and issuance of the Notes (the “Transcript”), furnished to the Purchaser of the Notes, is to the best of our knowledge, information and belief full and complete; none of such proceedings have been modified, amended or repealed, except as might be shown in the Transcript; and the facts stated in the Transcript still exist. In each instance where copies appear in the Transcript, such copies are true and correct duplicates of the original instruments now on file with the City Clerk. All certifications made by the Issuer in the Transcript Certificate dated September 28, 2020 are true and correct as of this date and are incorporated in this Certificate by reference.

3. Authorization and Purpose of the Notes. The Issuer is issuing and delivering the Notes simultaneously with the delivery of this Certificate, pursuant to and in full compliance with the Constitution and statutes of the State of Kansas, including particularly K.S.A. 10-123, Charter Ordinance No. 16 of the Issuer and Article 12, Section 5 of the Constitution of the State of Kansas, all as amended, and Resolution No. [2020-__] of the Issuer duly adopted by the governing body of the Issuer on September 28, 2020 (the “Note Resolution”) for the purpose of paying the costs of certain public improvements and economic development projects (the “Improvements”).

4. Security for the Notes. The Notes are general obligations of the Issuer payable from the proceeds of general obligation bonds of the Issuer and, if not so paid, to the extent necessary, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are pledged under the Note Resolution to the payment of the principal of and interest on the Notes.

5. Sale of Notes. The Notes have been sold at rates not in excess of the limitations set forth in K.S.A. 10-1009. The Notice of Note Sale dated September 10, 2020 and included in the Transcript constitutes a full true and correct copy thereof. A copy of such Notice of Note Sale and Preliminary Official Statement was sent to prospective purchasers of the Notes, and to all other persons and firms requesting copies of such Notice of Note Sale and Preliminary Official Statement.

6. Official Statement. The Official Statement contained in the Transcript constitutes a full, true and correct copy of the Official Statement relating to the Notes. To the best of our knowledge, the Official

Statement, other than the sections entitled “Book Entry System,” “Rating,” “Approval of Legality,” “Tax Matters” and *Appendices I, II, III, and IV*, about which the Issuer expresses no opinion, is true in all material respects, and does not contain any untrue statement of a material fact or does not omit to state a material fact, necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. As of this date there has been no material adverse change in the financial condition or the financial affairs of the Issuer since the date of the Official Statement. No other event has occurred which is necessary to be disclosed in the Official Statement in order to make the statements therein not misleading in any material respect as of the date of this Certificate. The Issuer has previously caused to be delivered to the Purchaser copies of the Official Statement.

7. Continuing Disclosure Undertaking. The Issuer has executed a Continuing Disclosure Undertaking (the “Disclosure Undertaking”), wherein the Issuer has covenanted to disseminate such information as is required in accordance with the provisions of the SEC Rule and the Disclosure Undertaking. In the Note Resolution, the Issuer has covenanted to apply the provisions of the Disclosure Undertaking to the Notes. A copy of the Disclosure Undertaking is contained in the Transcript.

8. Non-Litigation. There is no controversy, action, suit, proceeding, or to the best of our knowledge, any inquiry or investigation at law or in equity or before or by any public board or body pending or, to the best of our knowledge, threatened against or affecting the Issuer, its officers or its property, or, to the best of our knowledge, any basis therefor questioning, disputing or affecting in any way: (a) the legal organization of the Issuer or its boundaries; (b) the right or title of any of its officers to their respective offices; (c) the legality of any official act shown to have been done in the Transcript; (d) the constitutionality or validity of the indebtedness represented by the Notes shown to be authorized in the Transcript; (e) the validity of the Notes, or any of the proceedings had in relation to the authorization, issuance or sale thereof; (f) the levy and collection of an ad valorem property tax to pay the principal of and interest on the Notes; or (g) the federal or state tax-exempt status of the interest on the Notes; wherein any unfavorable decision, ruling or finding would adversely affect the Issuer, the transactions contemplated by the Note Resolution or the Official Statement, or the validity or enforceability of the Notes, which are not disclosed in the final Official Statement.

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WITNESS our hands and the seal of the Issuer.

Signature

Official Title

Mayor

(SEAL)

City Clerk

RECEIPT FOR PURCHASE PRICE

**[\$[Principal Amount]
CITY OF EUDORA, KANSAS
TAXABLE GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2020-A
DATED OCTOBER 15, 2020**

The undersigned City Clerk of the City of Eudora, Kansas, this day received from [Purchaser] [City, State], the original purchaser of the above-described notes (the "Notes"), the full purchase price of the Notes, said purchase price and net amount received by the Issuer being calculated as follows:

Principal Amount.....	\$[_, __, __.00]
Less Underwriting Discount.....	- (__. __)
Plus Original Issue Premium.....	[__. __]
<i>Total Purchase Price.....</i>	<i>\$[_, __, __.00]</i>
Less Good Faith Deposit	- (118,700.00)
<i>Net Amount Received.....</i>	<i>\$[_, __, __.00]</i>

DATED: October 15, 2020.

CITY OF EUDORA, KANSAS

By _____
Pamela Schmeck, City Clerk

RECEIPT AND REPRESENTATION

**[\$[Principal Amount]
CITY OF EUDORA, KANSAS
TAXABLE GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2020-A
DATED OCTOBER 15, 2020**

This certificate is being delivered by [_____, _____, _____] (the “Purchaser”), in connection with the issuance of the above-described notes (the “Notes”), being issued on the date of this Receipt by the City of Eudora, Kansas (the “Issuer”). Based on its records and information available to the undersigned which the undersigned believes to be correct, the Purchaser represents as follows:

- 1. Authorized Representative.** The undersigned is the duly authorized representative of the Purchaser.
- 2. Receipt for Notes.** The Purchaser acknowledges receipt by the Depository Trust Company on behalf of the Purchaser on the Issue Date of the Notes consisting of fully registered “book-entry-only” notes in Authorized Denominations in a form acceptable to the Purchaser.

In conjunction with (i) an audit or inquiry by the Securities and Exchange Commission relating to the pricing of the Notes, or (ii) the implementation of future regulation or similar guidance from the Securities and Exchange Commission or other federal or state regulatory authority regarding the retention of pricing data for the Notes, at the request of the Issuer, the Purchaser will provide information explaining the factual basis for the pricing of the Notes as shown on the cover of the Official Statement, other than information that would identify customers (e.g., name or account number). This agreement by the Purchaser to provide such information will continue to apply after the Closing Time but shall not extend to any customer data or other confidential or proprietary information of the Purchaser.

Dated: October 15, 2020.

**[PURCHASER
CITY, STATE]**

By: _____
Title: _____

[BASIC DOCUMENTS – SERIES 2020-A NOTES]

- A. Excerpt of Minutes of Meeting approving sale, approving Note Resolution
 - B. Note Resolution
-

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF EUDORA, KANSAS
HELD ON SEPTEMBER 28, 2020**

The governing body met in regular session at the usual meeting place in the City, at 7:00 p.m., the following members being present and participating, to-wit:

Present: _____.

Absent:

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

* * * * *

(Other Proceedings)

The City Manager reported that pursuant to the Notice of Note Sale, bids for the purchase of Taxable General Obligation Temporary Notes, Series 2020-A, dated October 15, 2020, of the City had been received. A tabulation of said bids is set forth as *Exhibit A* hereto.

Thereupon, the governing body reviewed and considered the bids and it was found and determined that the bid of [_____, _____, _____], was the best bid for the Notes, a copy of which is attached hereto as *Exhibit B*.

Thereupon, there was presented a Resolution entitled:

A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF TAXABLE GENERAL OBLIGATION TEMPORARY NOTES, SERIES 2020-A, OF THE CITY OF EUDORA, KANSAS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX, IF NECESSARY, FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID NOTES AS THEY BECOME DUE; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

Thereupon, Commission Member [_____] moved that said Resolution be adopted. The motion was seconded by Commission Member [_____]. 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:

Yea: _____.

Nay: _____.

Thereupon, the Mayor declared the Resolution duly adopted and the Resolution was then duly numbered Resolution No. [2020-__] and was signed by the Mayor and attested by the City Clerk.

* * * * *

(Other Proceedings)

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 Eudora, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

Pamela Schmeck, City Clerk

EXHIBIT A
BID TABULATION

SERIES 2020-A CITY OF EUDORA, KANSAS
TAXABLE GENERAL OBLIGATION TEMPORARY NOTES

EXHIBIT B
BID OF PURCHASER

RESOLUTION 2020-10

OF

THE CITY OF EUDORA, KANSAS

ADOPTED

SEPTEMBER 28, 2020

**TAXABLE GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2020-A**

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RESOLUTION 2020-10

A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF TAXABLE GENERAL OBLIGATION TEMPORARY NOTES, SERIES 2020-A, OF THE CITY OF EUDORA, KANSAS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX, IF NECESSARY, FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID NOTES AS THEY BECOME DUE; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

WHEREAS, the City of Eudora, Kansas (the “Issuer”) is a municipal corporation, duly created, organized and existing under the Constitution and laws of the State; and

WHEREAS, pursuant to the provisions of the laws of the State of Kansas applicable thereto, by proceedings duly had, the governing body of the Issuer has authorized the following improvements (the “Improvements”) to be made in the City:

<u>Project Description</u>	<u>Ord. No.</u>	<u>Authority</u>	<u>Allocable Principal Amount</u>
Nottingham Site Work and Infrastructure	1111	Art. 12, Sec. 5 of the Kansas Constitution; Charter Ordinance No. 16	\$9,000,000

WHEREAS, the governing body of the Issuer is authorized by law to issue general obligation bonds to pay a portion of the costs of the Improvements; and

WHEREAS, it is necessary for the Issuer to provide cash funds (from time to time) to meet its obligations incurred in constructing the Improvements prior to the completion thereof and the issuance of the Issuer’s general obligation bonds, and it is desirable and in the interest of the Issuer that such funds be raised by the issuance of temporary notes of the Issuer pursuant to the Act; and

WHEREAS, none of such general obligation bonds or temporary notes previously authorized have been issued and the Issuer proposes to issue its temporary notes to pay a portion of the costs of the Improvements; and

WHEREAS, the governing body of the Issuer has advertised the sale of the Notes and at a meeting held in the City on this date, awarded the sale of such Notes to the best bidder; and

WHEREAS, the governing body of the Issuer hereby finds and determines that it is necessary for the Issuer to authorize the issuance and delivery of the Notes in the principal amount of \$[_____] to pay a portion the costs of the Improvements and to pay certain costs of issuing the Notes.

