

Council Member TJ Duncan introduced the following Resolution and moved its adoption. Council Member Allan Adelman seconded the motion to adopt. The roll was called and the vote was:

AYES: TJ Duncan  
Ken Collins Allan Adelman (3)

NAYS: 0

Whereupon the Mayor declared the following Resolution duly adopted:

RESOLUTION NO. 2026-08

**A RESOLUTION AUTHORIZING THE PURCHASE OF NATURAL GAS FROM PEFA, INC.; APPROVING THE EXECUTION AND DELIVERY OF A GAS SUPPLY AGREEMENT AND OTHER DOCUMENTS RELATING TO SAID PURCHASE; APPROVING THE ISSUANCE OF BONDS BY PEFA, INC.; AND ADDRESSING RELATED MATTERS**

WHEREAS, the gas utility of the City of Mulberry, State of Kansas (the "*Gas Purchaser*") is desirous of proceeding with a gas purchase transaction as further described herein; and

WHEREAS, PEFA, Inc. is a non-profit corporation duly organized and existing under the laws of the State of Iowa and, in particular, Iowa Code Chapter 504, as amended from time to time ("*PEFA, Inc.*"); and

WHEREAS, PEFA, Inc. has acquired long-term natural gas supplies from Aron Gas Prepay 1, LLC ("*Prepay Supplier*"), pursuant to a Prepaid Natural Gas Sales Agreement (the "*Prepaid Agreement*"), dated as of May 22, 2019, for resale to certain public gas distribution systems that elected to contract with PEFA, Inc. (each a "*Project Participant*", and collectively the "*Project Participants*") for a portion of the gas purchased by PEFA, Inc. from Prepay Supplier (the "*Prepaid Project*"); and

WHEREAS, in order to fund the prepayment of gas supplies in connection with the Prepaid Project, PEFA, Inc. has issued its Gas Project Revenue Bonds, Series 2019 (the "*Series 2019 Bonds*"); and

WHEREAS, the Prepaid Project provides for the periodic re-calculation of the economics and restructuring of the transaction for Reset Periods following an initial discount period; and

WHEREAS, the initial discount period expires on July 31, 2026 and PEFA, Inc. is in discussions with Prepay Supplier regarding the optimal approach to structuring the refunding of the Series 2019 Bonds and is considering different options for the Reset Period including the addition of new Project Participants, to be effective as of the refunding of the Series 2019 Bonds; and

WHEREAS, Gas Purchaser is a public body and political subdivision organized and existing under and by virtue of the constitution and laws of the State of Kansas, acting by and through its City Council of the City of Mulberry, State of Kansas for and on behalf of its municipal gas utility; and

WHEREAS, Gas Purchaser was not an original Project Participant in the Prepaid Project, but has determined that it is in the best interest of its customers to purchase a portion of Gas Purchaser's natural gas requirements from PEFA, Inc. as a Project Participant in the Prepaid Project and enter into a Gas Supply Agreement with PEFA, Inc. (the "*Gas Supply Agreement*"), the form of which is attached to this Resolution; and

WHEREAS, under the Gas Supply Agreement, Gas Purchaser will agree to purchase from PEFA, Inc. the amounts of gas specified in the Gas Supply Agreement, at the prices specified in the Gas Supply Agreement, for a term specified in the Gas Supply Agreement; and

WHEREAS, for the purpose of providing funds to refund the Series 2019 Bonds, purchase gas additional supplies for resale to the Project Participants, and to finance other costs of the Prepaid Project, it will be necessary for PEFA, Inc. to issue and sell its Gas Project Revenue Refunding Bonds, Series 2026 or such other series of bonds used to fund the acquisition of gas supplies for the Subsequent Prepaid Project (the "*Series 2026 Bonds*") and pledge to the payment of principal and interest on the Series 2026 Bonds certain assets and revenues of PEFA, Inc., including the Gas Supply Agreement between PEFA, Inc. and Gas Purchaser, and certain amounts payable by Gas Purchaser thereunder; and

WHEREAS, Gas Purchaser shall have no financial liability with respect to the Series 2026 Bonds, and Gas Purchaser's only obligations relating to the Prepaid Project herein shall be as set forth in the Gas Supply Agreement; and

