

THE CITY OF ST. GEORGE, KANSAS
GENERAL OBLIGATION BONDS

RESOLUTION NO. 2018-13
ADOPTED SEPTEMBER 13, 2018

SERIES 2018A
\$940,000

DATED: OCTOBER 1, 2018
CLOSING DATE: OCTOBER 1, 2018

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RESOLUTION NO. 2018-13

A RESOLUTION AUTHORIZING THE ISSUANCE OF \$940,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, SERIES 2018A; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; PRESCRIBING THE FORM, DETAILS AND AUTHORIZATION OF THE DELIVERY OF SAID BONDS; AND, MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

WHEREAS, The City of St. George, Kansas (the “City”) is a City duly created, organized and existing under the laws of the State of Kansas; and

WHEREAS, the City has heretofore adopted Ordinance No. 2018-12 dated September 13, 2018 (the “Ordinance”), authorizing the issuance of \$940,000 City of St. George, Kansas, General Obligation Bonds, Series 2018A, dated October 1, 2018 (the “Series 2018A Bonds”), which Ordinance further authorized the Governing Body of the City to adopt a resolution prescribing certain details and conditions and to make certain covenants with respect to the issuance of the Bonds; and

WHEREAS, the City is authorized by the Constitution and statutes of the State of Kansas, K.S.A. 10-101 *et seq.*, K.S.A. 10-620 *et seq.*, K.S.A. 12-6a01 *et seq.*, as amended and supplemented, to issue General Obligation Bonds of the City for the purpose of paying the costs of the Improvements as herein defined and refunding in advance of their maturities, the Refunded Notes, as herein defined, and to pay the costs of issuance of said Bonds.

WHEREAS, the City has heretofore issued and has outstanding its:

(a) Temporary Renewal Notes, Series 2018-1, dated April 15, 2018, which mature on April 15, 2019, in the principal amount of \$40,000 plus accrued interest thereon to date of maturity or early redemption (the “Series 2018-1 Temporary Renewal Notes”);

(b) Temporary Renewal Notes, Series 2018-4, dated July 1, 2018, which mature on July 1, 2019, in the principal amount of \$305,000 plus accrued interest thereon to date of maturity or early redemption (the “Series 2018-4 Temporary Renewal Notes”);

(c) Temporary Renewal Notes, Series 2018-5, dated August 15, 2018, which mature on August 15, 2019, in the principal amount of \$594,000 plus accrued interest thereon to date of maturity or early redemption (the “Series 2018-5 Temporary Renewal Notes”).

WHEREAS, all applicable legal requirements pertaining to the Improvements have been complied with, and the governing body of the City now finds and determines that the total cost of said Improvements and related necessary expenses for which payment of special assessments therefor have not been paid to and received by the City are \$940,000 all of which costs are to be paid in part by the issuance and sale of General Obligation Bonds, Series 2018A, of the City; and

WHEREAS, the governing body of the City has advertised the sale of its General Obligation Bonds, Series 2018A, in accordance with the laws of Kansas, and at a meeting held in the Lighthouse Baptist Church, 308 North Lincoln Street, St. George, Kansas on September 13, 2018, awarded the sale of said bonds to the lowest bidder, the Original Purchaser, as hereinafter defined; and

WHEREAS, the governing body of the City hereby finds, determines and deems it necessary for the

City to authorize the delivery of its General Obligation Bonds in the principal amount of \$940,000 to pay the costs of the Improvements, to pay the costs of issuance therefor and to redeem prior to their respective stated maturities the Refunded Notes all as further provide in the detail herein.

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 Resolution shall have the following meanings:

“2027 Term Bonds” means the Bonds scheduled to mature in the year 2027.

“2030 Term Bonds” means the Bonds scheduled to mature in the year 2031.

“2034 Term Bonds” means the Bonds scheduled to mature in the year 2035.

“2038 Term Bonds” means the Bonds scheduled to mature in the year 2038.

“Act” shall mean collectively the Constitution and statutes of the State of Kansas, K.S.A. 10-101 *et seq.*, K.S.A. 10-620 *et seq.*, K.S.A. 12-6a01 *et seq.*, as amended and supplemented.

“Beneficial Owner” of the Bonds includes any Owner of the Bonds and any other Person who, directly or indirectly has the investment power with respect to such Bonds.

“Bond and Interest Fund” means the Bond and Interest Fund of the City for its General Obligation Bonds.

“Bond Counsel” means Jonathan P. Small, Chartered, or any other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

“Bond Payment Date” means any date on which principal of or interest on any Bond is payable.

“Bond Register” means the books for the registration, transfer and exchange of Bonds kept at the office of the Bond Registrar.

“Bond Registrar” means the Treasurer of the State of Kansas, Topeka, Kansas, and its successors and assigns.

“Bonds” means the \$940,000 City of St. George, Kansas, General Obligation Bonds, Series 2018A, dated October 1, 2018, authorized and issued by the City pursuant to this Resolution.

“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.

“Cede & Co.” means Cede & Co., as nominee name of The Depository Trust Company, New York, New York.

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

“City Clerk” means the duly appointed and/or elected City Clerk or, in the City Clerk’s absence, the duly appointed Deputy City Clerk or Acting City Clerk.

“City Treasurer” means the duly appointed and/or elected Treasurer of the City or, in the City Treasurer’s absence, the duly appointed Deputy Treasurer or acting Treasurer of the City.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Costs of Issuance**” means all costs of issuing the Bonds, including all publication, printing, signing and mailing expenses in connection therewith, registration fees, underwriting fees and discounts, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code and with the continuing disclosure requirements with respect to the Bonds, and all expenses incurred in connection with receiving ratings on the Bonds.

“**Dated Date**” means October 1, 2018.

“**Defaulted Interest**” means interest on any Bond, 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 maturities; or

(b) 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 City 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 and Poor’s (presently “AAA”).

“**DTC**” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depository duly appointed.

“**DTC Representation Letter**” means the Blanket Letter of Representations from the City and the Paying Agent to DTC, which provides for a book-entry system, or any agreement between the City and Paying Agent and a successor securities depository duly appointed.

