

REGISTERED
NUMBER 1

REGISTERED
\$40,000

UNITED STATES OF AMERICA
STATE OF KANSAS
CITY OF ST. GEORGE, KANSAS
TEMPORARY RENEWAL NOTES
SERIES 2018-1

Interest
Rate: 2.90%

Maturity
Date: April 15, 2019

Dated
Date: April 15, 2018

CUSIP: N/A

REGISTERED OWNER: BANK OF THE FLINT HILLS, 806 W. 5TH STREET, WAMEGO, KANSAS 66547 - Fed Tax ID #48-0464795

PRINCIPAL AMOUNT: FORTY THOUSAND AND NO/100'S DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS: That City of St. George, Kansas, state of Kansas (the "City"), for value received, acknowledges itself to be indebted and promises to pay to the registered owner identified above, or registered assigns, as of the Record Dates as provided on the Maturity Date identified above, the Principal Amount identified above, and in like manner to pay interest on such Principal Amount from this date at the rate of interest per annum set forth above (computed on the basis of a 360-day year of twelve 30-day months), on the Maturity Date unless this Note shall have been previously called for redemption and payment as hereinafter set forth

The principal of, premium, if any, and interest on this Note shall be payable in lawful money of the United States of America by check or draft of the Treasurer of the City of St. George, Kansas (the "Paying Agent" and "Note Registrar") The principal of and any premium on this Note shall be payable to the Owner hereof upon presentation of this Note at the maturity or redemption date to the Paying Agent for payment and cancellation. The interest payable on this Note shall be paid by check or draft mailed by the Paying Agent to the Owner hereof at the address appearing on the registration books of the City maintained by the Note Registrar or at such other address provided in writing by the Owner to the Note Registrar at the close of business on the fifteenth (15th) day of the month preceding the Interest Payment Date (the "Record Dates") The principal, premium, if any, and interest on the Notes shall be payable in any coin or currency which, on the respective dates of payment, is legal tender for the payment of debts due the United States of America. The Notes constitute a general obligation of the City payable as to both principal and interest from general obligation bonds of the City and from current revenues of the City authorized for such purpose, from special assessments levied upon the property benefited by the construction of certain Improvements as said term is defined in the Resolution of the City authorizing the Notes (the "Resolution"), or from each. If not so paid, the principal of and interest on the Notes shall be payable 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 City. The full faith, credit and resources of the City are 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.

IT IS 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 City, including this series of Note, does not exceed any constitutional or statutory limitation.

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

IN WITNESS WHEREOF, the City 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 City Clerk, and its corporate seal to be affixed to or imprinted hereon, and this Note to be dated the Dated Date shown above.



(SEAL)

ATTEST:

By Jin Gilbert

CITY OF ST. GEORGE, KANSAS, KANSAS

Christopher Adams
Mayor

This Note shall not be negotiable unless and until countersigned below by the City Clerk following registration by the Treasurer of the state of Kansas.



(SEAL)

Jin Gilbert
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is one of a series of Temporary Notes, Series 2018-1, of City of St. George, Kansas, described in the within-mentioned Resolutions

Registration Date: April 15, 2018

Office of the Treasurer of City of St. George, Kansas
St. George, Kansas
as Note Registrar and Paying Agent

By _____

State Treasurer's Registration No. 9862-075-041518-331

**\$40,000
NOTE NO. 1**

**CITY OF ST. GEORGE, KANSAS
TEMPORARY RENEWAL NOTES
SERIES 2018-1**

NOTE PURCHASE AGREEMENT

SECTION 1. PURCHASE, SALE AND DELIVERY OF THE NOTES.

On the basis of the representations, warranties and covenants and upon the terms and conditions contained in this Note Purchase Agreement, Bank of the Flint Hills, Wamego, Kansas (the "Purchaser"), hereby agrees to purchase \$40,000 Temporary Renewal Notes, Series 2018-1, dated April 15, 2018, (the "Notes"), to be issued by City of St. George, Kansas (the "Issuer"), under and pursuant to Resolution No. 2018-02 adopted by the governing body of the Issuer on March 13, 2018 (the "Resolution"). The Issuer agrees to sell and deliver to the Purchaser the Notes on a date and approximate time as shall be mutually agreed upon between the Issuer and the Purchaser (the "Closing Date"). The Purchaser shall purchase the Notes at a purchase price equal to 100% of the principal amount thereof, plus accrued interest from the dated date of the Notes to the Closing Date. Payment for the Notes shall be made in immediately available federal funds to the order of a financial institution designated by and for the Issuer's account. The delivery of the Notes shall be made in definitive form as described, provided and authorized in the Resolution.