WHEREAS, in order to authorize the purchase of natural gas from PEFA, Inc. and the execution of the Gas Supply Agreement, to consent to the pledge of the Gas Supply Agreement to secure the Series 2026 Bonds, to authorize the sale of the gas purchased from PEFA, Inc., and to authorize and take such other necessary and appropriate action in furtherance of the Prepaid Project, Gas Purchaser adopts this Resolution.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council, the governing body of the gas utility of the City of Mulberry, State of Kansas (the "*Governing Body*"), as follows:

SECTION 1: Gas Purchaser is authorized to enter into a Gas Supply Agreement with PEFA, Inc., pursuant to which Gas Purchaser will purchase natural gas from PEFA, Inc. as provided in the Gas Supply Agreement. The Gas Supply Agreement shall (a) have a term of not greater than 366 months, (b) provide for the purchase by Gas Purchaser of not more than 500 MMBtu per day, and (c) provide for a projected minimum savings (prior to payment of the project administration fee as set forth in the Gas Supply Agreement) through monthly and annual discounts of not less than 24 cents per MMBtu to Gas Purchaser for the Current Rate Period (as defined in the Gas Supply Agreement) and not less than 24 cents per MMBtu in any Reset Period, unless Gas Purchaser elects to purchase gas at a lesser discount during any reset period, as set forth in the Gas Supply Agreement. Gas Purchaser's obligation to make payments under the Gas Supply Agreement shall be an operating expense of its municipal gas utility, and is payable solely from the revenues of its gas system and other monies legally available, and is not a general obligation of the City or a debt or charge against the City within the meaning of any constitutional or statutory debt limit provision.

SECTION 2: The Gas Supply Agreement shall be in substantially the form submitted and attached hereto as Exhibit A, which such form is hereby approved, with such completions, deletions, insertions, revisions, and other changes as may be approved by the officers executing same with the advice of counsel, their execution to constitute conclusive evidence of their approval of any such changes.

SECTION 3: The gas purchased by Gas Purchaser from PEFA, Inc. shall be resold by Gas Purchaser to its retail customers in its service area, pursuant to published tariffs or pursuant to qualified requirements contracts approved by special tax counsel to PEFA, Inc.

SECTION 4: The Mayor or their designee (the "*Authorized Officer*"), is hereby authorized to execute and deliver the Gas Supply Agreement, and the City Clerk or any other official (the "*Attesting Officer*"), is hereby authorized to attest the Gas Supply Agreement.

SECTION 5: The officers, employees, and agents of Gas Purchaser (including, without limitation, Utility Gas Management) are hereby authorized and directed to take such actions and do all things necessary to cause the purchase of said gas to take place, including the payment of all amounts required to be paid in order to purchase the gas in accordance with the Gas Supply Agreement.

SECTION 6: The Governing Body approves the Prepaid Project undertaken by PEFA, Inc. and the portion of the Series 2026 Bonds issued by PEFA, Inc. on behalf of the Gas Purchaser, and consents to the pledge of all of PEFA, Inc.'s right, title and interest under the Gas Supply Agreement, including the right to receive performance by Gas Purchaser of its obligations thereunder, to secure the payment of principal of and interest on the Series 2026 Bonds.

SECTION 7: The officers and employees of Gas Purchaser, as well as any other agent or representative of Gas Purchaser (including, without limitation, Utility Gas Management),

are hereby authorized and directed to cooperate with and provide PEFA, Inc., the underwriters of the Series 2026 Bonds, and their agents and representatives with such information relating to Gas Purchaser as is necessary for use in the preparation and distribution of a preliminary official statement or other disclosure document used in connection with the sale of the Series 2026 Bonds. After the Series 2026 Bonds have been sold, any officer or employee of Gas Purchaser, or any agent or representative designated by Gas Purchaser, shall make such completions, deletions, insertions, revisions, and other changes in the preliminary official statement relating to Gas Purchaser not inconsistent with this Resolution as are necessary or desirable to complete it as a final official statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The Governing Body hereby covenants and agrees that Gas Purchaser will cooperate with PEFA, Inc. in the discharge of PEFA, Inc.'s obligations to provide annual financial and operating information and notification as to material events with respect to Gas Purchaser as may be required by the Rule. Any officer or any employee of Gas Purchaser, or such other agent or representative of Gas Purchaser as shall be appropriate (including, without limitation, Utility Gas Management), is hereby authorized and directed to provide such information as shall be required for such compliance, and such officer or employee may execute a continuing disclosure agreement with respect to the provision of such information if requested to do so by the underwriters of the Series 2026 Bonds.