“**Event of Default**” means each of the following occurrences or events:

(a) Payment of the principal or the Redemption Price of any of the Bonds 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 Bonds shall not be made when the same shall become due; or

(c) The City shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the City to be performed (other than relating to SEC Rule 15c2-12 as defined in the Continuing Disclosure Instructions), 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 City by the Owner of any of the Bonds then Outstanding.

“**Fiscal Year**” means the twelve (12) month period ending on December 31.

“**Funds and Accounts**” means the fund and account created or referred to in **Section 401** hereof.

“**Improvements**” means, collectively: (i) Powercat Ridge Addition, Unit Seven, Improvements and (ii) Riverview Hills, Unit Three, Addition, Improvements.

“**Interest Payment Date(s)**” means the Stated Maturity of an installment of interest on any Bond, which shall be April 1 and October 1 of each year, commencing April 1, 2019.

“**Issue Date**” means the date when the City delivers the Bonds to the Original Purchaser in exchange for the Purchase Price.

“**Letter of Instructions**” means the Letter of Instructions attached to the City's Federal Tax Certificate dated as of the date of issuance and delivery of the Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.

“**Maturity**” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or otherwise.

“**Mayor**” means the duly elected and acting Mayor of the Governing Body, or in the Mayor's absence, the duly appointed and/or elected Vice Mayor or the Acting Mayor of the Governing Body.

“**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 City.

“**Outstanding**” means, when used with reference to the Bonds, as of a particular date of determination, all Bonds theretofore authenticated and delivered, except the following Bonds:

(a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of **Section 601** hereof; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

“**Owner**” when used with respect to any Bond means the Person in whose name such Bond is

registered on the Bond Register.

“Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“Paying Agent” means the Treasurer of the State of Kansas, Topeka, Kansas, and any successors and assigns.

“Permitted Investments” means those investments authorized by K.S.A. 10-131, as amended and supplemented, and such other provisions of Kansas law as may, from time to time, govern the investment of proceeds of the Bonds.

“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.

“Powercat Ridge Addition, Unit Seven, Improvements” means collectively certain sanitary sewer, street and water line improvements, including all things necessary and incidental thereto, provided for and serving certain City of St. George Sanitary Sewer, Street and Water Line Improvement Districts created for Lots 47 through 58, Powercat Ridge Addition, Unit Seven, inclusive, in the City of St. George, Kansas, and described in Resolutions Nos. 2016-02, No. 2016-03 and 2016-04, all dated March 15, 2016.

“Purchase Price” means the principal amount of the Bonds, less underwriter’s discount, plus accrued interest to the date of delivery and any premium to be paid by the Original Purchaser.

“Original Purchaser” means the Original Purchaser of the Bonds, D. A. Davidson & Co., 515 E. Locust Street, Suite 200, Des Moines, Iowa 50309.

“Record Date” for the interest payable on any Interest Payment Date means the fifteenth (15th) day (whether or not a Business Day) of the month preceding such Interest Payment Date.

“Refunded Notes” means collectively the Series 2018-1, Temporary Renewal Notes of the City dated April 15, 2018, in the principal amount of \$40,000; Series 2018-4, Temporary Renewal Notes of the City dated July 1, 2018, in the principal amount of \$305,000; and, Series 2018-5, Temporary Renewal Notes of the City dated August 15, 2018, in the principal amount of \$594,000

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for the redemption of such Bond pursuant to the terms of this Resolution.

“Redemption Price” when used with respect to any Bond to be redeemed means the price at which such Bond is to be redeemed pursuant to the terms of this Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Replacement Bonds” means Bonds issued to the beneficial owners of the Bonds in accordance with **Section 212** hereof.

“Resolution” means this Resolution No. 2018-13 of the City relating to the Bonds.

“Riverview Hills, Unit Three, Addition, Improvements” means collectively certain sanitary sewer, street and water line improvements, including all things necessary and incidental thereto, provided for and serving certain City of St. George Sanitary Sewer, Street and Water Line Improvement Districts created for Lots 66, 67, 68, 69, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94 and 95, Riverview Hills,

Unit Three, an addition to the City of St. George, Pottawatomie County, Kansas, and described in Resolutions Nos. 2015-01, 2015-02 and 2015-03 of the City dated July 30, 2015 and as amended by Resolution No. 2016-01 dated February 4, 2016;

“**Securities Depository**” means, initially, the Depository Trust Company, New York, New York, and its successors and assigns.

“**Series 2018A Costs of Issuance Account**” means the Costs of Issuance Account for The City of St. George, Kansas, General Obligation Bonds, Series 2018A, created herein.

“**Series 2018A Improvements Fund**” means the Improvement Fund for The City of St. George, Kansas, General Obligation Bonds, Series 2018A, created herein.

“**Series 2018A Principal and Interest Account**” means the Principal and Interest Account for The City of St. George, Kansas, General Obligation Bonds, Series 2018A, created herein within the City’s Bond and Interest Fund.

“**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, 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 City.

“**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 Bond or any installment of interest thereon means the date specified in such Bond and this Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“**Term Bonds**” means collectively, the 2027 Term Bonds, the 2031 Term Bonds, the 2035 Term Bonds and the 2038 Term Bonds.

“**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 payments on obligations issued by the United States of America.

ARTICLE II AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 201. Authorization of and Security for the Bonds. There shall be issued and hereby are authorized and directed to be issued the General Obligation Bonds, Series 2018A, of the City dated October 1, 2018, in the principal amount of \$940,000 for the purpose of providing funds to pay the costs of the Improvements, the redemption of the Refunded Notes prior to their respective stated maturities, and the Costs of Issuance.

The Bonds shall be general obligations of the City payable as to both principal and interest in part from special assessments levied upon the property benefited by the construction of the Improvements and, if not so paid, 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 hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 202. Description of the Bonds. The Bonds shall consist of fully registered certificated bonds in denominations of \$5,000, and shall be numbered in such manner, as the Bond Registrar hereinafter designated shall determine. All of the Bonds shall be dated October 1, 2018, shall become due on the Stated Maturity, and shall bear interest from the date thereof as follows:

TERM BONDS

<u>Stated Maturity October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2027	\$350,000	3.00%
2031	\$185,000	4.00%
2035	\$220,000	3.65%
2038	\$185,000	4.00%*

*Final Maturity

The Bonds 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 Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be typed or 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 Bond Registrar. The Treasurer of the State of Kansas, Topeka, Kansas, is hereby designated as the Paying Agent for the payment of principal of and interest on the Bonds and Bond Registrar with respect to the registration, transfer and exchange of Bonds. The Mayor and City Clerk of the City are hereby authorized and empowered to execute on behalf of the City an agreement with the Bond Registrar and Paying Agent for the Bonds.