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

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms as used in this Note Resolution shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

“Act” means the Constitution and statutes of the State including K.S.A. 10-101 *et seq.*, specifically including K.S.A. 10-123, K.S.A. 10-620 *et seq.*, Charter Ordinance No. 16 of the City, and Article 12, Section 5 of the Constitution of the State of Kansas, all as amended and supplemented from time to time.

“Authorized Denomination” means \$5,000 or any integral multiples thereof.

“Beneficial Owner” of the Notes includes any Owner of the Notes and any other Person who, directly or indirectly has the investment power with respect to any of the Notes.

“Bond and Interest Fund” means the Bond and Interest Fund of the Issuer for its general obligation bonds.

“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 Issuer.

“Business Day” means a day other than a Saturday, Sunday or holiday 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.

“Cede & Co.” means Cede & Co., as nominee of DTC.

“City” means the City of Eudora, Kansas.

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

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations proposed or promulgated thereunder of the United States Department of the Treasury.

“Costs of Issuance” means all costs of issuing the Notes, including but not limited to 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, and all expenses incurred in connection with receiving ratings on the Notes.

“Dated Date” means October 15, 2020.

“Debt Service Account” means the Debt Service Account for Taxable General Obligation Temporary Notes, Series 2020-A (within the Bond and Interest Fund) created pursuant to *Section 501* hereof.

“Debt Service Requirements” means the aggregate principal payments and interest payments on the Notes for the period of time for which calculated; provided, however, that for purposes of calculating

such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

“Defaulted Interest” means interest on any Note which is payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) such obligations are rated in a rating category by Moody’s or Standard & Poor’s that is no lower than the rating category then assigned by the Rating Agency to United States Government Obligations.

“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.

“Disclosure Undertaking” means the Issuer’s Continuing Disclosure Undertaking, dated as of the Issue Date, relating to certain obligations contained in the SEC Rule.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depository duly appointed.

“DTC Representation Letter” means the Blanket Letter of Representation from the Issuer and the Paying Agent to DTC which provides for a book-entry system, or any agreement between the Issuer and Paying Agent and a successor securities depository duly appointed.

“Event of Default” means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the Notes shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise;

(b) Payment of any installment of interest on any of the Notes shall not be made when the same shall become due; or

(c) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Notes or in this Note Resolution (other than the covenants relating to continuing disclosure requirements) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Notes then Outstanding.

“Financeable Costs” means the amount of expenditure for an Improvement which has been duly authorized by action of the governing body of the Issuer to be financed by general obligation bonds, less: (a) the amount of any temporary notes or general obligation bonds of the Issuer which are currently Outstanding and available to pay such Financeable Costs; and (b) any amount of Financeable Costs which has been previously paid by the Issuer or by any eligible source of funds unless such amounts are entitled to be reimbursed to the Issuer under State or federal law.

“Fiscal Year” means the twelve month period ending on December 31.

“Funds and Accounts” means funds and accounts created by or referred to in *Section 501* hereof.

“Improvement Fund” means the Improvement Fund for Taxable General Obligation Temporary Notes, Series 2020-A created pursuant to *Section 501* hereof.

“Improvements” means the improvements referred to in the preamble to this Note Resolution and any Substitute Improvements.

“Independent Accountant” means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by this Note Resolution.

“Interest Payment Date(s)” means the Stated Maturity of an installment of interest on any Note which shall be March 1 and September 1 of each year, commencing September 1, 2021.

“Issue Date” means the date when the Issuer delivers the Notes to the Purchaser in exchange for the Purchase Price.

“Issuer” means the City and any successors or assigns.

“Maturity” when used with respect to any Note means the date on which the principal of such Note becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

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

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“Note Payment Date” means any date on which principal of or interest on any Note is payable.

“Note Register” means the books for the registration, transfer and exchange of Notes kept at the office of the Note Registrar.

“Note Registrar” means the State Treasurer and its successors and assigns.

“Note Resolution” means this resolution relating to the Notes.

“Notes” means the Taxable General Obligation Temporary Notes, Series 2020-A, authorized and issued by the Issuer pursuant to this Note Resolution.

“Notice Address” means with respect to the following entities:

(a) To the Issuer at:

City of Eudora, Kansas
Attn: City Clerk
4 E. Seventh Street
Eudora, Kansas 66025
Fax: (785) 542-1237

(b) To the Paying Agent at:

State Treasurer of the State of Kansas
Landon Office Building
900 Southwest Jackson, Suite 201
Topeka, Kansas 66612-1235
Fax: (785) 296-6976

(c) To the Purchaser:

[_____

Fax: (____) _____]

(d) To the Rating Agency(ies):

S&P Global Ratings, a division of S&P Global Inc.
55 Water Street, 38th Floor
New York, New York 10004

“Notice Representative” means:

(a) With respect to the Issuer, the Clerk.

- (b) With respect to the Note Registrar and Paying Agent, the Director of Bond Services.
- (c) With respect to any Purchaser, the manager of its Municipal Bond Department.
- (d) With respect to any Rating Agency, any Vice President thereof.

“Official Statement” means Issuer’s Official Statement relating to the Notes.

“Outstanding” means, when used with reference to the Notes, as of a particular date of determination, all Notes theretofore authenticated and delivered, except the following Notes:

- (a) Notes theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Notes deemed to be paid in accordance with the provisions of *Article VII* hereof; and
- (c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered hereunder.

“Owner” when used with respect to any Note means the Person in whose name such Note is registered on the Note Register. Whenever consent of the Owners is required pursuant to the terms of this Note Resolution, and the Owner of the Notes, as set forth on the Note Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Notes.

“Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

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

“Permitted 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 county or counties in which the Issuer is located 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.

“Person” means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“Purchase Price” means the principal amount of the Notes plus accrued interest to the date of delivery, plus a premium of \$[_, __. __], less an underwriting discount of \$[_, __. __].

“Purchaser” means [_____, _____, _____], the original purchaser of the Notes, and any successors and assigns.

“Rating Agency” means any company, agency or entity that provides financial ratings for the Notes.

“Record Dates” for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

“Redemption Date” when used with respect to any Note to be redeemed means the date fixed for the redemption of such Note pursuant to the terms of this Note Resolution.

“Redemption Price” when used with respect to any Note to be redeemed means the price at which such Note is to be redeemed pursuant to the terms of this Note Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Replacement Notes” means Notes issued to the Beneficial Owners of the Notes in accordance with *Article II* hereof.

“SEC Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as may be amended from time to time.

“Securities Depository” means, initially, DTC, and its successors and assigns.

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

“Standard & Poor's” or “S&P” means Standard & Poor's Ratings Services, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“State” means the state of Kansas.

“State Treasurer” means the duly elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

“Stated Maturity” when used with respect to any Note or any installment of interest thereon means the date specified in such Note and this Note Resolution as the fixed date on which the principal of such Note or such installment of interest is due and payable.

“Substitute Improvements” means the substitute or additional improvements of the Issuer described in *Article V* hereof.

“**Treasurer**” means the duly appointed and/or elected Treasurer of the Issuer or, in the Treasurer’s absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

“**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.

ARTICLE II

AUTHORIZATION AND DETAILS OF THE NOTES

Section 201. Authorization of the Notes. There shall be issued and hereby are authorized and directed to be issued the Taxable General Obligation Temporary Notes, Series 2020-A, of the Issuer in the principal amount of \$[Principal Amount], for the purpose of providing funds to: (a) pay the costs of the Improvements; and (b) pay Costs of Issuance.

Section 202. Description of the Notes. The Notes shall consist of fully registered notes in Authorized Denominations, and shall be numbered in such manner as the Note Registrar shall determine. All of the Notes shall be dated as of the Dated Date, shall become due in the amounts, on the Stated Maturity, subject to redemption and payment prior to the Stated Maturity as provided in *Article III* hereof, and shall bear interest at the rates per annum as follows:

Stated Maturity	Principal Amount	Annual Rate of Interest
<u>September 1</u> 2024	[\$_____]	[_.____]%

The Notes shall bear interest at the above specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid on the Interest Payment Dates in the manner set forth in *Section 204* hereof.

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

Section 203. Designation of Paying Agent and Note Registrar. The State Treasurer is hereby designated as the Paying Agent for the payment of principal of and interest on the Note and Note Registrar with respect to the registration, transfer and exchange of Notes. The Mayor of the Issuer is hereby authorized and empowered to execute on behalf of the Issuer an agreement with the Note Registrar and Paying Agent for the Notes.

The Issuer will at all times maintain a Paying Agent and Note Registrar meeting the qualifications herein described for the performance of the duties hereunder. The Issuer reserves the right to appoint a

successor Paying Agent or Note Registrar by (a) filing with the Paying Agent or Note Registrar then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent or Note Registrar and appointing a successor, and (b) causing notice of appointment of the successor Paying Agent and Note Registrar to be given by first class mail to each Owner. No resignation or removal of the Paying Agent or Note Registrar shall become effective until a successor has been appointed and has accepted the duties of Paying Agent or Note Registrar.

