

**CITY OF ST. GEORGE, KANSAS**

**RESOLUTION NO. 2018-04  
ADOPTED MAY 10, 2018**

**\$720,000  
TEMPORARY NOTES  
SERIES 2018-2**

**DATED DATE: JUNE 1, 2018  
CLOSING DATE: JUNE 1, 2018**

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**RESOLUTION NO. 2018-04**

**A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF \$720,000 PRINCIPAL AMOUNT OF TEMPORARY NOTES, SERIES 2018-2, 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 Notes pursuant to the Act as herein defined in the principal amount of \$720,000 to pay a portion of the costs of the Improvements Improvements (hereinafter defined) and the Costs of Issuance (hereinafter defined).

**WHEREAS**, it is necessary for the City to provide cash funds (from time to time) to meet its financial obligations incurred in providing for the construction of the and the payment of the Authorized Costs therefor (hereinafter defined) 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 Notes, Series 2018-2, pursuant to the Act, in the principal amount of \$720,000, 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 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 \$720,000.

"Beneficial Owner" of the Notes means and 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 Jonathan P. Small, Chartered, Topeka, Kansas, 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.

“City” means City of St. George, Kansas or the Issuer.

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

“Consulting Engineer” means an independent architectural or engineering firm, having a favorable reputation for skill and experience in the construction, financing and operation of public facilities, at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Consulting Engineer by this Note Resolution.

“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, expenses incurred in connection with compliance with the Code, and all expenses incurred in connection with receiving ratings on the Notes.

“Costs of Issuance Account” means the Costs of Issuance Account for Temporary Notes, Series 2018-2 created pursuant to **Section 501** hereof.

“Dated Date” means June 1, 2018.

“Debt Service Account” means the Debt Service Account for Temporary Notes, Series 2018-2 (within the Bond and Interest Fund) created pursuant to **Section 501** hereof.

“Debt Service Requirements” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking and redemption requirements) 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) 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 certain sanitary sewer, streets and water line improvements (the "Improvements") to serve special benefit districts authorized and created within the City the costs for which are to be financed by the issuance of general obligation bonds of the City, all as described in the City's Resolutions Nos. 2017-05, 2017-06, and 2017-07, and all being dated August 3, 2017, and any Substitute Improvements.

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

"Interest Payment Date(s)" means the Maturity of the Notes.

"Issue Date" means the date when the Issuer delivers the Notes to the Purchase in exchange for the

Purchase Price.

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

“Letter of Instructions” means the arbitrage letter of instructions (dated as of the date of issuance of the Notes ) relating to certain matters within the scope of Section 148 of the Code, as the same may be amended or supplemented in accordance with its terms.

“Maturity” when used with respect to any Note means the date on which the principal of such Notes 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 of the Issuer, 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 City Treasurer, St. George, Kansas, and its successors and assigns.

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

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

(a) To the Issuer at:

City of St. George, Kansas  
City Hall  
220 First Street  
St. George, Kansas 66535

(b) To the Paying Agent at:

City of St. George, Kansas  
City Treasurer  
City Hall  
220 First Street  
St. George, Kansas 66535

(c) To the Purchaser:

Bank of the Flint Hills  
806 West Fifth Street  
Wamego, Kansas 66547  
Attention: Senior Vice President and Chief Lending Officer

“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 Notes, Series 2018-2, in the principal amount of \$720,000 dated June 1, 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 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.

“Purchaser” means Bank of the Flint Hills, 806 West Fifth Street, Wamego, Kansas 66547; and any successors and assigns.

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



“Record Dates” means Maturity.

“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.

“Special Record Date” means the date fixed by the Paying Agent pursuant to **Section 204** hereof for the payment of Defaulted Interest.

“Standard & Poor's” means Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, 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 **Section 504** 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 Temporary Notes, Series 2018-2, of the Issuer in the principal amount of \$720,000, to be dated June 1, 2018, for the purpose of providing funds to: (a) pay a portion of the Authorized 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:

<u>Stated Maturity</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>
June 1, 2019	\$720,000	3.875%

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 Interest proposed to be paid on each Note and the date of the proposed payment (which date shall be at least 30 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 or 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 **Section 303** 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 **Section 204** hereof.

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.

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. 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 211. Sale of the Notes - Note Purchase Agreement.** The Mayor is hereby authorized to enter into the Note Purchase Agreement for the Notes between the Issuer and the Purchaser in the form submitted to the governing body concurrently with the adoption of this Note Resolution, with such changes therein as shall be approved by the Mayor, such officer's signature thereon being conclusive evidence of the approval thereof. Pursuant to said Note Purchase Agreement, the Issuer agrees to sell the Notes to the Purchaser thereof for the Purchase Price, upon the terms and conditions set forth therein.