The Notes shall be issued under and secured as provided in the Resolution. The Notes shall be dated as of April 15, 2018, shall mature on April 15, 2019, and shall bear interest at a rate of **2.90%** computed on the basis of a 360-day year of twelve 30-day months. The Notes shall be subject to optional redemption at par plus accrued interest to the Redemption Date as provided in the Resolution.

All capitalized terms not specifically defined herein shall have the same meaning as defined in the Resolution.

SECTION 2. REPRESENTATIONS, WARRANTIES AND AGREEMENTS.

By the Issuer's acceptance hereof, the Issuer hereby represents and warrants to, and agrees with, the Purchaser that:

- (a) The Issuer is a municipal corporation duly created, organized and existing under the laws of the State of Kansas. The Issuer is authorized pursuant to the Constitution and laws of the State of Kansas to issue the Notes for the purposes set forth in the Resolution.
- (b) The Issuer has complied with all provisions of the Constitution and laws of the State of Kansas and has full power and authority to consummate all transactions contemplated by this Note Purchase Agreement, the Notes, the Resolution, and any and all other agreements relating thereto.
- (c) The Issuer has or will prior to Closing Date, duly authorize all necessary action to be taken by the Issuer for (i) the issuance, sale and delivery of the Notes upon the terms set forth herein and in the Resolution, (ii) the deposit of funds if any required pursuant to the Resolution (iii) the execution, delivery, receipt and due performance of this Note Purchase Agreement, the Note No. 1, and any and all such other agreements and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Resolution; and (iv) the carrying out, giving effect to and consummation of the actions contemplated by this Note Purchase Agreement and the Notes. Executed counterparts of the Resolution will be delivered

contemplated thereby and the Issuer's compliance with the provisions thereof will not conflict with or constitute on its part a breach of or a default under any existing law, court or administrative regulations, decree or order or any agreement, indenture, mortgage, lease or other instrument to which it is subject or by which it is or may be bound; and

- (iv) Such additional certificates and other documents as the Purchaser may reasonably request to evidence performance or compliance with the provisions hereof and the transactions contemplated hereby, all such certificates and other documents to be satisfactory in form and substance to the Purchaser.

SECTION 4. THE PURCHASER'S RIGHT TO CANCEL.

The Purchaser shall have the right to cancel the obligation to purchase the Notes hereunder by notifying the Issuer in writing of its election to make such cancellation between the date hereof and the Closing Date, if at any time hereafter and prior to the Closing Date:

- (a) Any legislation, resolution, rule or regulation shall be introduced in or be enacted by the Issuer, the State of Kansas or by any other governmental body, department or agency effecting the Issuer or a decision by any court of competent jurisdiction shall be rendered which, in the Purchaser's opinion, materially adversely affects the market price of the Notes or litigation challenging the Act under which the Notes is to be issued or otherwise, in the opinion of the Purchaser, affecting the issuance of the Notes shall be filed in any federal court or in any court of competent jurisdiction in the State of Kansas;
- (b) A stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or any other Federal governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Notes or the issuance, offering or sale of the Notes including all underlying obligations, as contemplated hereby, is in violation or would be in violation of any provision of the federal securities laws, the Securities Act of 1933, as amended and as then in effect, or the qualification provisions of the Trust Indenture Act of 1939, as amended and as then in effect;
- (c) Legislation shall be enacted by the Congress of the United States of America or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Notes including all the underlying obligations, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect;
- (d) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;
- (e) The New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Notes or obligations of the general character of the Notes any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Purchaser, a general banking moratorium shall have been established by Federal, New York, or Kansas authorities;
- (g) A war involving the United States shall have been declared by the United States Congress, or any other national emergency relating to the effective operation of the Federal government or the national financial community shall have occurred, which, in Purchaser's opinion, materially adversely affects the market price of the Notes; or

Dated this 13th day of March, 2018.

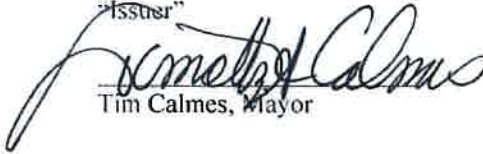
Bank of the Flint Hills
Wamego, Kansas
"Purchaser"

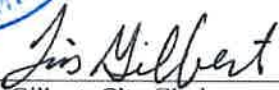

Dennis Hadley, Senior Vice President and Chief Loan officer

Approved and Accepted:



City of St. George, Kansas
"Issuer"


Tim Calmes, Mayor


Iris Gilbert, City Clerk

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RESOLUTION NO. 2018-02

A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF \$40,000 PRINCIPAL AMOUNT OF TEMPORARY RENEWAL NOTES, SERIES 2018-1, OF THE CITY OF ST. GEORGE, 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 St. George, Kansas (the "City"), is a municipal corporation of the State of Kansas, duly created, organized and existing under the Constitution and laws of the State.