Every Paying Agent or Note Registrar appointed hereunder shall at all times meet the requirements of K.S.A. 10-501 *et seq.* and K.S.A. 10-620 *et seq.*, respectively.

Section 204. Method and Place of Payment of the Notes. The principal of, or Redemption Price, if any, and interest on the Notes shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal or Redemption Price of each Note shall be paid at Maturity to the Person in whose name such Note is registered on the Note Register at the Maturity thereof, upon presentation and surrender of such Note at the principal office of the Paying Agent. The interest payable on each Note on any Interest Payment Date shall be paid to the Owner of such Note as shown on the Note 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 Note Register or at such other address as is furnished to the Paying Agent in writing by such Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Notes, by electronic transfer to such Owner upon written notice given to the Note Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Note shall cease to be payable to the Owner of such Note on the relevant Record Date and shall be payable to the Owner in whose name such Note 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 Note and the date of the proposed payment (which date shall be at least 45 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 Note entitled to such notice at the address of such Owner as it appears on the Note 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 Notes and at least annually shall forward a copy or summary of such records to the Issuer.

Section 205. Payments Due on Saturdays, Sundays and Holidays. In any case where a Note Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Note Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Note Payment Date, and no interest shall accrue for the period after such Note Payment Date.

Section 206. Registration, Transfer and Exchange of Notes. The Issuer covenants that, as long as any of the Notes remain Outstanding, it will cause the Note Register to be kept at the office of the Note Registrar as herein provided. Each Note when issued shall be registered in the name of the Owner thereof on the Note Register.

Notes may be transferred and exchanged only on the Note Register as provided in this Section. Upon surrender of any Note at the principal office of the Note Registrar, the Note Registrar shall transfer or exchange such Note for a new Note or Notes in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Note that was presented for transfer or exchange.

Notes 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 Note Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Notes is exercised, the Note Registrar shall authenticate and deliver Notes in accordance with the provisions of this Note Resolution. The Issuer shall pay the fees and expenses of the Note Registrar for the registration, transfer and exchange of Notes provided for by this Note Resolution and the cost of printing a reasonable supply of registered note blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Note Registrar, are the responsibility of the Owners of the Notes. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Owner hereunder or under the Notes.

The Issuer and the Note Registrar shall not be required (a) to register the transfer or exchange of any Note that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to *Article III* hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Note during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to this *Article II*.

The Issuer and the Paying Agent may deem and treat the Person in whose name any Note is registered on the Note Register as the absolute Owner of such Note, whether such Note is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Note and for all other purposes. All payments so made to any such Owner or upon the Owner's order shall be valid and effective to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid, and neither the Issuer nor the Paying Agent shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Note Registrar, the Note Register may be inspected and copied by the Owners (or a designated representative thereof) of 10% or more in principal amount of the Notes then Outstanding or any designated representative of such Owners whose authority is evidenced to the satisfaction of the Note Registrar.

Section 207. Execution, Registration, Authentication and Delivery of Notes. Each of the Notes, including any Notes issued in exchange or as substitutions for the Notes initially delivered, shall be executed for and on behalf of the Issuer by the manual or facsimile signature of the Mayor, attested by the

manual or facsimile signature of the Clerk and the seal of the Issuer shall be affixed thereto or imprinted thereon. The Mayor and Clerk are hereby authorized and directed to prepare and execute the Notes in the manner herein specified, and to cause the Notes to be registered in the office of the Clerk, which registration shall be evidenced by the manual or facsimile signature of the Clerk with the seal of the Issuer affixed thereto or imprinted thereon. The Notes shall also be registered in the office of the State Treasurer, which registration shall be evidenced by the manual or facsimile signature of the State Treasurer with the seal of the State Treasurer affixed thereto or imprinted thereon. The Notes shall be countersigned by the manual or facsimile signature of the Clerk and the seal of the Issuer shall be affixed or imprinted adjacent thereto following registration of the Notes by the Treasurer of the State of Kansas. In case any officer whose signature appears on any Notes ceases to be such officer before the delivery of such Notes, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Note may be signed by such persons who at the actual time of the execution of such Note are the proper officers to sign such Note although at the date of such Note such persons may not have been such officers.

The Mayor and Clerk are hereby authorized and directed to prepare and execute the Notes as herein specified, and when duly executed, to deliver the Notes to the Note Registrar for authentication.

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

Section 208. Mutilated, Lost, Stolen or Destroyed Notes. If (a) any mutilated Note is surrendered to the Note Registrar or the Note Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (b) there is delivered to the Issuer and the Note Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Note Registrar that such Note has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Note Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a new Note of the same Stated Maturity and of like tenor and principal amount.

If any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the Issuer, in its discretion, may pay such Note instead of issuing a new Note.

Upon the issuance of any new Note under this Section, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Every new Note issued pursuant to this Section shall constitute a replacement of the prior obligation of the Issuer, and shall be entitled to all the benefits of this Note Resolution equally and ratably with all other Outstanding Notes.

Section 209. Cancellation and Destruction of Notes Upon Payment. All Notes that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof

to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Notes so cancelled and destroyed and shall file an executed counterpart of such certificate with the Issuer.

Section 210. Book-Entry Notes; Securities Depository. The Issuer and Paying Agent have entered into a DTC Representation Letter with DTC. The Notes shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Notes, except in the event the Note Registrar issues Replacement Notes as provided in this Section. It is anticipated that during the term of the Notes, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Notes to the Participants until and unless the Note Registrar authenticates and delivers Replacement Notes to the Beneficial Owners as described in the following paragraph.

The Issuer may decide, subject to the requirements of the Operational Arrangements of DTC (or a successor Securities Depository), and the following provisions of this section to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository):

(a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository 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 (3) 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) if the Note Registrar receives written notice from Participants having interests in not less than 50% of the Notes Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), 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, then the Note Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to Owners requesting the same, 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; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Note Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers.

In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository 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 the Securities Depository shall be deemed to be imposed upon and performed by the Note Registrar, to the extent applicable with respect to such Replacement Notes. If the Securities Depository resigns and the Issuer, the Note Registrar or Owners are unable to locate a qualified successor of the Securities Depository in accordance with the following paragraph, 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 the Securities Depository 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 Issuer.

In the event the Securities Depository 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 Issuer 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 Notes to the successor Securities Depository in appropriate denominations and form as provided herein.

Section 211. Nonpresentment of Notes. If any Note is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Note have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Note shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Note, who shall thereafter 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 any 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, without liability for interest thereon, to the Issuer the funds theretofore 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 Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 212. Preliminary and Final Official Statement. The Preliminary Official Statement dated September 10, 2020, is hereby ratified and approved.

The Official Statement is hereby authorized to be prepared by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor or chief financial officer of the Issuer are hereby authorized to execute the final Official Statement as so supplemented, amended and completed, and the use and public distribution of the final Official Statement by the Purchaser in connection with the reoffering of the Notes is hereby authorized. The proper officials of the Issuer are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the Issue Date.

The Issuer agrees to provide to the Purchaser within seven business days of the date of the sale of Notes sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of the SEC Rule and Rule G-32 of the Municipal Securities Rulemaking Board.

Section 213. Sale of the Notes. The sale of the Notes to the Purchaser is hereby approved and confirmed. The Mayor and Clerk are hereby authorized to execute the official bid form submitted by the Purchaser. Delivery of the Notes shall be made to the Purchaser on the Issue Date (which shall be as soon as practicable after the adoption of this Note Resolution), upon payment of the Purchase Price.

ARTICLE III

REDEMPTION OF NOTES

Section 301. Redemption by Issuer.

Optional Redemption. At the option of the Issuer, the Notes will be subject to redemption and payment prior to maturity on September 1, 2021, and thereafter, as a whole or in part (selection of the

amount of Notes to be redeemed to be determined by the Issuer 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 Redemption Date.

Section 302. Selection of Notes to be Redeemed. Notes shall be redeemed only in an Authorized Denomination. When less than all of the Notes are to be redeemed and paid prior to their Stated Maturity, such Notes shall be redeemed in such manner as the Issuer shall determine. Notes of less than a full Stated Maturity shall be selected by the Note Registrar in a minimum Authorized Denomination of principal amount in such equitable manner as the Note Registrar may determine.

In the case of a partial redemption of Notes by lot when Notes of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each minimum Authorized Denomination of face value shall be treated as though it were a separate Note of the denomination of a minimum Authorized Denomination. If it is determined that one or more, but not all, of a minimum Authorized Denomination of face value represented by any Note is selected for redemption, then upon notice of intention to redeem a minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Note to the Note Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of a minimum Authorized Denomination of face value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Note or Notes of the aggregate principal amount of the unredeemed portion of the principal amount of such Note. If the Owner of any such Note fails to present such Note to the Paying Agent for payment and exchange as aforesaid, such Note shall, nevertheless, become due and payable on the redemption date to the extent of a minimum Authorized Denomination of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption. In the event the Issuer desires to call the Notes for redemption prior to maturity, written notice of such intent shall be provided to the Note Registrar in accordance with K.S.A. 10-129, as amended, not less than 45 days prior to the Redemption Date. The Note Registrar shall call Notes for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Note Registrar at least 45 days prior to the Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Notes to be called for redemption. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in this Section are met.