The City will at all times maintain a Paying Agent and Bond Registrar meeting the qualifications herein described for the performance of the duties hereunder. The City reserves the right to appoint a successor Paying Agent or Bond Registrar by (1) filing with the Paying Agent or Bond Registrar then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent or Bond Registrar and appointing a successor, and (2) causing notice of appointment of the successor Paying Agent and Bond Registrar to be given by first class mail to each Owner. No resignation or removal of the Paying Agent or Bond Registrar shall become effective until a successor has been appointed and has accepted the duties of Paying Agent or Bond Registrar.

Every Paying Agent or Bond 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 Bonds. The principal of or Redemption Price, and interest on the Bonds 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 of each Bond shall be paid at Maturity to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, by check or draft upon presentation and surrender of such Bond at the principal corporate trust office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than fifteen (15) days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank ABA routing number and account number to which such Owners wishes to have such transfer directed.

Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond 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 City shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least thirty (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 fifteen (15) nor less than ten (10) days prior to the date of the proposed payment. The Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, 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 Bond entitled to such notice at the address of such Owner as it appears on the Bond Register not less than ten (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 Bonds and at least annually shall forward a copy or summary of such records to the City.

Section 205. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Section 206. Registration, Transfer and Exchange of Bonds. The City covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of the Bond Registrar as herein provided. Each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register.

Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or

exchange.

Bonds 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 Bond 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 Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. The City shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds provided for by this Resolution and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Bonds. 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 Bonds.

The City and the Bond Registrar shall not be required to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the City 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 City and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute Owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of; or on account of; the principal and interest on said Bond 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 Bond to the extent of the sum or sums so paid, and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Bond Registrar, the Bond Register may be inspected and copied by the Owners of ten percent (10%) or more in principal amount of the Bonds then Outstanding or any designated representative of such Owners whose authority is evidenced to the satisfaction of the Bond Registrar.

Section 207. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the City by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the City Clerk and the seal of the City shall be affixed thereto or imprinted thereon. The Mayor and City Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and to cause the Bonds to be registered in the office of the City Clerk, which registration shall be evidenced by the manual or facsimile signature of the City Clerk with the seal of the City affixed thereto or imprinted thereon. The Bonds 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. In case any officer whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Bonds shall have endorsed thereon a certificate of authentication substantially in the form attached hereto as *Exhibit A* hereof which shall be manually executed by the Bond Registrar or an authorized representative of the Bond Registrar, but it shall not be necessary that the same representative of the Bond Registrar sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one

time. No Bond shall be entitled to any security or benefit under this Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Bond Registrar. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. Upon authentication, the Bond Registrar shall deliver the Bonds to the Original Purchaser upon instructions of the City or its representative.

Section 208. Mutilated, Lost, Stolen or Destroyed Bonds. If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the City and the Bond Registrar such security or indemnity as may be required by the Bond Registrar, then, in the absence of notice to the City or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the City shall execute and the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Bond Registrar, in its discretion, may pay such Bond instead of issuing a new Bond. Upon the issuance of any new Bond under this Section, the City 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 Bond issued pursuant to this Section shall constitute a replacement of the prior obligation of the City and shall be entitled to all the benefits of this Resolution equally and ratably with all other Outstanding Bonds.

Section 209. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be canceled 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 Bonds so canceled and destroyed and shall file an executed counterpart of such certificate with the City.

Section 210. Preliminary Official Statement and Final Official Statement. The *Preliminary Official Statement* dated September 5, 2018, is hereby ratified and approved. For the purpose of enabling the Original Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the City hereby deems the information regarding the City contained in the *Preliminary Official Statement* and as may amended and/or supplemented to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the City are hereby authorized, if requested, to provide the Original Purchaser a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of such Rule.

The final *Official Statement* is hereby authorized to be prepared by supplementing, amending and completing the *Preliminary Official Statement*, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor is hereby authorized to execute the final *Official Statement* as so supplemented, amended and completed, and the use and public distribution of the final *Official Statement* by the Purchaser in connection with the reoffering of the Bonds is hereby authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such *Official Statement* as prescribed therein, dated as of the Issue Date.

The City agrees to provide to the Purchaser within seven (7) business days of the date of the sale of Bonds sufficient copies of the final *Official Statement* to enable the Original Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 211. Sale of the Bonds. The sale of the Bonds to the Original Purchaser is hereby ratified

and confirmed and the Mayor is hereby authorized and directed to execute the Bond Purchase Agreement Bond Purchase Agreement between the City and the Original Purchaser for and on behalf of and as the act and deed of the City in that form and document submitted to the Governing Body of the City on the date of this Resolution. Delivery of the Bonds shall be made to the Original Purchaser as soon as practicable after the passage of this Resolution, upon payment of the Purchase Price.

Section 212. Book-Entry Bonds; Securities Depository.

(a) The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no beneficial owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Registrar issues Replacement Bonds as provided in subsection (b) hereof. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of; premium, if any, and interest on, the Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the beneficial owners as described in subsection (b).

(b) (1) If the City determines (A) that the Securities Depository is unable to properly discharge its responsibilities, or (B) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (C) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Bonds, or

(2) if the Bond Registrar receives written notice from Participants having interests in not less than fifty percent (50%) of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Bonds, then the Bond Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to Owners requesting the same, and the Bond Registrar shall register in the name of and authenticate and deliver Replacement Bonds to the beneficial owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (1)(A) or (1)(B) of this subsection (b), the City, with the consent of the Bond Registrar, may select a successor securities depository in accordance with **Section 212(c)** hereof to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds.