WHEREAS, the Governing Body of the City hereby finds and determines that it is necessary for the City to authorize the issuance, sale and delivery of the City's temporary renewal notes pursuant to the Act as herein defined in the principal amount of \$40,000 to pay a portion of the costs of the Improvements.

WHEREAS, the City has outstanding the Series 2017-1 Notes, but no general obligation bonds or other temporary notes the proceeds from which can or have been used for the additional costs of the Improvements; and

WHEREAS, it is necessary for the City to provide cash funds (from time to time) to meet its obligations incurred in continuing the construction of the Amended Street Improvements prior to the completion thereof and the issuance of the City's general obligation bonds, and it is desirable and in the best interest of the City that such funds be raised by the issuance of temporary notes of the City pursuant to the Act (hereinafter defined); and

WHEREAS, the City desires to issue its Temporary Renewal Notes, Series 2018-1, pursuant to the Act, in the principal amount of \$40,000, to pay the costs of the Improvements.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF ST. GEORGE, 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 to 10-125, inclusive, specifically including K.S.A. 10-123; K.S.A. 10-620 *et seq.*; and K.S.A. 12-6a01 *et seq.*, and all as may be amended and supplemented from time to time.

"Authorized Costs" means the amount of expenditure for the Improvements 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 renewal notes or general obligation bonds of the Issuer which are currently Outstanding and available to pay such Authorized Costs; and (b) any amount of Authorized 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.

"Authorized Denomination" means one note which shall be in the principle amount of \$40,000.

(b) the 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) the obligations are rated in the highest rating category by Moody's (presently "Aaa") or Standard & Poor's (presently "AAA").

"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.

"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; or

(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.

"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.

"Improvements" means certain amended street improvements including the Authorized Costs therefor in and for twenty-one (21) lots lying within the Riverview Hills, Unit Three, Addition to the City, all of which improvements are described and authorized in the City's Resolution No. 2015-03 dated July 30, 2015 and published in the official newspaper of the City on August 6, 2015, and Resolution No. 2016-01 published in the official newspaper of the City on February 18, 2016, and any Substitute Improvements.

"Improvement Fund" means the fund by that name created in the Note Resolution, **Section 501**.

“Notice Representative” means:

- (a) With respect to the Issuer, the City Clerk;
- (b) With respect to the Note Registrar and Paying Agent, the Treasurer; and
- (c) With respect to Purchaser, the Senior Vice President and Chief Lending Officer.

“Notes” means the Temporary Renewal Notes, Series 2018-1, in the principal amount of \$40,000 dated April 15, 2018, authorized and issued by the Issuer pursuant to this Note Resolution.

“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 cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Notes deemed to be paid in accordance with the provisions of **Section 701** 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.

“Paying Agent” means the City Treasurer, St. George, Kansas, and its 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 renewal 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 City 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 thereof.

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:

<u>Stated Maturity</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>
April 15, 2019	\$40,000	2.90%

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 City Treasurer of the the City of St. George, Kansas, is hereby designated as the Paying Agent for the payment of principal of and interest on the Notes 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 any agreement with the Note Registrar and Paying Agent for the Notes as may be required by the City Treasurer.

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 and interest on 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. Such amounts 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 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.

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

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 Purchase 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 purchase, 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.

the date of the notice.

All official notices of redemption will be dated and state (1) the Redemption Date, (2) the Redemption Price, (3) on the Redemption Date the Redemption Price will become due and payable on the Note or portion of the Notes called for redemption, and interest on the Note or portion of the Notes called for redemption shall cease to accrue from and after the date, and (4) the place where the Note is to be surrendered for payment of the Redemption Price, which is the principal office of the Paying Agent.

Prior to any redemption date, the City will deposit with the Paying Agent an amount of money sufficient to pay the redemption price of the Note which is to be redeemed on that date. In accordance with the notice, once the Note is surrendered to the Paying Agent, the redemption price will be paid to the Owner. Installments of any interest due on or prior to the redemption date shall be payable as provided in this Resolution. Upon surrender of the partial redemption of any Note, a new Note of the same maturity in the amount of the unpaid principal will be prepared for the Owner. The Note which has been redeemed will not be reissued. It will be canceled and destroyed by the Paying Agent.

Section 304. Effect of Call for Redemption. Whenever the Notes are called for redemption and payment as provided in this Article, all interest on the Notes shall cease from and after the date the call is made, provided funds are available for its payment at the price previously specified.