Unless waived by any Owner of Notes to be redeemed, if the Issuer shall call any Notes for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Notes to the Note Registrar and the State Treasurer. In addition, the Issuer shall cause the Note Registrar to give written notice of redemption to the Owners of said Notes. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information:

- (a) the Redemption Date;
- (b) the Redemption Price;
- (c) if less than all Outstanding Notes are to be redeemed, the identification (and, in the case of partial redemption of any Notes, the respective principal amounts) of the Notes to be redeemed;
- (d) a statement that on the Redemption Date the Redemption Price will become due and

payable upon each such Note or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and

(e) the place where such Notes are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent.

The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Notes or portions of Notes that are to be redeemed on such Redemption Date.

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

Official notice of redemption having been given as aforesaid, the Notes or portions of Notes to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the Issuer defaults in the payment of the Redemption Price) such Notes or portion of Notes shall cease to bear interest. Upon surrender of such Notes for redemption in accordance with such notice, the Redemption Price of such Notes shall be paid by the Paying Agent. 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 Note, there shall be prepared for the Owner a new Note or Notes of the same Stated Maturity in the amount of the unpaid principal as provided herein. All Notes that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

In addition to the foregoing notice, the Issuer shall provide such notices of redemption as are required by the Disclosure Undertaking. Further notice may be given by the Issuer or the Note Registrar on behalf of the Issuer as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed:

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) the CUSIP numbers of all Notes being redeemed; (2) the date of issue of the Notes as originally issued; (3) the rate of interest borne by each Note being redeemed; (4) the maturity date of each Note being redeemed; and (5) any other descriptive information needed to identify accurately the Notes being redeemed.

(b) Each further notice of redemption shall be sent at least one day before the mailing of notice to Owners by first class, registered or certified mail or overnight delivery, as determined by the Note Registrar, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Notes and to one or more national information services that disseminate notices of redemption of obligations such as the Notes.

(c) Each check or other transfer of funds issued for the payment of the Redemption Price of

Notes being redeemed shall bear or have enclosed the CUSIP number of the Notes being redeemed with the proceeds of such check or other transfer.

The Paying Agent is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Note.

ARTICLE IV

SECURITY FOR NOTES

Section 401. Security for the Notes. The Notes shall be general obligations of the Issuer payable as to both principal and interest from general obligation bonds of the Issuer and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Notes as the same become due.

Section 402. Levy and Collection of Annual Tax. The governing body of the Issuer shall annually make provision for the payment of principal of, premium, if any, and interest on the Notes as the same become due, if necessary, by levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law.

The taxes referred to above shall be extended upon the tax rolls and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be deposited in the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Notes as and when the same become due, and the fees and expenses of the Paying Agent.

If at any time said taxes are not collected in time to pay the principal of or interest on the Notes when due, the Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the Issuer and to reimburse said general funds for money so expended when said taxes are collected.

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS DEPOSIT AND APPLICATION OF NOTE PROCEEDS

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

- (a) Improvement Fund for Taxable General Obligation Temporary Notes, Series 2020-A; and
- (b) Debt Service Account for Taxable General Obligation Temporary Notes, Series 2020-A.

The Funds and Accounts established herein shall be administered in accordance with the provisions of this Note Resolution so long as the Notes are Outstanding.

Section 502. Deposit of Note Proceeds. The net proceeds received from the sale of the Notes shall be deposited simultaneously with the delivery of the Notes as follows:

(a) All accrued interest, if any, received from the sale of the Notes shall be deposited in the Debt Service Account.

(b) The remaining balance of the proceeds derived from the sale of the Notes shall be deposited in the Improvement Fund.

Section 503. Application of Moneys in the Improvement Fund. Moneys in the Improvement Fund shall be used for the sole purpose of: (a) paying the costs of the Improvements, in accordance with the plans and specifications therefor approved by the governing body of the Issuer and on file in the office of the Clerk, including any alterations in or amendments to said plans and specifications deemed advisable and approved by the governing body of the Issuer; (b) paying interest on the Notes during construction of the Improvements; and (c) paying Costs of Issuance. Upon completion of the Improvements, any surplus remaining in the Improvement Fund shall be deposited in the Debt Service Account.

Section 504. Substitution of Improvements; Reallocation of Proceeds.

(a) The Issuer may elect for any reason to substitute or add other public improvements to be financed with proceeds of the Notes provided the following conditions are met: (1) the Substitute Improvement and the issuance of general obligation bonds to pay the cost of the Substitute Improvement has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (2) a resolution or ordinance authorizing the use of the proceeds of the Notes to pay the Financeable Costs of the Substitute Improvement has been duly adopted by the governing body of the Issuer pursuant to this Section; (3) the Attorney General of the State has approved the amendment made by such resolution or ordinance to the transcript of proceedings for the Notes to include the Substitute Improvements; and (4) the use of the proceeds of the Notes to pay the Financeable Cost of the Substitute Improvement will not adversely affect the tax-exempt status of the Notes under State or federal law.

(b) The Issuer may reallocate expenditure of Note proceeds among all Improvements financed by the Notes; provided the following conditions are met: (1) the reallocation is approved by the governing body of the Issuer; (2) the reallocation shall not cause the proceeds of the Notes allocated to any Improvement to exceed the Financeable Costs of the Improvement; and (3) the reallocation will not adversely affect the tax-exempt status of the Notes under State or federal law.

Section 505. Application of Moneys in Debt Service Account. All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the Notes as and when the same become due and the usual and customary fees and expenses of the Note Registrar and Paying Agent. The Treasurer is authorized and directed to withdraw from the Debt Service Account sums sufficient to pay both principal or Redemption Price of and interest on the Notes and the fees and expenses of the Note Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent, if other than the Issuer, in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Note Registrar and Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Notes are no longer entitled to enforce payment of the Notes or the interest thereon, the Paying Agent shall return said funds to the Issuer. All moneys deposited with the Paying Agent shall be deemed to be

deposited in accordance with and subject to all of the provisions contained in this Note Resolution and shall be held by the Paying Agent for the benefit of the Owners of the Notes entitled to payment from such moneys.

Any moneys or investments remaining in the Debt Service Account after the retirement of the indebtedness for which the Notes were issued shall be transferred and paid into the Bond and Interest Fund.

Section 506. Deposits and Investment of Moneys. Moneys in each of the Funds and Accounts shall be deposited in accordance with laws of the State, in a bank, savings and loan association or savings bank organized under the laws of the State, any other state or the United States: (a) which has a main or branch office located in the Issuer; or (b) if no such entity has a main or branch office located in the Issuer, with such an entity that has a main or branch office located in the county or counties in which the Issuer is located. All such depositories shall be members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law. All such deposits shall be invested in Permitted Investments as set forth in this Article or shall be adequately secured as provided by the laws of the State. All moneys held in the Funds and Accounts shall be kept separate and apart from all other funds of the Issuer so that there shall be no commingling with any other funds of the Issuer.

Moneys held in any Fund or Account may be invested in accordance with this Note Resolution in Permitted Investments; 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 was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account; provided that, during the period of construction of the Improvements, earnings on the investment of such funds may be credited to the Debt Service Account.

ARTICLE VI

DEFAULT AND REMEDIES

Section 601. Remedies. The provisions of the Note Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Notes. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Notes at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Notes 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 Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Note Resolution or by the Constitution and laws of the State;

(b) by suit, action or other proceedings in equity or at law to require the Issuer, 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 Notes.

Section 602. Limitation on Rights of Owners. The covenants and agreements of the Issuer contained herein and in the Notes shall be for the equal benefit, protection, and security of the Owners of any or all of the Notes, all of which Notes shall be of equal rank and without preference or priority of one Note over any other Note in the application of the funds herein pledged to the payment of the principal of and the interest on the Notes, or otherwise, except as to rate of interest, date of maturity and right of prior

redemption as provided in this Note 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 Outstanding Notes.

Section 603. 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 Note 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 Notes by this Note Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. If action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the Issuer and the Owners of the Notes shall, subject to any determination in such action or proceeding or applicable law of the State, 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 VII

DEFEASANCE

Section 701. Defeasance. When any or all of the Notes, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Note Resolution and the pledge of the Issuer's faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Notes or scheduled interest payments thereon so paid and discharged. Notes, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Note Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Notes or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of or Redemption Price of said Notes and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Notes, no such satisfaction shall occur until (a) the Issuer has elected to redeem such Notes, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Note Registrar to give such notice of redemption in compliance with **Article III**. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the Issuer, for the purpose of paying and discharging any of the Notes, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Notes, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Note Resolution.

ARTICLE VIII

CONTINUING DISCLOSURE REQUIREMENTS

Section 801. Disclosure Requirements. The Issuer hereby covenants with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking, the provisions of which are incorporated herein by reference. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

Section 802. Failure to Comply with Continuing Disclosure Requirements. In the event the Issuer fails to comply in a timely manner with its covenants contained in the preceding section, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement contained in the preceding section or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Issuer under such preceding section.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 901. Annual Audit. Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the Clerk. Such audit shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Owner of any of the Notes, or by anyone acting for or on behalf of such taxpayer or Owner. Upon payment of the reasonable cost of preparing and mailing the same, a copy of any annual audit will, upon request, be sent to any Owner or prospective Owner. As soon as possible after the completion of the annual audit, the governing body of the Issuer shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Note Resolution, the Issuer shall promptly cure such deficiency.

Section 902. Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Notes or of this Note Resolution, may be amended or modified at any time in any respect by resolution or ordinance of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Notes then Outstanding, such consent to be evidenced by an instrument or instruments executed by such 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 Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Note;
- (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Note;
- (c) permit preference or priority of any Note over any other Note; or

(d) reduce the percentage in principal amount of Notes required for the written consent to any modification or alteration of the provisions of this Note Resolution.