(3) If the Securities Depository resigns and the City, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository in accordance with **Section 212(c)** hereof; then the Bond Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Bond Registrar may rely on information from the Securities Depository and its Participants as to the names of the beneficial owners of the Bonds and shall not be responsible for any investigation to determine the beneficial owners. The cost of printing, registration, authentication and delivery of Replacement Bonds shall be paid for by the City.

(c) In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the City may appoint a successor Securities Depository provided the Bond Registrar and the City receive written evidence with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities

Depository shall be a securities depository, which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Bond Registrar upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

Section 213. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, and if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the City to the Owner thereof for the payment of such Bond 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 Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within six (6) years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay to the City the funds, without liability for interest thereon, theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money

Section 214. Redemption by City.

(a) *Optional Redemption of the Bonds.*

At the option of the City, the Bonds or portions thereof maturing on October 1, 2026, and thereafter, may be called for redemption and payment prior to their Stated Maturity on October 1, 2025 and thereafter at any time (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the City), at the Redemption Price of one hundred percent (100%) (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

(b) *Mandatory Redemption.*

(1) *2027 Term Bonds.* The 2027 Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Series 2018A Principal and Interest Account shall be sufficient to redeem, and the City shall redeem on October 1 in each year, the following principal amounts of such 2027 Term Bonds:

<u>Principal Amount</u>	<u>Redemption Year</u>
\$30,000	2019
\$35,000	2020
\$35,000	2021
\$40,000	2022
\$40,000	2023
\$40,000	2024
\$40,000	2025
\$45,000	2026
\$45,000	2027

(2) *2031 Term Bonds.* The 2031 Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter

set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Series 2018A Principal and Interest Account shall be sufficient to redeem, and the City shall redeem on October 1 in each year, the following principal amounts of such 2031 Term Bonds:

<u>Principal Amount</u>	<u>Redemption Year</u>
\$45,000	2028
\$45,000	2029
\$45,000	2030
\$50,000	2031

(3) *2035 Term Bonds.* The 2035 Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Series 2018A Principal and Interest Account shall be sufficient to redeem, and the City shall redeem on October 1 in each year, the following principal amounts of such 2035 Term Bonds:

<u>Principal Amount</u>	<u>Redemption Year</u>
\$50,000	2032
\$55,000	2033
\$55,000	2034
\$60,000	2035

(4) *2038 Term Bonds.* The 2038 Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Series 2018A Principal and Interest Account shall be sufficient to redeem, and the City shall redeem on October 1 in each year, the following principal amounts of such 2038 Term Bonds:

<u>Principal Amount</u>	<u>Redemption Year</u>
\$60,000	2036
\$60,000	2037
\$65,000	2038*

*Final Maturity

(c) At its option, to be exercised on or before the forty-fifth (45th) day next preceding any mandatory Redemption Date, the City may: (1) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the City under this Section for any Term Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory

redemption requirements of this subsection) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection. Each Term Bond so delivered or previously purchased or redeemed shall be credited at one hundred percent (100%) of the principal amount thereof on the obligation of the City to redeem Term Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same Stated Maturity as designated by the City, and the principal amount of Term Bonds to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the City intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the City will, on or before the forty-fifth (45th) day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with, with respect to such mandatory redemption payment.

Section 215. Selection of Bonds to be Redeemed. Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Bonds of the same maturity are to be redeemed and paid prior to their Stated Maturity, the Bonds to be redeemed shall be selected by the Bond Registrar in \$5,000 units of principal amount in such equitable manner as the Bond Registrar may determine. In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than \$5,000 are then Outstanding, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of such \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the Owner thereof; for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only).

Section 216. Notice and Effect of Call for Redemption. In the event the City desires to call the Bonds for redemption prior to maturity, written notice of such intent shall be provided to the Bond Registrar in accordance with K.S.A. 10-129, as amended, not less than forty-five (45) days prior to the Redemption Date; provided, however, that no such written notice of intent shall be required for the mandatory redemption of Term Bonds and Term Bonds shall be called by the Bond Registrar for redemption and notice of redemption shall be given by the Bond Registrar without any further action by the City. The Bond Registrar shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Bond Registrar at least forty-five (45) days prior to the Redemption Date of written instructions of the City specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. If the Bonds are refunded more than ninety (90) days in advance of such Redemption Date, any escrow agreement entered into by the City in connection with such refunding shall provide that such written instructions to the Paying Agent shall be given by the escrow agent on behalf of the City not more than ninety (90) days prior to the Redemption Date. The Paying Agent may in its discretion waive such notice period so long as the requirements for notices to the Owners set forth in this **Section 216** are met.

Unless waived by any Owner of Bonds to be redeemed, the Bond Registrar shall give written notice of the redemption of said Bonds 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 said Bonds to be redeemed and to the Original Purchasers of the Bonds, each of said notices to be mailed not less than thirty (30) days prior to the date fixed for redemption. The City and Bond Registrar shall also give such additional notice as may be required by Kansas law or regulations of the Securities and Exchange Commission in effect as of the date of such notice.

For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Bond Registrar shall provide the notices specified in this Section to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a beneficial owner of a Bond (having been mailed notice from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

All official notices of redemption shall be dated and shall contain the following information: (a) the Redemption Date; (b) the Redemption Price; (c) if less than all Outstanding Bonds of a Stated Maturity are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed; (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent.

With respect to any notice given pursuant to this **Section 216**, the failure of any Owner to receive notice given as heretofore provided or any defect therein shall not invalidate any redemption. Prior to any Redemption Date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the City defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be canceled and destroyed by the Paying Agent as provided herein and shall not be reissued.

The Paying Agent is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

Section 217. The Governing Body finds and determines that it is necessary, appropriate and in the best interests of the City to call for redemption and payment of the Refunded Notes on October 1, 2018. The Refunded Notes shall be called and redeemed at the office of the Registrar for the Refunded Notes, the Treasurer of the City, which office serves as the Paying Agent for the Refunded Notes, on said October 1, 2018 by the payment of the principal thereof and accrued interest thereon to said October 1, 2018. In accordance with the requirements of the respective resolutions of the City authorizing the issuance of the Refunded Notes, the City Clerk is hereby directed to cause notice of the call for redemption and payment of the Refunded Notes to be given in the manner provided in said respective resolutions.

