

RESOLUTION NO. 102

WHEREAS, the City of Columbus, Kansas (the "City"), has by appropriate proceedings, and in particular Ordinance No. 845 passed and approved by the Governing Body of the City on the 18th day of May, 1987, designated certain streets of the City as main trafficways (the "Trafficways") under the authority of K.S.A. 12-685 et seq., as amended; and

WHEREAS, the City Engineer has determined the Trafficways are in need of repair, resurfacing and all things necessary and incidental thereto to improve the same (the "Improvements"); and

WHEREAS, the City Engineer of the City has estimated the cost of the Improvements to be \$220,000; and

WHEREAS, the City has no funds to finance the costs incurred by the City in making the Improvements until Bonds are issued by the City for such purposes; and

WHEREAS, under the statutory authority of K.S.A. 10-123 proper and full authority is conferred upon the City to issue its temporary notes to finance on an interim basis the cost of making the Improvements until Bonds are issued by the City to permanently finance the cost of the Improvements.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF COLUMBUS, KANSAS that the Improvements hereinbefore described are hereby authorized and ordered to be done in accordance with the plans and specifications for such improvements as heretofore approved by the governing body of the City.

BE IT FURTHER RESOLVED that for the purpose of providing funds to pay the cost of making the Improvements until Bonds can be issued therefor, the governing body of the City be, and it is hereby, authorized to issue its Temporary Notes No. R-1 through R-6, Series 1987 (Trafficway Improvements) (the "Notes") in the aggregate principal amount of Two Hundred Twenty Thousand Dollars (\$220,000), said Notes being dated July 1, 1987, bearing interest at the rate of six and one half percent (6½%) per annum and maturing on or before June 30, 1990, being redeemable and cancelable at the time Bonds are issued in lieu thereof. The Notes, numbers R-1 through R-5, inclusive, shall each be in the denomination of Forty Thousand Dollars (\$40,000), for a total of Two Hundred Thousand Dollars, and Note number R-6 shall be in the denomination of Twenty Thousand Dollars (\$20,000). Interest on the Notes shall be payable in lawful money of the United States of America semiannually on January 1 and July 1 of each year commencing January 1, 1988, until the principal of the Notes has been paid, by check or draft of the City to the registered owners of the Notes appearing on the books maintained by the City as of the preceding June 15 and December 15. The principal amount of the Notes shall not exceed the lesser of the amount of Bonds to be issued to permanently finance the costs of making the Improvements or the estimate of the cost of making the Improvements as prepared by the project engineer and approved by the governing body of the City.

BE IT FURTHER RESOLVED that the City may, subject to the requirements of applicable law, call the Notes at any time before

the maturity thereof by serving written notice of such call to the registered owner thereof at least thirty (30) days before the date of such redemption and payment and it may so redeem such Notes upon payment to the registered owner thereof of the principal of and interest on, without premium, the Notes. No further interest shall accrue on the Notes so redeemed and paid subsequent to the date of such redemption and payment.

BE IT FURTHER RESOLVED that the Notes shall contain recitals and be in the form as prescribed by law.

BE IT FURTHER RESOLVED that the Notes shall be signed by the manual signature of the Mayor and attested by the manual signature of the City Clerk, under the corporate seal of the City and registered in the offices of the City Clerk of the City and the Treasurer of the State of Kansas in the City of Topeka, Kansas.

BE IT FURTHER RESOLVED that the City covenants and agrees that no part of the proceeds of the Notes or other proceeds shall be used, at any time, directly or indirectly in a manner which if such use had been reasonably anticipated on the date of the issuance of the Notes would have caused the Notes to be or become an "Arbitrage Bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the Regulations of the Treasury Department thereunder proposed or in effect at the time of such use applicable to obligations issued on the date of issuance of the Notes.

BE IT FURTHER RESOLVED that this Resolution shall take effect and be in force from and after its passage and approval.

July 6, 1987
page 7

IT IS SO RESOLVED.

PASSED and Approved this 6th day of July, 1987.

(SEAL)

Robert D. Heron
Mayor of the City of Columbus,
Cherokee County, Kansas

ATTEST:

Gail A. Souser
City Clerk