

**RESOLUTION NO. 13-04**

**A RESOLUTION PROVIDING FOR THE ADOPTION OF TAX AND SECURITIES COMPLIANCE PROCEDURES RELATING TO OBLIGATIONS ISSUED AND TO BE ISSUED BY the CITY OF HIGHLAND, KANSAS.**

**WHEREAS**, the City of Highland, Kansas (the "Issuer") is a city of the third class, duly created, organized and existing under the Constitution and laws of the State of Kansas (the "State"); and

**WHEREAS**, the Issuer is authorized, pursuant to the Constitution and statutes of the State to issue bonds, notes, leases, certificates and other instruments that evidence indebtedness (collectively, the "Obligations") to finance certain improvements, projects and programs of the Issuer (collectively, the "Project Facilities") and on behalf of certain non-governmental private businesses ("Conduit Borrowers"); and

**WHEREAS**, the Issuer has heretofore issued certain Obligations and anticipates future issuances of additional Obligations by the Issuer or another governmental entity on behalf of the Issuer, the interest on which is intended to be excluded from gross income for federal income tax purposes or which is subsidized by the federal government (*e.g.* build America bonds) (the "Tax-Advantaged Obligations"); and

**WHEREAS**, the Internal Revenue Code of 1986, as amended and regulations promulgated thereunder (collectively, the "Code"), impose ongoing requirements related to the investment, use and expenditure of proceeds of Tax-Advantaged Obligations and related funds and restrictions on use of the Project Facilities financed by such Tax-Advantaged Obligations [and separate restrictions on facilities financed on behalf of Conduit Borrowers by such Tax-Advantaged Obligations]; and

**WHEREAS**, pursuant to rules promulgated by the Securities and Exchange Commission (the "SEC"), the Issuer has entered into or anticipates entering into continuing disclosure undertakings to provide for the submission of annual reports and notices of certain material events relating to the Tax-Advantaged Obligations for Project Facilities; and

**WHEREAS**, the Issuer and Conduit Borrowers have entered into or anticipates entering into continuing disclosure undertakings to provide for the submission of annual reports and notices of certain material events relating to the Tax-Advantaged Obligations for facilities financed on behalf of Conduit Borrowers; and

**WHEREAS**, in certain situations, another governmental entity, such as a public building commission, may issue Tax-Advantaged Obligations on behalf of the Issuer and the Issuer is charged with the responsibility of maintaining compliance with provisions of the Code and regulations of the SEC; and

**WHEREAS**, the Issuer is committed to full compliance with all such requirements with respect to the Tax-Advantaged Obligations.

**THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HIGHLAND, KANSAS:**

**Section 1. Compliance Procedures.** In order to comply with the requirements of the Code and directives of the Internal Revenue Service and SEC and to improve tax compliance and documentation, the governing body of the Issuer hereby adopts the Tax and Securities Compliance Procedures, dated as March 18, 2013 (the "Compliance Procedures").

**Section 2. Permanent Record.** A copy of the Compliance Procedures shall be placed in the permanent records of the Issuer and shall be available for public inspection during regular business hours of the Issuer.

**Section 3. Effective Date.** This Resolution shall take effect and be in full force from and after its adoption by the governing body of the Issuer.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

**ADOPTED AND APPROVED** by the governing body of the City of Highland, Kansas, on March 12, 2013.

(Seal)

  
\_\_\_\_\_  
Mayor

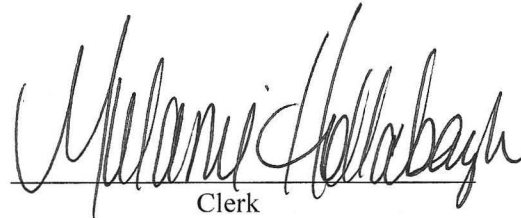
ATTEST:

  
\_\_\_\_\_  
Clerk

**CERTIFICATE**

I hereby certify that the above and foregoing is a true and correct copy of Resolution No. 13-04 of the City of Highland, Kansas adopted by the governing body on March 12, 2013 as the same appears of record in my office.

DATED: March 12, 2013.

  
\_\_\_\_\_  
Clerk