ARTICLE III SECURITY FOR BONDS, AND LEVY, COLLECTION OF TAXES AND PAYMENT OF BONDS

Section 301. Security for the Bonds. The Bonds shall be general obligations of the City payable from special assessments levied upon the property benefited by the construction of the Improvements, and, if not so paid, from ad valorem property 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 hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 302. Levy and Collection of Annual Tax and/or Assessments. The City shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by levying and collecting the necessary taxes and/or assessments upon all of the taxable tangible property within the City in the manner provided by law.

The taxes and/or assessments referred to above 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 other ad valorem taxes of the City are levied and collected. The proceeds derived from said taxes and/or assessments shall be deposited in the Series 2018A Principal and Interest Account, shall be kept separate and apart from all other funds of the City and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Bond Registrar and Paying Agent.

If at any time said taxes and/or assessments are not collected in time to pay the principal of or interest on the Bonds when due, the City Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the City and to reimburse said general funds for money so expended when said taxes and/or assessments are collected.

ARTICLE IV ESTABLISHMENT OF FUNDS AND ACCOUNTS DEPOSIT AND APPLICATION OF MONEYS

Section 401. Establishment of Funds and Accounts. Simultaneously with the issuance of the Bonds, there shall be created within the treasury of the City the following funds and accounts:

- (a) Improvement Fund for the City of St. George, Kansas, General Obligation Bonds, Series 2018A (the "Series 2018A Improvements Fund");
- (b) Principal and Interest Account for The City of St. George, Kansas, General Obligation Bonds, Series 2018A (the "Series 2018A Principal and Interest Account");
- (c) Costs of Issuance Account for The City of St. George, Kansas, General Obligation Bonds, Series 2018A (the "Series 2018A Costs of Issuance Account"); and
- (d) Rebate Fund for The City of St. George, Kansas, General Obligation Bonds, Series 2018A (the "Series 2018A Rebate Fund").

The Funds and Accounts established herein shall be administered in accordance with the provisions of this Bond Resolution so long as the Bonds are Outstanding.

Section 402. Deposit of Bond Proceeds. The net proceeds received from the sale of the Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:

- (a) All accrued interest received from the sale of the Bonds shall be deposited in the Series 2018A Principal and Interest Account;
 - (b) The sum of \$939,000.00 shall be deposited in the Series 2018A Improvements Fund;
 - (c) The sum of \$31,121.24 shall be deposited in the Series 2018A Costs of Issuance Account;
- and

(d) The remaining balance of the proceeds derived from the sale of the Bonds in the amount shall be deposited in the 2018A Principal and Interest Account.

Section 403. Application of Moneys in the Series 2018A Improvements Fund. Moneys in the Series 2018A Improvements Fund shall be used for the sole purpose of paying the costs of the Improvements, including the retirement of principal of and any interest on temporary financing therefor heretofore issued by the City. In the case of retiring outstanding temporary renewal notes of the City issued for the purpose of temporarily paying all or a portion of the costs of the Improvements, funds sufficient to pay the principal and accrued interest to the date of the temporary renewal note redemptions shall be transferred to the paying agent therefor for the purpose of retiring the City's outstanding principal of and accrued interest to date of redemption, October 1, 2018, on the following temporary notes of the City: (i) \$40,000 Temporary Renewal Notes, Series 2018-1 dated February 15, 2018, issued to pay a portion of the costs of **Riverview Hills, Unit Three, Addition, Improvements**; (ii) \$305,000 Temporary Renewal Notes, Series 2018-2 dated July 1, 2018, issued to pay a portion of the costs of the **Powercat Ridge Addition, Unit Seven, Improvements**; and (iii) \$594,000 Temporary Renewal Notes, Series 2018-1 dated August 15, 2018, issued to pay a portion of the costs of the **Riverview Hills, Unit Three, Addition, Improvements**. The City covenants that it has or will in the construction of the Improvements perform all duties and obligations relative to such Improvements as are now or may be hereafter imposed by the Act and the provisions of this Resolution.

Section 404. Application of Moneys in the Series 2018A Principal and Interest Account. All amounts paid and credited to the Series 2018A Principal and Interest Account shall be expended and used by the City for the sole purpose of paying the principal of and interest on the Bonds as and when the same become due and the usual and customary fees and expenses of the Bond Registrar and Paying Agent. The Treasurer is authorized and directed to withdraw from the Series 2018A Principal and Interest Account sums sufficient to pay both principal of and interest on the Bonds and the fees and expenses of the Bond Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent, if other than the City, 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 Bond Registrar and Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the City. 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 Bond Resolution and shall be held by the Paying Agent for the benefit of the Owners of the Bonds entitled to payment from such moneys.

Any moneys or investments remaining in the Series 2018A Principal and Interest Account after the retirement of the indebtedness for which the Bonds were issued shall be transferred and paid into the Bond and Interest Fund.

Section 405. Application of Moneys in Costs of Issuance Account. Moneys in the Series 2018A Costs of Issuance Account shall be used by the City to pay the Costs of Issuance. Any funds remaining in the Series 2018A Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of thirty (30) days after the issuance of the Bonds, shall be transferred by Purchaser to the City for immediate deposit to the Series 2018A Principal and Interest Account.

Section 406. 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 or any other state or the United States, which has a main or branch office located in the City. 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 City so that there shall be no commingling with any other funds of the City.

Moneys held in any Fund or Account may be invested in accordance with this Bond 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 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 407. Deposits into and Application of Moneys in the Series 2018A Rebate Fund.

(a) Amounts will be deposited in the Series 2018A 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 City nor the Owner of any Bond shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Series 2018A 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 Series 2018A Rebate Fund from moneys contributed by the City or from available investment earnings on amounts held in the Series 2018A Principal and Interest Account or the Series 2018A Improvements Fund, if and to the extent required, so the balance in the Series 2018A 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 City in accordance with the Letter of Instructions.

(c) Pursuant to the Letter of Instructions, the City 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 Bonds and after the payment and satisfaction, or the provision for, of any rebatable arbitrage will be withdrawn and released to the City.

(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 Bond.

Section 408. Transfer of Funds to Paying Agent. All Funds and Accounts shall be held in trust for the benefit of the Owners of the Bonds 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 Bonds and the fees of the Bond Registrar and Paying Agent when the same become due. If, through lapse of time, or otherwise, the Owners of Bonds 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 City. 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 Bond Resolution.