ARTICLE IV SECURITY FOR NOTES

Section 401. Security for the Notes. The Notes constitute a general obligation of the City payable as to both principal and interest from general obligation bonds of the City and from current revenues of the City authorized for such purpose, from special assessments levied upon the property benefited by the construction of certain Improvements as said term is defined in the Resolution of the City authorizing the Notes (the "Resolution"), or from each. If not so paid, the principal of and interest on the Notes shall be payable 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 City. The full faith, credit and resources of the City are 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.

Section 402. Reserved.

Section 403. Levy and Collection of Annual Tax When Required. 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 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 above referred to shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the general 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 and shall thereafter be deposited in the applicable 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, taking into account any scheduled mandatory redemptions, 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.

Section 504. Substitution of Improvements; Reallocation of Proceeds.

(a) The Issuer may elect for any reason to substitute or add another public improvements to be financed with proceeds of the Notes provided the following conditions are met: (1) the Substitute Improvements and the issuance of general obligation bonds to pay the cost of the Substitute Improvements has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (2) a resolution authorizing the use of the proceeds of the Notes to pay the Authorized Costs of the Substitute Improvements 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 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 Improvements 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 Improvements to exceed the Authorized Costs of the Improvements; 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 City 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 and the Letter of Instructions 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

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 City, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the 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 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 City'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

Section 901. 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 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 or of 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 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 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, 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 purchase 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 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 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 902. 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:

ADOPTED by the governing body of City of St. George, Kansas, on March 13, 2018, and signed by the Mayor.



Iris Gilbert
Iris Gilbert, City Clerk

CITY OF ST. GEORGE, KANSAS

Tim Calmes
Tim Calmes, Mayor

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FURTHER TERMS AND PROVISIONS

This Note is one of an authorized series of Notes of the City designated "Temporary Notes, Series 2018-1," in an aggregate principal amount of \$40,000 (the "Notes") issued for the purposes set forth in the City's Resolution 2018-02, dated March 13, 2018. 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 to 10-125, inclusive, specifically including K.S.A. 10-123; K.S.A. 10-620 et seq.; and K.S.A. 12-6a01 et seq., all as amended and supplemented, and all other applicable provisions of the laws of the state of Kansas.

This Note shall be subject to redemption prior to maturity at the principal amount called for redemption plus accrued interest to the redemption date from the proceeds of general obligation bonds issued to permanently finance the Improvements (as defined in the Resolution). At the option of the City, the Notes may be called for redemption and payment on any date prior to maturity at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

If the Notes are called for redemption and payment prior to maturity, the City shall give written notice of its intention to call and pay the Notes on a specified date, the same being described by maturity, said notice to be mailed by United States first class mail addressed to the Owners of the Note said notice to be mailed not less than three (3) business day prior to the date fixed for redemption. The Notes so called for redemption and payment shall cease to bear interest from and after the date for which such call is made, provided funds are available for the payment of the Notes at the price specified.

The Notes are issued in fully registered form in the denomination of \$40,000. The Notes may be exchanged at the office of the Note Registrar for a like aggregate principal amount of the Notes of the same maturity upon the terms provided in the Resolution.

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

The Notes are transferable by the registered owner in person or by the registered owner's agent duly authorized in writing, at the office of the Note Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution and upon surrender and cancellation of the Notes. The City shall pay out of the proceeds of the Notes 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. Neither the City nor the Note Registrar shall be required to transfer or exchange any of the Notes during a period beginning on the day following the Record Date preceding any Interest Payment Date and ending on the Interest Payment Date or to transfer or exchange any of the Notes called for redemption.

NOTE ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number or other Taxpayer Identification Number of Transferee

the within 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 does 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

Registered

NOTICE: The signature to this assignment must correspond with the name of the Owner as it appears upon the face of the within Temporary Note in every particular.

Signature Guaranteed By:

(Name of Eligible Guarantor Institution)

By

Title:

CERTIFICATE OF CITY CLERK

STATE OF KANSAS)
) SS
CITY OF ST. GEORGE, KANSAS)

I, the City Clerk of City of St. George, Kansas, certify that the within Note has been registered in my office according to law as of April 15, 2018. WITNESS my hand and official seal.

Signature of Jim Gilbert, City Clerk



CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

I, Jacob LaTurner, Treasurer of the State of Kansas, do certify that a transcript of the proceedings leading up to the issuance of this Note has been filed in my office, and that this Note was registered in my office according to law on

WITNESS my hand and official seal.

(SEAL)

Authorized officer of the Treasurer of the State of Kansas