Any provision of the Notes or of this Note Resolution may, however, be amended or modified by resolution or ordinance duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Notes at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement this Note Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity herein, 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, to more precisely identify the Improvements, to reallocate proceeds of the Notes among Improvements, to provide for Substitute Improvements, to conform this Note Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Every amendment or modification of the provisions of the Notes or of this Note Resolution, to which the written consent of the Owners is given, as above provided, shall be expressed in a resolution or ordinance adopted by the governing body of the Issuer amending or supplementing the provisions of this Note Resolution and shall be deemed to be a part of this Note Resolution. A certified copy of every such amendatory or supplemental resolution or ordinance, if any, and a certified copy of this Note Resolution shall always be kept on file in the office of the Clerk, and shall be made available for inspection by the Owner of any Note or a prospective purchaser or owner of any Note authorized by this Note Resolution, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental resolution or ordinance or of this Note Resolution will be sent by the Clerk to any such Owner or prospective Owner.

Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the Clerk a copy of the resolution or ordinance of the Issuer hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Owners of the Notes then Outstanding. It shall not be necessary to note on any of the Outstanding Notes any reference to such amendment or modification.

The Issuer shall furnish to the Paying Agent a copy of any amendment to the Notes or this Note Resolution which affects the duties or obligations of the Paying Agent under this Note Resolution.

Section 903. Notices, Consents and Other Instruments by Owners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Notes, if made in the following manner, shall be sufficient for any of the purposes of this Note Resolution, and shall be conclusive in favor of the Issuer and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Notes, the amount or amounts, numbers and other identification of Notes, and the date of holding the same shall be proved by the Note Register.

In determining whether the Owners of the requisite principal amount of Notes Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Note Resolution, Notes owned by the Issuer shall be disregarded and deemed not to be Outstanding under this Note Resolution, except that, in determining whether the Owners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which the Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Notes so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Owners the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer.

Section 904. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Note Resolution shall be in writing, given to the Notice Representative at the Notice Address and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

Section 905. Electronic Transactions. The issuance of the Notes and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means. All closing documents, certificates, and related instruments may be executed by electronic transmission. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents (or documents executed by electronic transmission) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 906. Further Authority. The officers and officials of the Issuer, including the Mayor and Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Note Resolution and to make ministerial 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 907. Severability. If any section or other part of this Note Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Note Resolution.

Section 908. Governing Law. This Note Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 909. Effective Date. This Note Resolution shall take effect and be in full force from and after its adoption by the governing body of the Issuer.

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ADOPTED by the governing body of the Issuer on September 28, 2020.

(SEAL)

Tim Reazin, Mayor

ATTEST:

Pamela Schmeck, City Clerk

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(Signature Page to Resolution)

**EXHIBIT A
(FORM OF NOTES)**

**REGISTERED
NUMBER _____**

**REGISTERED
\$**

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

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF DOUGLAS
CITY OF EUDORA
TAXABLE GENERAL OBLIGATION TEMPORARY NOTE
SERIES 2020-A**

**Interest
Rate:**

**Maturity
Date: September 1, 2024**

**Dated
Date: October 15, 2020**

CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Eudora, in the County of Douglas, State of Kansas (the “Issuer”), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, 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 March 1 and September 1 of each year, commencing September 1, 2021 (the “Interest Payment Dates”), at maturity or earlier redemption until the Principal Amount has been paid.

Method and Place of Payment. The principal or redemption price of this Note shall be paid at maturity or upon earlier redemption to the person in whose name this Note is registered at the maturity or redemption date thereof, upon presentation and surrender of this Note at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Note Registrar”). The interest payable

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

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

Authorization of Notes. This Note is one of an authorized series of Notes of the Issuer designated “Taxable General Obligation Temporary Notes, Series 2020-A,” aggregating the principal amount of \$[Principal Amount] (the “Notes”) issued for the purposes set forth in the Resolution of the Issuer authorizing the issuance of the Notes (the “Note Resolution”). The Notes 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. 10-101 *et seq.*, specifically including K.S.A. 10-123, K.S.A. 10-620 *et seq.*, Charter Ordinance No. 16 of the Issuer and Article 12, Section 5 of the Constitution of the State of Kansas, as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

General Obligations. The Notes constitute general obligations of the Issuer payable as to both principal and interest from the proceeds of general obligation bonds of the Issuer, and if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are hereby pledged for the payment of the principal of and interest on this Note and the issue of which it is a part as the same respectively become due.

Redemption Prior to Maturity. The Notes are subject to redemption prior to maturity as set forth in the Note Resolution.

Book-Entry System. The Notes are being issued by means of a book-entry system with no physical distribution of note certificates to be made except as provided in the Note Resolution. One Note certificate with respect to each date on which the Notes are stated to mature or with respect to each form of Notes, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Notes by the Securities Depository’s participants, beneficial ownership of the Notes in Authorized Denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Issuer and the Note Registrar will recognize the Securities Depository nominee, while the Registered Owner of this Note, as the owner of this Note for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Note, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Notes by participants of the Securities

Depository will be the responsibility of such participants and other nominees of such beneficial owners. The Issuer and the Note Registrar will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this Note, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Note shall be made in accordance with existing arrangements among the Issuer, the Note Registrar and the Securities Depository.

Transfer and Exchange. EXCEPT AS OTHERWISE PROVIDED IN THE NOTE RESOLUTION, THIS GLOBAL NOTE MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY. This Note may be transferred or exchanged, as provided in the Note Resolution, only on the Note Register kept for that purpose at the principal office of the Note Registrar, upon surrender of this Note together with a written instrument of transfer or authorization for exchange satisfactory to the Note Registrar duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Note or Notes in any Authorized Denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Note Resolution and upon payment of the charges therein prescribed. The Issuer shall pay all costs incurred in connection with the issuance, payment and initial registration of the Notes and the cost of a reasonable supply of note blanks. The Issuer and the Paying Agent may deem and treat the person in whose name this Note is registered on the Note Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. The Notes are issued in fully registered form in Authorized Denominations.

Authentication. This Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter defined Note Resolution until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Note 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 Note 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 Issuer, including this series of notes, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Issuer has caused this Note to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its Clerk, and its seal to be affixed hereto or imprinted hereon.

CITY OF EUDORA, KANSAS

[(Facsimile Seal)]

By: _____ (manual or facsimile)
Mayor

ATTEST:

By: _____ (manual or facsimile)
Clerk

This Taxable General Obligation Temporary Note shall not be negotiable unless and until countersigned below following registration by the Treasurer of the State of Kansas.

(Facsimile Seal)

_____ (manual or facsimile)
Clerk

NOTE ASSIGNMENT

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

(Name and Address)

(Social Security or Taxpayer Identification No.)

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

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of such Notes:

GILMORE & BELL, P.C.

Attorneys at Law
2405 Grand Boulevard
Suite 1100
Kansas City, Missouri 64108

(PRINTED LEGAL OPINION)



Agenda Statement

Date: September 28, 2020
To: Mayor and City Commission
From: Jeffery Rhodes, Management Analyst
Re: CDBG Renovation Project – 714 Main St – Contract Resolution

Background

In March of this year, the City Commission approved a series of resolutions that authorized the City to apply for a Community Development Block Grant (CDBG) for a commercial renovation project at 714 Main St. In August, the City was awarded a grant for \$250,000 to execute the project. The total grant project cost is \$337,400 with \$87,400 being provided by the property owner.

Earlier this month, City staff worked with our grant administrator, Brett Waggoner of Governmental Assistance Services (GAS), and consulted with the State and property owner, GW Weld, to establish the project guidelines and outline the contract needed to execute the project.

The contract and the supporting documentation are before you this evening. In your packet, you will find the details of the contract and the documents that the Mayor must sign to execute the contract and green light the project.

Staff Comments/Recommendations

Staff recommends that the City Commission approve execution of this contract, as submitted, to enable the project to commence. Brett Waggoner, the project's grant administrator, has also reviewed this contract and recommends its approval.

Budget Approval – N/A

City Manager's Approval – N/A

Recommended Commission Action

Suggested Motion: I move the City Commission approve the respective contract and agreements for the Community Development Block Grant (CDBG) commercial renovation project for the building located at 714 Main St. and authorize Mayor Reazin to execute the documents.

STATE OF KANSAS
GRANT AGREEMENT NO. **20-CR-001**

between the

STATE OF KANSAS
DEPARTMENT OF COMMERCE

and the

City of Eudora

I. Grant Agreement

- A. This Grant Agreement, hereinafter called "Agreement," is between the State of Kansas, Department of Commerce, and its representative, hereinafter called "Department" and the **City of Eudora**, Kansas, hereinafter called the "Grantee." This Agreement is being made pursuant to an application by the Grantee for **the renovation of a commercial property owned by GW Weld. Property is located at 714 Main Street, Eudora, Kansas.**

This Agreement consists of the body and the following: CONDITION LETTER (attached hereto as Attachment A), SPECIAL CONDITIONS (attached hereto as Attachment B), and the Grantee's APPROVED PROJECT APPLICATION dated **July 28, 2020**, (attached and incorporated by reference as Attachment C, a copy of which shall be maintained and available in the Department's files), the Repayment Agreement and the GRANTEE HANDBOOK (which is attached and incorporated by reference as Attachment D).

II. Authority

- A. This Agreement is financed in part through a grant provided to the Department by the United States Department of Housing and Urban Development (HUD) under Title I of the Federal Housing and Community Development Act of 1974, as amended (42 USC 5301 et. seq.), hereinafter called "the Federal Act." As provided in the Federal Act, the State of Kansas, through the Department, has elected to administer the federal program of Small Cities Community Development Block Grants.
- B. The Department, in accordance with the provisions of K.S.A. 74-5001 et. seq., hereinafter called "the State Act," has approved the application of the Grantee and awarded funds for the purpose of supporting the Grantee's Community Development Program.
- C. In the event of changes in any applicable Federal regulations and/or law, this Agreement shall be deemed to be amended when required to comply with any law so amended.
- D. Federal Program – Community Development Block Grant Cluster (CDBG) (CFDA No. 14.228).