Section 409. Redemption of the Refunded Notes. The outstanding Refunded Notes are hereby called for redemption and payment prior to maturity on the redemption date of October 1, 2018. The Refunded Notes shall be redeemed at the office of the City Treasurer, in the City of St. George, Pottawatomie County, Kansas, the paying agent for the Refunded Notes, on said redemption date by the payment of the principal thereof, together with the redemption premium, if any, and accrued interest thereon to the redemption date

**ARTICLE V
DEFAULT AND REMEDIES**

Section 501. Remedies. The provisions of the Resolution, including the covenants and agreements herein contained, shall constitute a contract between the City and the Owners of the Bonds. If an Event of

Default occurs and shall be continuing, the Owner or Owners of not less than ten percent (10%) in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Bonds 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 City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the 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 Bonds.

Section 502. Limitation on Rights of Owners. The covenants and agreements of the City contained herein and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this 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 Bonds.

Section 503. 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 Bond 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 Bonds by this 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 City and the Owners of the Bonds 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 VI DEFEASANCE

Section 601. Defeasance. When any or all of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Resolution and the pledge of the City's faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Resolution if there has been deposited with the Paying Agent, or a 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 Bonds 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 Bonds 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. If the amount so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until (a) the City has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the City has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption in compliance with **Section 216** of this Bond Resolution. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or such commercial bank or trust company by or on behalf of the City, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent or such bank or trust company in trust for the respective Owners of the Bonds, 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 Resolution.

ARTICLE VII TAX COVENANTS

Section 701. Tax Covenants.

(a) The City 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 Bonds for federal income tax purposes under Sections 103 and 141 through 150 of the Code. In the event that at any time the City 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 City under the Resolution the City shall take such action as may be necessary.

(b) The City covenants and agrees that (1) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds; (2) it will comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds; (3) it will use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Bonds are issued; (4) it will not invest or directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the City in any manner, or take or omit to take any action, that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code; and (5) it will not use or permit the use of any proceeds of the Bonds or any other funds of the City nor take or permit any other 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 Bonds. The City will, in addition, adopt such other resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

(c) The City covenants and agrees that it will not use any portion of the proceeds of the Bonds, including any investment income earned on such proceeds, directly or indirectly, in a manner (1) that would cause any Bond to be a "private activity bond" within the meaning of Section 141(a) of the Code, or (2) to make or finance a loan to any person other than the State or a political subdivision thereof.

Section 702. Rebate Covenants. The City covenants and agrees that it will pay or provide for the payment from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any Treasury Regulations applicable to the Bonds from time to time. The City specifically covenants to pay or cause to be paid to the United States, the required amounts of rebatable arbitrage at the times and in the amounts as determined by the Letter of Instructions. Notwithstanding anything to the contrary contained herein, the Letter of Instructions may be amended or replaced if in the opinion of Bond Counsel such amendment or replacement will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds. This covenant shall survive payment in full or defeasance of the Bonds.

Section 703. Designation of the Bonds as Qualified Tax-Exempt Obligations. The City hereby designates the Bonds to be “qualified tax-exempt obligations” as such term is defined in Section 265(b)(3) of the Code. Further, the City hereby represents that:

(a) 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 City (and all subordinate entities thereof) during the calendar year that the Bonds are issued is not reasonably expected to exceed \$10,000,000; and

(b) the City (including all subordinate entities thereof) will not issue an aggregate principal amount of obligations designated by the City to be “qualified tax-exempt obligations” during calendar year that the Bonds are issued, including the Bonds, in excess of \$10,000,000, without first obtaining an opinion of Bond Counsel that the designation of the Bonds as “qualified tax-exempt obligations” will not be adversely affected.

(c) the Mayor is hereby authorized to take such other action as may be necessary to make effective the designation contained in this subsection.

Section 704. Survival of Covenants. The covenants contained in this Article shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to **Article VI** hereof or any other provision of this Resolution until the final maturity date of all Bonds Outstanding.

ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 801. Amendments. The rights and duties of the City and the Owners, and the terms and provisions of the Bonds or of this Resolution, may be amended or modified at any time in any respect by resolution of the City with the written consent of the Owners of not less than a majority in principal amount of the Bonds 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 City Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Bond;
- (b) effect a reduction in the amount which the City is required to pay as principal of or interest on any Bond;
- (c) permit preference or priority of any Bond over any other Bond; or
- (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Resolution.

Any provision of the Bonds or of this Resolution may, however, be amended or modified by resolution duly adopted by the Governing Body of the City at any time in any legal respect with the written consent of the Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the City may amend or supplement this Resolution for any one or more of the following purposes: (i) curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein which is not materially adverse to the interests of the Owners; (ii) conferring upon the Owners any additional rights, remedies, powers or authority that may be granted to or conferred upon the Owners; (iii) conforming the Resolution to the Code or future applicable federal law or regulations concerning tax-exempt obligations; or (iv) to more precisely identify the Improvements.

Every amendment or modification of the provisions of the Bonds or of this 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 City amending or supplementing the provisions of this Resolution and shall be deemed to be a part of this Resolution. A certified copy of every such amendatory or supplemental resolution, if any, and a certified copy of this Resolution shall always be kept on file in the office of the City Clerk, and shall be made available for inspection by the Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this 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 Resolution will be sent by the City 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 City Clerk a copy of the resolution of the City hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

The City shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Resolution which affects the duties or obligations of the Paying Agent under this Resolution.

Section 802. 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 Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Resolution, and shall be conclusive in favor of the City 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 Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Resolution, Bonds owned by the City shall be disregarded and deemed not to be Outstanding under this 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 Bonds which the Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds 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 Bonds and that the pledgee is not the City.

Section 803. Electronic Transactions. The issuance of the Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

Section 804. Further Authority. The officers and officials of the City, including the Mayor, City Clerk and City Treasurer, 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 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 805. Severability. If any section or other part of this 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 Resolution.

Section 806. Governing Law. This Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 807. Effective Date. This Resolution shall take effect and be in full force from and after its passage by the Governing Body of the City.