### **ARTICLE III REDEMPTION OF NOTES**

**Section 301. Optional Redemption.** The Notes are subject to redemption prior to maturity at the principal amount of the Note to be redeemed plus accrued interest to the date of redemption from the proceeds of general obligation bonds issued to permanently finance the Improvements or from other available general funds of the City. At the option of the City, the Notes may be called for redemption and payment prior to maturity at any time at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

**Section 302. Notes to be Redeemed.** The Notes may be redeemed only in the principal amount of \$720,000.

**Section 303. Notice of Redemption.** Unless waived by any Owner of Note to be redeemed, if the City calls any Note for redemption and payment prior to the maturity of the Notes, 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, the notice to be mailed by United States first class mail addressed to the registered Owners of the Notes, each of the notices to be mailed not less than three (3) business days prior to the date fixed for redemption. The City will also give any additional notice as may be required by State law in effect as of 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.

**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 City of St. George, Kansas, Temporary Notes, Series 2018-2 (the "Improvement Fund");
- (b) Debt Service Account for City of St. George, Kansas, Temporary Notes, Series 2018-2 (the "Debt Service Account"); and
- (c) Costs of Issuance Account for City of St. George, Kansas, Temporary Notes, Series 2018-2 (the "Costs of Issuance Account").
- (d) Rebate Fund for City of St. George, Kansas, Temporary Notes, Series 2018-2 (the "Rebate Fund").

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 and premium, if any received from the sale of the Notes shall be deposited in the Debt Service Account.
- (b) The sum of \$1,400 shall be deposited in the Costs of Issuance Account.
- (c) 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 Improvements Fund shall be used for the sole purpose of: (a) paying the costs of the Improvements, in accordance with the plans and specifications therefor prepared by the Consulting Engineer heretofore 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 by the Consulting Engineer and approved by the governing body of the Issuer; and (b) paying Costs of Issuance.

Withdrawals from the Improvement Fund shall be made only when authorized by the governing body of the Issuer and only on duly authorized and executed warrants therefor accompanied by a certificate executed by the Issuer's Mayor (or designate) that such payment is being made for a purpose within the scope of this Note Resolution and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof. Authorizations for withdrawals for other authorized purposes shall be supported by a certificate executed by the Issuer's Mayor (or designate) stating that such payment is being made for a purpose within the scope of this Note Resolution.

Upon completion of the Improvements, any surplus remaining in the Improvements 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 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



purpose for which such fund or account 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.

**Section 507. Application of Moneys in Costs of Issuance Account.** Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than 90 days after the issuance of the Notes, shall be transferred to the Improvements Fund until completion of the Improvements and thereafter to the Debt Service Account.

**Section 508. Deposits into and Application of Moneys in the Rebate Fund.**

(a) Amounts will be deposited in the Rebate Fund as required by the Letter of Instructions. Subject to the transfer provisions provided in subsection (d) below, all money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to pay rebatable arbitrage to the federal government of the United States of America, and neither the Issuer nor the Owner of any Note shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section, by the preceding Section and by the Letter of Instructions (which is incorporated by this reference).

(b) Pursuant to the Letter of Instructions, an amount shall be deposited to the Rebate Fund from moneys contributed by the Issuer or from available investment earnings on amounts held in the Principal and Interest Account or the Improvement Fund, if and to the extent required, so the balance in the Rebate Fund will be sufficient to pay the rebatable arbitrage due on each Installment Computation Date and the Final Computation Date (as the terms are defined in the Letter of Instructions). Computations of the rebatable arbitrage shall be performed by or on behalf of the Issuer in accordance with the Letter of Instructions.

(c) Pursuant to the Letter of Instructions, the Issuer will remit rebate installments and the final rebate payments to the United States. Any moneys remaining in the Rebate Fund after the redemption and payment of the Notes and after the payment and satisfaction, or the provision for, of any rebatable arbitrage will be withdrawn and released to the Issuer.

(d) Notwithstanding any other provision of the Resolution, including in particular this Article, the obligation to remit rebatable arbitrage to the United States and to comply with all other requirements of this Section, the preceding Section and the Letter of Instructions shall survive the defeasance or payment in full of the Note.

**Section 509. Transfer of Funds to Paying Agent.**

All Funds and Accounts shall be held in trust for the benefit of the Owners of the Notes at the time Outstanding. The Treasurer is authorized and directed to withdraw from the Funds and Accounts and transfer the same to the Paying Agent or sums sufficient to prevent a default in the punctual payment of the principal of and interest on the Notes and the fees of the Note Registrar and Paying Agent when the same become due. If, through lapse of time, or otherwise, the Owners of Notes shall no longer be entitled to enforce payment of their obligations, it shall be the duty of the Paying Agent forthwith to 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.

## 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

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. 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 City, 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 TAX COVENANTS**

**Section 801. General Tax Covenants.** The Issuer covenants and agrees that it will not take any action or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Notes under Section 103 of the Code. The Issuer covenants and agrees that it will use the proceeds of the Notes as soon as practicable and with all reasonable dispatch for the purpose for which the Notes is issued as set forth above, and that it will not directly or indirectly use or permit the use of any proceeds of the Notes or any other funds of the City, or take or omit to take any action that would cause the Notes to be “arbitrage bonds” within the meaning of Section 148(a) of the Code. To that end, the Issuer will comply with all requirements of Section 148 of the Code to the extent applicable to the Note. In the event that at any time the Issuer is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any moneys held by the Issuer under the Note Resolution, the Issuer shall take such action as may be necessary.