III. Description of Activities

Grantee agrees to perform, or cause to be performed, the work specified in the APPROVED PROJECT APPLICATION.

IV. Period of Performance

The period of performance for all activities assisted by this Agreement shall commence on **September 15, 2020** hereinafter called the "Commencement Date," and shall be complete on **September 14, 2022**, hereinafter called the "Completion Date," except those activities required for close-out and final audit.

V. Compensation

- A. In consideration of the Grantee's satisfactory performance of the work required under this Agreement and the Grantee's compliance with the terms of this Agreement, the Department shall provide the Grantee the total sum of **\$250,000** in Community Development Block Grant funds. Such funds shall be used by the Grantee in accordance with the Activities listed and budgeted on the APPROVED PROJECT APPLICATION and the CONTRACT PROJECT BUDGET FORM.
- B. In addition, the Owner shall provide **\$87,400** in cash to match this Community Development Program and such funds shall be used by the Grantee in accordance with the Activities and budget on the APPROVED PROJECT APPLICATION.
- C. It is expressly understood and agreed that in no event will the total program funds provided by the Department exceed the sum of **\$250,000**. Any additional funds required to complete the program activities set forth in this Agreement will be the sole responsibility of the Grantee, and not the responsibility of the Department.

- D. The Grantee understands that this Agreement is funded in whole or in part by federal funds. In the unlikely event the federal funds supporting this Agreement become unavailable or are reduced, the Department may terminate or amend this Agreement and will not be obligated to pay the Grantee from State revenues.
- E. It is hereby agreed that funds committed to be provided by the Department are conditioned upon the availability and use of funds to be provided by the Grantee from other sources. In the event any portion of the funds required to be provided by the Grantee pursuant to subsection (B) of paragraph V. are not made available or used for activities as listed and budgeted, the Department may, in its discretion, withdraw or reduce proportionately the funds to be provided to the Grantee pursuant to subsection (A) of paragraph V.
- F. The Grantee shall not anticipate future funding from the Department beyond the duration of this Agreement and in no event shall this Agreement be construed as a commitment by the Department to expend funds beyond the termination of this Agreement.

VI. Indemnification

The Grantee shall indemnify, defend, and hold harmless the State and its officers and employees from any liabilities, claims, suits, judgments, and damages arising as a result of the performance of the obligations under this Agreement by the Grantee or any subgrantee, contractor, subcontractor, or person. The liability of the Grantee under this Agreement shall continue after the termination of the Agreement with respect to any liabilities, claims, suits, judgments, and damages resulting from acts occurring prior to termination of this Agreement.

VII. Obligations of Grantee

- A. All of the activities required by this Agreement shall be performed by personnel of the Grantee or by third parties (subgrantees, contractors, or subcontractors) under the direct supervision of the Grantee and in accordance with the terms of written contracts. Any such contracts may be made subject to approval by the Department.
- B. Except as may otherwise be provided in the SPECIAL CONDITIONS, the Grantee may subgrant, contract, or subcontract any of the work or services covered by this Agreement.
- C. The Grantee shall remain fully obligated and liable under the provisions of this Agreement, notwithstanding its designation of any third party or parties for the undertaking of all or any of the program being assisted under this grant.
- D. The Grantee shall require any third party to comply with all lawful requirements necessary to ensure that the program is carried out in accordance with this Agreement.
- E. The Grantee shall comply with all timelines for completion of Grantee's Environmental Review and contracting responsibilities as established by the Department in the CONDITION LETTER.
- G. The Grantee shall ensure that the sub-grantee has entered into a contract with a general contractor for work detailed in the Approved Project Application no later than 12 months from commencement date. Failure to meet this obligation may result in the termination of this contract and the forfeiture of grant funds.

VIII. Environmental Review Compliance

- A. The obligation and utilization of the funding assistance is subject to the requirements for a release of funds by the State under the Environmental Review procedures at 24 CFR Part 58 for any activities requiring such release.
- B. The Grantee agrees to assume all of the responsibilities for Environmental Review, decision making and action, as specified and required in Section 104(g) of Title I of the Housing and Community Development Act of 1974 (Public Law 93-383), as amended. The Grantee shall not allow any subrecipient to assume the grantee's Environmental Review responsibilities.

IX. Program Costs

- A. The Grantee may only incur such costs as are reasonable and necessary to the Grantee's Program and as are allowable under the Department's Procedures (2 CFR Part 200). Cost items not specifically authorized may only be incurred after written approval by the Department.
- B. Cash and in-kind contributions made by the Grantee shall follow the criteria established by the Department's Procedures.

- C. The total “Small Cities CDBG Funds” expended for “Administration” shown in the Contract Project Budget Form shall not exceed the approved amount unless amended by all parties to this contract.
- D. The Grantee shall not incur costs on any program activity until the Environmental Review required by 24 CFR 58 has been completed and the Department has issued the “Notice of Release of Funds.”
- E. Any program activities performed by the Grantee in the period between notification of award and execution of this Agreement shall be performed at the sole risk of the Grantee. In the event this agreement should not become effective, the Department shall be under no obligation to pay the Grantee for any costs incurred or monies spent in connection with program activities, or to otherwise pay for any activities performed during such period. However, upon execution of this Agreement, all Program Costs incurred in connection with approved activities performed during this period shall be reimbursed in accordance with the terms and conditions of this Agreement.
- F. Grant funds may not, without advance written approval by the Department, be obligated after the Completion Date except for those activities required for close-out. Obligations incurred prior to and still outstanding as of the Completion Date shall be liquidated within ninety (90) days.
- G. At any time during the period of performance under this Agreement, and upon receipt of the progress and financial reports, Final Program Report or Final Audit Report, the Department may review all Program Costs incurred by the Grantee and all payments made to date. Upon such review the Department shall disallow any items of expense which are not determined to be allowable or are determined to be in excess of approved expenditures; and shall, by written notice specifying the disallowed expenditures, inform the Grantee of any such disallowance.
- H. If the Department disallows costs for which payment has not yet been made, it shall refuse to pay such costs. If payment has been made with respect to costs which are subsequently disallowed, the Department may deduct the amount of disallowed costs from any future payments under this Agreement or require that the Grantee refund the amount of the disallowed costs.

X. Requisition of Grant Funds

- A. Requisitions for cash advances shall be made on the established forms and shall not ordinarily be made more frequently than twice a month or in amounts less than \$3,000 and in no cases more than \$200,000.
- B. The Grantee shall establish procedures to ensure that any amounts of cash in excess of the limits set forth in (A) above shall be expended within three (3) days of receipt of the funds in the depository account.
- C. Cash advances made by the Grantee to subgrantees shall conform substantially to the same standards of timing and amount as apply to the Grantee under this Agreement.
- D. Amounts withheld from contractor to assure satisfactory completion of work shall not be paid until the Grantee has received a final payment request from the contractor and has certified the work is complete and satisfactory.
- E. The Department may terminate advance financing and require the Grantee to finance its operations with its own working capital should it be determined that the Grantee is unwilling or unable to establish procedures to minimize the time lapsing between cash advances and disbursement. Payments to the Grantee would then be made only as reimbursement for actual cash disbursements.

XI. Depositories for Program Funds

- A. The Grantee shall maintain a separate record for money received under the Community Development Program. Into this fund shall be deposited:
 - 1. Moneys received from the Department.
 - 2. Program income earned through program activities.
- B. Any interest earned, prior to disbursement, on advances of grant funds shall be remitted to the State for subsequent return to the United States Treasury.

XII. Financial Management

- A. Grantees shall establish and maintain a system which assures effective control over and accountability for all funds, property and other assets used in the Community Development Program.
- B. Grantees shall either adopt the system recommended by the Department or certify to the Department, in writing, prior to making the first requisition of funds that the alternative system proposed for use shall meet the following standards:
 - 1. Maintenance of separate accounting records and source documentation for the Community Development Program;
 - 2. Provision for accurate, current and complete disclosure of the financial status of the Program;
 - 3. Establishment of records of budgets and expenditures for each approved activity;
 - 4. Demonstration of the sequence and status of receipts, obligations, disbursements and fund balance;
 - 5. Provision of financial status reports in the form specified by the Department;
 - 6. Compliance with the Department's audit requirements (2 CFR Part 200); and
 - 7. Consistency with generally accepted accounting principles as specified by the Kansas Department of Administration, unless a waiver of GAAP has been received by the Grantee from the Kansas Director of Accounts and Reports.

XIII. Monitoring and Reporting

- A. The Grantee shall monitor the activities of the Community Development Program, including those of contractors and subcontractors, to assure that all program requirements are being met.
- B. The Grantee shall submit progress and financial reports to the Department in accordance with the schedule set forth in the SPECIAL CONDITIONS. These reports shall be in a format prescribed by the Department.
- C. The Grantee shall submit a Final Program Report with the close-out no later than ninety (90) days following the Completion Date.
- D. From time to time, as requested in writing by the Department, the Grantee shall submit such data and other information as the Department may require.
- E. Failure to report as required or respond to requests for data or information in a timely manner may be grounds for suspension or termination of the Grant.

XIV. Procurement Procedures

- A. The Grantee shall use established procurement procedures which reflect applicable State and local laws and regulations and the Department's Procedures for the establishment of procurement systems.
- B. These standards do not relieve the Grantee of any contractual responsibilities under its contracts. The Grantee is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements entered into support of a grant. These include but are not limited to source evaluation, protests, disputes, and claims.