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IT IS SO RESOLVED.

ADOPTED this 13th day of September, 2018.



Elizabeth Wagoner
Elizabeth Wagoner
City Clerk
City of St. George, Kansas

THE CITY OF ST. GEORGE, KANSAS

Tim Pralle

Tim Pralle, Mayor

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**REGISTERED
NUMBER 1**

**REGISTERED
\$ _____,000**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

**UNITED STATES OF AMERICA
STATE OF KANSAS
CITY OF ST. GEORGE
GENERAL OBLIGATION BONDS
SERIES 2018A**

Rate of Interest: _____% Maturity Date: October 1, 2019 Dated Date: October 1, 2018 CUSIP: 737806 _____

REGISTERED OWNER: Cede & Co., nominee of The Depository Trust Company, New York, New York; Federal Tax Identification Number: 132555119-0

PRINCIPAL AMOUNT: _____ **THOUSAND AND NO/100 DOLLARS**

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Pottawatomie, State of Kansas (the “City”), for value received hereby acknowledges itself to be indebted and promises to pay to the registered owner identified above, or registered assigns as of the Record Dates as hereinafter provided on the maturity date identified above, the Principal Amount identified above unless called for redemption prior to said Maturity Date, and in like manner to pay interest on such Principal Amount from the date hereof at the rate of interest per annum set forth above (computed on the basis of a 360-day year of twelve 30-day months), semiannually on October 1 and April 1 of each year (the “Interest Payment Dates”), commencing April 1, 2019, until the Principal Amount is paid from the later of the Dated Date hereof or the most recent Interest Payment Date to which interest has been paid.

The principal of and premium, if any, and interest on this Bond 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 by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”). The principal of and any premium on each Bond shall be payable to the registered owner hereof upon presentation of this Bond at the Maturity or redemption date thereof to the Paying Agent for payment and cancellation. The interest payable on each Bond on any Interest Payment Date shall be paid to the person in whose name each Bond is registered on the registration books maintained by the Bond Registrar at the close of business on the record date for such interest, which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding the Interest Payment Date (the “Record Dates”). The principal of, any premium and interest on each Bond shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner, or (b) by electronic transfer to such Owner upon written notice given to the Paying Agent by such Owner, not less than fifteen (15) days prior to the Maturity or Record Date for such principal or interest, containing the electronic transfer instructions including the bank, address, ABA

routing number and account number to which such Owner wishes to have such electronic transfer directed. Interest not punctually paid will be paid in the manner established in the within defined Bond Resolution.

Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the hereinafter defined Bond Resolution.

Authorization of Bonds. This Bond is one of an authorized series of Bonds of the City designated "General Obligation Bonds, Series 2018A," in an aggregate principal amount of \$940,000 (the "Bonds") issued for the purposes set forth in the Ordinance No. 2018-12 and Resolution No. 2018-13 of the Issuer authorizing the issuance of the Bonds (collectively, the "Bond Resolution"). The Bonds 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, K.S.A. 10-101 *et seq.*, K.S.A. 10-620 *et seq.*, K.S.A. 12-6a01 *et seq.*, all as amended and supplemented, and all other provisions of the laws of the State of Kansas applicable thereto.

General Obligations. The Bonds constitute general obligations of the City payable from special assessments levied upon the property benefited by the construction of certain improvements, and if not so paid, from ad valorem property 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 hereby pledged for the payment of the principal of and interest on this Bond and the issue of which it is a part as the same respectively shall become due.

Optional Redemption. At the option of the City, Bonds maturing in the years 2027 and thereafter may be called for redemption and payment prior to maturity on October 1, 2026 or thereafter in whole or in part at any time (selection of maturities and the amount of the Bonds of each maturity to be redeemed to be determined by the City), at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the date of redemption.

Mandatory Redemption.

(a) **2027 Term Bonds.** Each of the Bonds maturing on October 1, 2027 shall be subject to mandatory redemption and payment prior to maturity on October 1, 2019, and on any October 1 thereafter, pursuant to the redemption schedule set forth in the Bond Resolution and at ***Schedule 1***, attached hereto and incorporated herein, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

(b) **2031 Term Bonds.** Each of the Bonds maturing on October 1, 2031 shall be subject to mandatory redemption and payment prior to maturity on October 1, 2028, and on any October 1 thereafter, pursuant to the redemption schedule set forth in the Bond Resolution and at ***Schedule 1***, attached hereto and incorporated herein, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

(c) **2035 Term Bonds.** Each of the Bonds maturing on October 1, 2035 shall be subject to mandatory redemption and payment prior to maturity on October 1, 2032, and on any October 1 thereafter, pursuant to the redemption schedule set forth in the Bond Resolution and at ***Schedule 1***, attached hereto and incorporated herein, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

(d) **2038 Term Bonds.** Each of the Bonds maturing on October 1, 2038 shall be subject to mandatory redemption and payment prior to maturity on October 1, 2036, and on any October 1 thereafter, pursuant to the redemption schedule set forth in the Bond Resolution and at ***Schedule 1***, attached hereto and incorporated herein, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

Whenever the Bond Registrar is to select Bonds for the purpose of redemption, it shall, in the case of Bonds in denominations greater than \$5,000, if less than all of the Bonds then outstanding are to be called for redemption, consider each \$5,000 of face value of each such fully registered Bond as though it were a separate Bond in the denomination of \$5,000.

Notice of Redemption. If any Bonds are called for redemption and payment prior to maturity, the City, unless notice of redemption is waived shall cause the Bond Registrar to give written notice of its intention to call and pay such Bonds on a specified date, the same being described by maturity, said notice to be mailed by the United States first class mail addressed to the Original Purchaser of the Bonds and to the registered owners of said Bonds to be redeemed, each of said notices to be mailed not less than thirty (30) days prior to the date fixed for redemption. Notice of redemption having been given as aforesaid, the Bonds or portions of the Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City defaults in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

The Bonds are issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. This Bond may be exchanged or transferred at the office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity as other denominations upon the terms provided in the Resolution.