**Section 802. Rebate Covenants.** Without limiting the generality of the above, the Issuer agrees that there will be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Notes. This covenant shall survive payment in full or defeasance of the Notes. The Issuer specifically covenants to pay or cause to be paid to the United States, at the times and in the amounts determined under this Resolution, the Rebate Amounts as described in the Letter of Instructions.

**Section 803. Designation of the Notes as Qualified Tax-Exempt Obligations.** The Issuer hereby designates the Notes to be a “qualified tax-exempt obligations” as such term is defined in Section 265(b)(3) of the Code: (1) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds which are not “qualified 501(c)(3) bonds”) which will be issued by the Issuer (and all subordinate entities thereof) during the calendar year that the Notes are issued is not reasonably expected to exceed \$10,000,000; and (2) the Issuer (including all subordinate entities thereof) will not issue an aggregate principal amount of obligations designated by the Issuer to be “qualified tax-exempt obligations” during calendar year that the Notes are issued, including the Notes, in excess of \$10,000,000 without first obtaining an opinion of Bond Counsel that the designation of the Notes as a “qualified tax-exempt obligation” will not be adversely affected.

## **ARTICLE IX GENERAL COVENANTS AND MISCELLANEOUS PROVISIONS**

The Issuer covenants and agrees with each of the Owners of any of the Notes that so long as any of the Notes remain Outstanding and unpaid it will comply with each of the following covenants:

**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 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 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:

(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 903. 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 electronic or telephonic facsimile (the "fax"), with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The City, the Paying Agent and the Purchase 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 shall be given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; and, (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 904. 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.

**Section 905. Further Authority.** The officers and officials of the City, 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 906. 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 907. Governing Law.** This Note Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

**Section 908. Effective Date.** This Note Resolution shall take effect and be in full force from and after its passage by the governing body of the Issuer.

ADOPTED by the governing body of City of St. George, Kansas, on May 10, 2018, and signed by

the Mayor.



ATTEST:

*Iris Gilbert*  
Iris Gilbert, City Clerk

CITY OF ST. GEORGE, KANSAS

*Tim Calmes*  
Tim Calmes, Mayor

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EXHIBIT A

REGISTERED NUMBER 1

REGISTERED \$720,000

UNITED STATES OF AMERICA
STATE OF KANSAS
CITY OF ST. GEORGE, KANSAS
TEMPORARY NOTES
SERIES 2018-2

Interest Rate 3.875%

Maturity Date: June 1, 2019

Dated Date: June 1, 2018

CUSIP: N/A

REGISTERED OWNER: BANK OF THE FLINT HILLS, 806 WEST FIFTH STREET, WAMEGO, KANSAS 66547
FEDERAL TAX IDENTIFICATION NUMBER: 48-0464795

PRINCIPAL AMOUNT: SEVEN HUNDRED TWENTY 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: [Signature] City Clerk

CITY OF ST. GEORGE, KANSAS, KANSAS

[Signature] 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)

[Signature] City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is one of a series of Temporary Notes, Series 2018-2, of City of St. George, Kansas, described in the within-mentioned Resolutions.

Registration Date: June 1, 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. \_\_\_\_\_

FURTHER TERMS AND PROVISIONS

This Note is one of an authorized series of Notes of the City designated "Temporary Notes, Series 2018-2," in an aggregate principal amount of \$720,000 (the "Notes") issued for the purposes set forth in the City's Resolution 2018-04, dated May 10, 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 \$720,000. 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.
POTTAWATOMIE COUNTY )

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 June 1, 2018.

WITNESS my hand and official seal. (SEAL)

City Clerk (Signature)

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

I, Jake 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



EXTRACT FROM MINUTES

THE Governing Body of the City of St. George, Kansas, met in special session at City Hall, 220 West First Street, St. George, Kansas on May 10, 2018.

PRESENT were Tim Calmes, Steve Zimmerman, Chris Collins,  
Iris Holloway, and Bruce Werth.

THE following being absent: Tim Pralle,

RESOLUTION NO. 2018-04:

"A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF \$720,000 PRINCIPAL AMOUNT OF TEMPORARY NOTES, SERIES 2018-2, 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."

was introduced by Councilmember Bruce Werth who moved its passage, which motion was seconded by, Councilmember Iris Holloway.

AFTER a full discussion the Mayor called for a vote on said motion, the vote being as follows:

AYES: 4 ;

NAYS: Ø .

THE Mayor then declared the motion duly carried.

CERTIFICATE

I, the undersigned, City Clerk of the City of St. George, Kansas, hereby certify that the above and foregoing is a true and correct copy of portions of the minutes of the meeting of the Governing Body held on May 10, 2018, as recorded in the official minutes of the City.

WITNESS my hand and official seal of said City of St. George, Kansas.



Iris Gilbert  
Iris Gilbert, City Clerk