XV. Bonding Requirements

- A. When administering federal grants and subgrants, a Grantee may follow its own requirements and practices with respect to: (1) bonding of employees and contractors, and (2) insurance. Federal grantor agencies are not permitted to impose requirements beyond those listed below. The government-wide grants management common rule, "Uniform Administrative Requirements for Grants to State and Local Governments," contains bonding requirements only for circumstances when a grantee contracts for construction or facility improvement (including alteration and renovation) and the bids and contracts exceed \$25,000. The following types of bonds are required in the "Procurement" section of the common rule:

- A 100 percent “performance bond” on the part of the contractor to secure fulfillment of all the contractor’s obligations under the contract; and
- A 100 percent “payment bond” on the part of the contractor to assure payment, as required by law, of all persons supplying labor and materials as part of work provided under the contract.

- B. The Department reserves the right to promulgate and enforce bonding procedures and requirements applicable to any project.
- C. All bonds shall be procured from a surety company registered and licensed to do business in the State of Kansas and countersigned by its Kansas resident agent.

XVI. Program Income

- A. Program Income, as defined in the Final Statement, means gross income earned by the Grantee from activities supported by grants made by the Department under the provisions of the Federal Act, or as otherwise defined by the Department.
- B. All Program Income from a project funded by this Agreement may be retained by the Grantee (unless specified as a Special Condition to this agreement) and shall be added to funds committed to the support of the program established by this Agreement or for such eligible program activities as may be authorized by the Department. This income shall be disbursed to the maximum extent feasible prior to requisitioning additional funds under this agreement.

XVII. Program Close-out Procedures

- A. Program close-out is the process by which the Department determines that all applicable administrative and financial actions and all required work of the program including audit and resolution of audit findings have been completed or that there are no additional benefits likely to occur by continuation of program activities or costs. All findings from Department monitoring visits must be cleared prior to close-out.
- B. The Completion Date is the date specified in Section IV., Period of Performance, of this Agreement or amendment thereto, on which assistance ends for all program activities except those required to complete the close-out or the date on which the grant is suspended or terminated.
- C. The Grantee shall submit to the Department close-out documents covering the entire program within ninety (90) days of completion date. Additionally, one copy must be placed where other program documents are available for public review, and at least one copy must remain in the Grantee’s files. The Department may grant extensions to the time for submission of these documents when so requested by the Grantee in writing.
- D. The Department retains the right to recover any appropriate amount of unobligated program funds.
- E. The Grantee shall account for any property acquired with grant funds or received from the federal or state government in accordance with the Department’s property management procedures.

XVIII. Termination for Convenience

- A. The Department or Grantee may terminate the grant in whole, or in part, when both parties agree that the continuation of the program would not produce beneficial results commensurate with the further expenditure of funds.
- B. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated.
- C. The Grantee shall not incur new obligations for the terminated portion after the effective date and shall cancel as many outstanding obligations as possible. The Grantee shall be allowed full credit for noncancelable obligations, property incurred prior to termination.

XIX. Suspension or Termination-for-Cause

- A. The Department may suspend the grant, in whole or in part, at any time during the Grant Period, and upon reasonable notice to the Grantee withhold further payments or prohibit the Grantee from incurring additional obligations of grant funds when it is determined that the Grantee has failed to substantially comply with the conditions of this Agreement. This will be done pending corrective action by the Grantee or a decision by the Department to terminate the grant. The Department shall allow all necessary and proper costs which the Grantee could not reasonably avoid during the period of suspension.
- B. The Department, after reasonable notice following procedures pursuant to Final Statement may terminate the grant, in whole or in part, at any time during the Grant Period when it is determined that the Grantee has failed to substantially comply with the conditions of this Agreement. The Department shall promptly notify the Grantee in writing, of the determination and the reasons for the termination, together with the effective date and may initiate procedures to recapture all funds advanced to Grantee.
- C. Payments made to the Grantee or recoveries by the Department under grants which have been suspended or terminated for cause shall be in accord with the legal rights and liabilities of the parties.

XX. Audit Requirements

- A. The Grantee shall arrange for the performance of annual financial/compliance audits of the grant project. All audits must be performed by an independent qualified auditor. The audit period is identical with the Grantee's regular fiscal year. The audit(s) will be conducted in accordance with the requirements set forth in the audit section of the Kansas CDBG Handbook, which are based on 2 CFR Part 200.
 - 1. If the local government expends \$750,000 or more of Federal grant assistance from all programs, it must have an annual audit performed in accordance with 2 CFR Part 200. An audit is a financial and compliance audit that covers the entire operations of the local government, rather than being limited to the CDBG project or other Federal grants.
 - 2. If the local government expends less than \$750,000 in a fiscal year, it will be the option of the Department of Commerce to determine if a project specific audit will be required. If such audit is required, it will be procured and paid for by the Department.
 - 3. Grantee's will be required to submit the "audit information form" to the Department of Commerce each fiscal year. This form must be submitted to the Department by or before May 15th of each fiscal year.
- B. Grantees are required to submit one copy of a fiscal year audit report covering the program. The audit reports shall be sent within 30 days after the completion of the audit, but no later than the nine months after the end of the audit period unless agreed to by the Department.
- C. If any expenditures are disallowed as a result of the Final Audit Report, the obligation for reimbursement to the Kansas Small Cities Community Development Block Grant Program shall rest with the Grantee.

XXI. Retention of and Access to Records

- A. Financial records, supporting documents, statistical records, and all other records pertinent to this program shall be retained in accordance with the Department's Procedures.
- B. Authorized representatives of the Department, the Secretary of HUD, the Inspector General of the United States, or the U.S. General Accounting Office shall have access to all books, accounts, records, reports, files, papers, things, or property belonging to, or in use by, the Grantee pertaining to the administration of these grants and the receipt of assistance under the Small Cities CDBG program as may be necessary to make audits, examinations, excerpts, and transcripts for a period of three years after the entire State CDBG grant year you were awarded from has been closed out by HUD.
- C. Any contract or agreement entered into by the Grantee shall contain language comparable to subsection (B) so as to assure access by authorized parties to the pertinent records of any subgrantee, contractor, or subcontractor.

XXII. Conflict of Interest

- A. In the procurement of supplies, equipment, construction and services by Grantees and subgrantees, the conflict of interest provisions of the Kansas Department of Commerce as provided at 2 CFR Part 200 shall apply.
- B. No member of the Governing Body, officer or employee of the Grantee, or its designees or agents, or any other person who exercises any functions or responsibilities with respect to the program assisted by this Agreement during his tenure or for one year thereafter, shall have any direct interest in any contract or subcontract, or the proceeds thereof, for the work to be performed in connection with the program.
- C. The Grantee shall incorporate, or cause to be incorporated, in all third-party agreements, a provision prohibiting such interest pursuant to the purpose of this Section.
- D. The Grantee shall not employ, nor shall permit any third party to employ any employee of the Department.

XXIII. Equal Opportunity

In addition to all equal opportunity provisions and the Assurances incorporated by reference herein, the Grantee agrees to comply with all of the requirements of the Kansas Acts Against Discrimination relating to fair employment practices, to the extent applicable and shall cause the foregoing provisions to be inserted in all contracts with third parties for any work covered by this Agreement so that such provisions will be binding upon such third parties.

Grantee will conduct and administer the grant in conformity with Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq., as amended) and the Fair Housing Act (42 USC 3601-20) and will affirmatively further fair housing.

XXIV. Waiver of Enforcement

A waiver by the Department of the right to enforce any provision of this Agreement shall not be deemed a waiver of the right to enforce each and all of the provisions herein.

XXV. Reversion of Assets

- A. Consistent with the provisions at 24 CFR 570.703, the Grantee shall transfer any CDBG funds on hand at the time of expiration of the Agreement and any accounts receivable attributable to the use of CDBG funds to the Department.
- B. Any real property under the Grantee's control that was acquired or improved in whole or in part with CDBG funds in excess of \$25,000 shall be used for its original intended purpose for five years after expiration of the agreement. Should the Grantee fail to utilize said property for its intended purpose, the Grantee shall pay the Department an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property.

XXVI. Budget Amendments and Other Changes

- A. During the implementation of the grant project, the Grantee may revise the CDBG activities amounts in the CONTRACT PROJECT BUDGET FORM; provided that:
 - 1. The cumulative effect of the revision is to not make line item budget transfers which exceed ten percent of the total grant or \$10,000 cumulative of CDBG monies, whichever is less.
 - 2. The change does not increase any professional services of the CDBG approved budget;
 - 3. The change will not significantly change the scope, location or objectives of the approved activities; and
 - 4. The change does not add or eliminate any activity.
- B. Any such changes to this Agreement shall constitute an amendment, including time extension of the completion date.

C. The Grantee shall notify the Department if, through the use of other funds, there is an intention to expand, enhance or add to the scope of the program covered by the Agreement, or there is a proposal to undertake activities that will have an impact upon the buildings, areas or activities of this program. The Department reserves the right to require an amendment to this Agreement if such is deemed necessary.

D. Amendments to the terms and conditions of this Agreement shall not become effective unless reduced to writing, applicable standard forms submitted in duplicate, passed by Resolution of the governing body, and signed by the duly authorized representative of the Grantee, and signed by the Department.

E. **I hereby certify that I have knowledge of all activities in the above-referenced grant. I also certify that I am aware that the regulations of the CDBG program prevent the use of any facility built or rehabilitated with CDBG funds, or any portion thereof, to be used for the conduct of official business. By accepting the above-referenced grant award, I certify that no portion of the above grant award violates this regulation.**

Copies or originals of all CDBG recipient files and documentation must be maintained at the recipient's principal place of business.

We, the undersigned, have read and understood the above document and hereby agree to the terms and conditions contained herein.