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

Book-Entry System. The Bonds are being issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as provided in the Bond Resolution. One Bond certificate with respect to each date on which the Bonds are stated to mature or with respect to each form of Bonds, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the Securities Depository's participants, beneficial ownership of the Bonds in authorized denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Issuer and the Bond Registrar will recognize the Securities Depository nominee, while the Registered Owner of this Bond, as the owner of this Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The Issuer and the Bond Registrar will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this Bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Bond shall be made in accordance with existing arrangements among the Issuer, the Bond Registrar and the Securities Depository.

Transfer and Exchange. EXCEPT AS OTHERWISE PROVIDED IN THE BOND RESOLUTION, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY. This Bond may be transferred or exchanged, as provided in the Bond Resolution, only on the Bond Register kept for that purpose at the principal office of the Bond Registrar, upon surrender of this Bond together with a written instrument of transfer or authorization for exchange

satisfactory to the Bond Registrar duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Bond or Bonds in any authorized denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Bond Resolution and upon payment of the charges therein prescribed. The Issuer shall pay all costs incurred in connection with the issuance, payment and initial registration of the Bonds and the cost of a reasonable supply of Bond blanks. The Issuer and the Paying Agent may deem and treat the person in whose name this Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. The Bonds are issued in fully registered form in Authorized Denominations.

IT IS HEREBY DECLARED AND CERTIFIED that all acts, conditions, and things required to be done and to exist precedent to and in the issuance of this Bond 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 said City, including this series of Bonds, does not exceed any constitutional or statutory limitation.

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

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IN WITNESS WHEREOF, the City has caused this Bond 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 or a facsimile thereof to be imprinted hereon, and this Bond to be dated the Dated Date shown above.

THE CITY OF ST. GEORGE, KANSAS

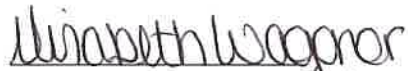


(Seal)

ATTEST:



Tim Pralle, Mayor



Elizabeth Wagoner, City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of a series of General Obligation Bonds, Series 2018A, of the City of St. George, Kansas, described in the within-mentioned Resolution.

Registration Date: October __, 2018

OFFICE OF THE STATE TREASURER
Topeka, Kansas
as Bond Registrar and Paying Agent

By: _____
Authorized Signature

Registration Number: _____

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BOND ASSIGNMENT

FOR VALUE RECEIVED, the undersigned does (do) hereby sell, assign and transfer to -

(Name and Address)

(Social Security or Taxpayer Identifying No.)

the Bond to which this assignment is affixed in the outstanding principal amount of \$ _____ standing in the name of the undersigned on the books of the Treasurer of the State of Kansas (the "Bond Registrar"). The undersigned does (do) hereby irrevocably constitute and appoint _____ as attorney to transfer said Bond on the books of said Bond Registrar with full power of substitution in the premises.

Dated _____

Name

Social Security or Taxpayer
Identifying No.

Signature (Sign Here Exactly as
Name(s) Appear on Face of
Certificate)

Signature guaranty:
By _____
[Name of Eligible Guarantor
Institution as defined by SEC Rule
17ad-15 (12 CFR 240.17 Ad-15)
or any similar rule which Bond
Registrar deems applicable]

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CERTIFICATE OF CITY CLERK

I, the undersigned, City Clerk of the City of St. George, Kansas, hereby certify that the within Bond has been duly registered in my office according to law as of October 1, 2018.

WITNESS my hand and official seal.



Elizabeth Wagoner
Elizabeth Wagoner, City Clerk

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

I, Jake LaTurner, Treasurer of the State of Kansas, do hereby certify that a full and complete transcript of the proceedings leading up to the issuance of this Bond has been filed in my office and that this Bond was registered in my office according to law this _____.

WITNESS my hand and official seal.

Treasurer of the State of Kansas

(SEAL)

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Schedule 1

\$940,000
THE CITY OF ST. GEORGE, KANSAS
GENERAL OBLIGATION BONDS
SERIES 2018A

TERM BONDS

2027 Term Bonds.

<u>Principal Amount</u>	<u>Redemption Year</u>
\$30,000	2019
\$35,000	2020
\$35,000	2021
\$40,000	2022
\$40,000	2023
\$40,000	2024
\$40,000	2025
\$45,000	2026
\$45,000	2027

2031 Term Bonds.

<u>Principal Amount</u>	<u>Redemption Year</u>
\$45,000	2028
\$45,000	2029
\$45,000	2030
\$50,000	2031

2035 Term Bonds.

<u>Principal Amount</u>	<u>Redemption Year</u>
\$50,000	2032
\$55,000	2033
\$55,000	2034
\$60,000	2035

2038 Term Bonds.

<u>Principal Amount</u>	<u>Redemption Year</u>
\$60,000	2036
\$60,000	2037
\$65,000	2038*

*Final Maturity

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of JONATHAN P. SMALL, CHARTERED, Bond Counsel, which was dated and issued as of the date of original issuance and delivery of the Bonds.

LAW OFFICES
JONATHAN P. SMALL, CHARTERED
800 SW Jackson Street, Suite 808
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[FORM OF BOND COUNSEL'S OPINION]

EXCERPT OF MINUTES
OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF ST. GEORGE, KANSAS
HELD ON SEPTEMBER 13, 2018

The Governing Body of The City of St. George, Kansas, the Governing Body, met in regular session in the Sunflower Room in the City of St. George, Kansas, with the following members present:

Tim Pralle, Ins Holloway, Steve Zimmerman, Kathy Hooper

The following members being absent: Chris Collins, Bruce Weich

The Mayor found a quorum present and called the meeting to order.

RESOLUTION NO. 2018-13

A RESOLUTION AUTHORIZING THE ISSUANCE OF \$940,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, SERIES 2018A; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; PRESCRIBING THE FORM, DETAILS AND AUTHORIZATION OF THE DELIVERY OF SAID BONDS; AND, MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

was introduced by ^{Councilman} ~~Commissioner~~ Ins Holloway who moved its passage, which motion was seconded by ~~Commissioner~~ ^{Councilman} Steve Zimmerman.

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

AYES: 3

NAYS: 0

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 September 13, 2018, as recorded in the official minutes of the City.

WITNESS my hand and official seal of said City.

[SEAL]

Elizabeth Wagoner
Elizabeth Wagoner
City Clerk