SECTION 8: The Series 2026 Bonds are not obligations of Gas Purchaser but are special limited obligations of PEFA, Inc. payable solely from the revenues and receipts pledged by PEFA, Inc. under the Indenture, including the revenues and receipts arising from the sale of gas to Project Participants. By consenting to the pledge of the Gas Supply Agreement and agreeing to provide information for inclusion in the official statement, Gas Purchaser is not incurring any financial liability with respect to the Series 2026 Bonds. The principal, redemption price and purchase price (to the extent payable by PEFA, Inc. upon tender for purchase in accordance with the provisions of the financing documents authorizing issuance of the Series 2026 Bonds, or any loan agreement, trust agreement or other agreements of PEFA, Inc. required thereby (the "*Financing Documents*")) of the Series 2026 Bonds and the interest thereon, shall be payable solely from, and secured solely by, the revenues, funds and other assets of PEFA, Inc. pledged therefor under the applicable Financing Documents and shall not constitute a special or general obligation of the City, or a charge against the general credit or other funds of the City. The Series 2026 Bonds shall not be secured by a legal or equitable pledge of, or lien or charge upon or security interest in, any property of the City or any of its income or receipts. Neither the faith and credit nor the taxing power of the State of Kansas (the "*State*") or the City or any other public agency shall be pledged to the payment of the principal, redemption price or purchase price of, or the interest on, the Series 2026 Bonds. The issuance by PEFA, Inc. of the Series 2026 Bonds shall not directly, indirectly or contingently obligate the State, or the City or any other public agency, to levy or pledge any form of taxation or to make any appropriation for the payment of the Series 2026 Bonds. The payment of the principal, redemption price or purchase price of, or interest on, the Series 2026 Bonds shall not constitute a debt, liability or obligation of the State, the City, or any other public agency.

SECTION 9: All acts and doings of the officers and employees of Gas Purchaser or any other agent or representative of Gas Purchaser which are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and delivery of and performance under the Gas Supply Agreement, and in furtherance of the issuance and sale of the Series 2026 Bonds, shall be and the same hereby are in all respects approved and confirmed, including without limitation the execution and delivery by the officers of Gas Purchaser of all certificates and documents as they shall deem necessary in connection with the Gas Supply Agreement and the Series 2026 Bonds.

SECTION 10. The Governing Body understands and agrees that Ahlers & Cooney, P.C, represents the Agency and PEFA, Inc., in connection with the Agency Agreement, the Gas Supply Agreement, the Series 2026 Bonds, and associated documents and transactions, and, hereby consents to such representation and to the extent such representation might be an actual, potential, or perceived conflict of interest, the Governing Body waives any such conflict and consents to said representation.

SECTION 11: If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.


SECTION 12: All other resolutions or orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption.

SECTION 13: This Resolution shall take effect immediately upon its adoption.

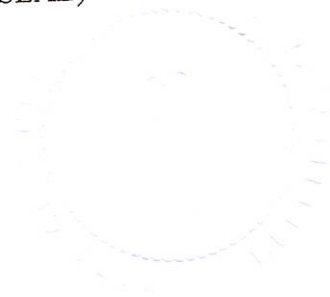
PASSED AND APPROVED this 10<sup>th</sup> day of March, 2026.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

(SEAL)



March 10<sup>th</sup>, 2026

The City Council, the governing body of the gas utility of the City of Mulberry, State of Kansas, met in Regular session, in the City Hall, at 6:30 P.M., on the above date. There were present Mayor, Randy Jones, in the chair, and the following named Council Members:

TS Duncan

Ken Collins

Allan Adelman

Absent: Debra Rice

\*\*\*\*\*

**CERTIFICATE**

STATE OF KANSAS

)  
) SS

COUNTY OF CRAWFORD

)  
)

I, the undersigned City Clerk of the Governing Body of the gas utility of the City of Mulberry, State of Kansas, do hereby certify that attached is a true and complete copy of the portion of the corporate records of the Governing Body showing proceedings of the Governing Body, and the same is a true and complete copy of the action taken by the Governing Body with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Governing Body and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Governing Body (a copy of the face sheet of the agenda being attached hereto) pursuant to the local rules of the Governing Body and the any state laws applicable to public meetings, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective offices as indicated therein, that no Governing Body vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the City hereto affixed this 10<sup>th</sup> day of March, 2026.

*City Tucker*

\_\_\_\_\_  
City Clerk, the governing body of the gas utility  
of the City of Mulberry, State of Kansas

(SEAL)