Dated by the Department of Commerce this _____ day of _____, 20 _____.

STATE OF KANSAS
DEPARTMENT OF COMMERCE

By: _____
CDBG Program
Kansas Department of Commerce

By: _____
Notary Public, State of Kansas

City of Eudora, Kansas
(Grantee)

By: _____
(Name) (Title)

(SEAL)

ATTEST: _____
(For the Grantee)

SPECIAL CONDITIONS

In addition to the general terms and conditions of this Agreement, the Grantee and the Department hereby agree to the following Special Conditions:

1. As provided in Section IX., Program Costs, F., the Notification of Award for the grant under this Agreement is dated **July 28, 2020**.
2. As provided in Section XIII., Monitoring and Reporting, B., the Grantee shall submit Quarterly Progress Reports to the Department. The reporting periods consist of January/February/March, April/May/June, July/August/September and October/November/December. Quarterly Progress Reports are to be submitted to the Department on or before ten (10) days after the end of each quarter. A Quarterly Progress Report shall be submitted for each quarter, or portion thereof, during the Period of Performance as provided in Section IV. Any extension of time approved by the Department will require additional Quarterly Progress and Financial Reports to be submitted in accordance with the above-referenced schedule.
3. As provided in Section IV., Period of Performance, all activities assisted by this Agreement shall be completed on **September 14, 2022** except for those activities required to close out the program, such as the Final Program Report and the Final Audit Report.
4. As provided in Section XIII., Monitoring and Reporting, C., the Grantee shall submit a Final Program Report to the Department on or before **December 14, 2022**.
5. The Grantee shall not use funds that have been granted by HUD under the Federal Act, or which may have been accrued as a consequence of activities supported with such grant funds (program income), in whole or in part for the support of the Activities covered by this Grant Agreement without first having secured the express written approval of HUD.
6. The Grantee shall be permitted to satisfy the program audit requirements of Section XX., Audit Requirements, by conducting a single municipal government-wide financial audit at the time of an annual audit provided for by Kansas law. Said audit will be completed on or before September 30 of each year the grant is open and one year after the grant is closed. Grantees receiving federal assistance in any fiscal year must have an audit made in accordance with 2 CFR Part 200 for such fiscal year unless exempted under 2 CFR Part 200. Those Grantees having expended \$750,000 or more of total federal funds from all sources must have an annual audit.
7. Will require each unit of local government to be distributed Title I funds to adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations in accordance with Section 519 of Public Law 101-144, (the 1990 HUD Appropriations Act) and prohibiting the barring of entrance or exit to any facility or location which is the subject of such demonstration (Cranston-Gonzales National Affordable Housing Act).
8. In addition to the above certifications, the undersigned also makes the certification required which is attached regarding Lobbying.

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Date

Official

Grantees are required to keep records until three years after the entire CDBG grant year from HUD has been closed out.

**CITY OF CLAY CENTER
MATCHING FUNDS AGREEMENT**
(Downtown Commercial Rehabilitation)

This agreement made and entered into this 15TH day of September 2020, by and between the **City of Eudora**, Kansas, hereinafter referred to as "Grantee" and **GW Weld**, hereinafter referred to as "the property owner."

Whereas, the Grantee is entering into a Grant Agreement No. **20-CR-001** with the State of Kansas, Department of Commerce;

And, Whereas, the grant awarded under said agreement will facilitate the **rehabilitation of a building owned by GW Weld located at 714 Main Street, Eudora, Kansas.**

Now, therefore, in consideration of the mutual covenants herein contained, and in consideration of the execution of said Grant Agreement by the Grantee and completion of the project contemplated by the said Grant Agreement, it is understood and agreed by the parties as follows:

1. The Property owners recognize and acknowledge the terms of the Grant Agreement No. **20-CR-001**, is familiar with the terms thereof, and agrees to comply with the terms thereof.

2. The Property owner especially acknowledges the terms of the Grant Agreement in **Part V-B** thereof, which refers to the private match requirement in the Grant Agreement. **The total private match of \$87,400 will be provided by GW Weld for the purpose which the city applied to the Department of Commerce for Community Development Block Grant assistance.**

3. In the event that the property owners fail to provide the amount of matching funds set forth in Part V-B of the Grant Agreement, the Department reserves the right to reduce the amount of funds provided to the Grantee for the project by a proportionate amount or to terminate the project entirely.

4. This instrument embodies the whole agreement of the parties. There are no promises, terms, conditions, or obligations other than those contained herein.

In witness whereof, the parties have hereunto set their hands the day and year first above written.

The City of Eudora, Kansas

By: _____
Mayor

Attest:

Grantee Clerk

**CITY OF
MATCHING FUNDS AGREEMENT**

(Downtown Commercial Rehabilitation)

Page Two of two

Owner: GW Weld

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Repayment Agreement

THIS AGREEMENT made this **15th day of September 2020** by and between the **City of Eudora** (hereinafter the "CITY") and **GW Weld** (Hereinafter referred to as PROPERTY OWNER),

WHEREAS, the CITY is authorized to administer CDBG Commercial Rehabilitation grants utilizing dollars authorized and provided through the State of Kansas and the Department of Housing and Urban Development;

WHEREAS, the PROPERTY Owner has applied to the CITY for funding through the CDBG grant program;

WHEREAS, the CITY has determined that the PROPERTY Owner is qualified for receipt of a Commercial Rehabilitation grant in accordance with all program rules;

WHEREAS, the CITY has the responsibility as the disbursing agent for the proper expenditure of certain federal dollars;

WHEREAS, the PROPERTY Owner desire that the CITY disburse CDBG grant dollars in accordance with the grant application; and

WHEREAS, the CITY has disbursed **\$250,000** in CDBG Commercial Rehabilitation grant dollars on behalf of the PROPERTY Owner;

NOW THEREFORE the parties do mutually agree as follows:

1. The property is located at **714 Main Street, Eudora, Kansas**.
2. The PROPERTY OWNER shall commence business operations in the renovated building within one year of the date of issuance of the Certificate of Completion.
3. The PROPERTY OWNER shall continue to own and maintain insurance on the structure rehabilitated with CDBG funds for a period of three (3) years after the date of issuance of the Certificate of Completion.
3. The PROPERTY OWNER (s), shall hold title to the property for a period of three years after the date of issuance of the Certificate of Completion (the Retention Period). In the event the PROPERTY OWNER (s) sells the property within the three years of the date of issuance of the Certificate of Completion the PROPERTY Owner shall repay the CITY, a sum of money to be calculated on a monthly prorated basis based on the three-year Retention Period.

4. The PROPERTY Owner further agrees that if the structure is totally destroyed by fire, natural disaster, public condemnation or through other causes within three (3) years after the date of issuance of the Certificate of Completion, the PROPERTY Owner shall repay to the CITY, out of any insurance proceeds or other compensation received, a sum of money to be computed according to the schedule set forth above; provided, however, if the PROPERTY Owner received insurance proceeds or other compensation in an amount less than the fair market value of the structure after CDBG funded improvements, then the amount to be repaid shall be limited to the total insurance proceeds or other compensation received which is in excess of the fair market value of the structure prior to the CDBG funded improvements.
5. In the event the PROPERTY Owner retain the real property for the full three (3) year Retention Period, this agreement shall expire and become null and void.
7. If, as a part of the wider project, the PROPERTY OWNER must undertake additional renovations above and beyond that of the Commercial Rehabilitation scope of work as described in the Grant Agreement, the PROPERTY OWNER must begin work on the additional renovations immediately after the date of issuance of the Certificate of Completion.
8. If the PROPERTY OWNER must undertake additional renovations under Section 7, failure to complete work on the additional renovations and commence business operations within one year of the date of issuance of the Certificate of Completion will result in the PROPERTY OWNER being required to pay back all Grant Funds to the **City of Eudora**. The **City of Eudora** will forward the funds received from the PROPERTY OWNER for repatriation to the Kansas Department of Commerce.
9. The CITY and PROPERTY Owner agree and acknowledge this agreement will be filed as a public record with the Register of Deeds in the County where the real property is located and is intended to provide full public notice of the existence of this security instrument.

IN WITNESS WHEREOF, the parties have hereunto set their hands.

City of Eudora

By: _____

Date: _____

SUBSCRIBED AND SWORN TO before me this _____ day of _____, _____.

Notary Public: _____

My appointment expires: _____

PROPERTY Owner(S)

Signed:

Date: _____

Signed:

Date: _____

Signed:

Date: _____

SUBSCRIBED AND SWORN TO before me this _____ day of _____, _____.

Notary Public: _____

My appointment expires: _____

GRANTEE NAME: City of Eudora

GRANT NUMBER: 20-CR-001

ACTIVITY	CDBG FUNDS	OTHER FUNDS	SOURCE OF OTHER FUNDS	TOTAL COST
1. Administration		\$ 17,000.00	Owner Funds	\$ 17,000.00
2. Planning/Design		\$ 25,000.00	Owner Funds	\$ 25,000.00
3. Inspection		\$ 18,750.00		\$ 18,750.00
4. Property Acquisition				\$ -
5. Building Rehabilitation	\$ 250,000.00	\$ 26,650.00	Owner Funds	\$ 276,650.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
6. Historic Preservation				\$ -
a. Foundation				\$ -
b. Roof				\$ -
c. Exterior Walls				\$ -
d. Plumbing				\$ -
e. Electrical				\$ -
f. Asbestos				\$ -
g. Other Environmental Hazards				\$ -
h. Interior Restoration				\$ -
				\$ -
7. Architectural Barrier Removal				\$ -
				\$ -
	\$ 250,000.00	\$ 87,400.00		\$ 337,400.00