

(Published in the *Abilene Reflector-Chronicle* on June 16, 2017)

ORDINANCE NO. 3327

AN ORDINANCE OF THE CITY OF ABILENE, KANSAS, AUTHORIZING ISSUANCE OF THE CITY'S GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,290,000, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING RELATED DOCUMENTS AND ACTIONS; AND MAKING COVENANTS REGARDING THE BONDS.

WHEREAS, the governing body of the City of Abilene, Kansas (the "City") is authorized by K.S.A. 10-101 to 10-125, inclusive, as supplemented and amended (the "Bond Act"), to issue its general obligation bonds; and

WHEREAS, pursuant to the Bond Act and K.S.A. 10-427 *et seq.*, (the "Refunding Act") the City is authorized to issue its general obligation refunding bonds to refund in advance of their maturity the City's (a) General Obligation Bonds, Series 2009 maturing on or after September 1, 2020 (the "2009 Refunded Bonds") and (b) General Obligation Bonds, Series A, 2010 maturing on or after September 1, 2017 (the "2010 Refunded Bonds"); and

WHEREAS, the governing body authorized the public sale of the general obligation refunding bonds of the City, and notice of the public sale was published, the public sale was held, and the bonds awarded to the best bidder; and

WHEREAS, the governing body determines it necessary and appropriate to authorize issuance of the City's general obligation bonds to provide funds to refund the Refunded Bonds, pay costs of issuing bonds and to specify the terms, details, form and conditions of such bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF ABILENE, KANSAS:

SECTION 1. Authorization of the Bonds. General Obligation Refunding Bonds, Series 2017, of the City in the total principal amount of \$4,290,000 (the "Bonds") are authorized to be issue to provide funds to refund the 2009 Refunded Bonds and the 2010 Refunded Bonds (collectively, the "Refunded Bonds") and pay the costs of issuing the Bonds.

SECTION 2. Security for the Bonds. The Bonds are general obligations of the City, payable in part from special assessments levied upon certain property in the City, and, if not so paid, from ad valorem taxes that may be levied without limitation as to rate or amount upon all the taxable, tangible property in the territorial limits of the City. The full faith, credit and

resources of the City are pledged to secure the payment of the principal of and the interest on the Bonds as the same severally become due and payable. The governing body of the City covenants to annually provide for the payment of the principal of and the interest on the Bonds as and when the same become due and payable by levying and collecting the necessary assessments or ad valorem taxes upon all of the taxable tangible property located within the territorial limits of the City, in amounts as necessary to provide for such annual payments of the Bonds.

SECTION 3. Terms, Details and Conditions of the Bonds. The Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to maturity, and issued and delivered in the manner prescribed and subject to the provisions, covenants and agreements set forth in a resolution adopted concurrently with this Ordinance by the governing body of the City (the "Resolution").

SECTION 4. Designation of Paying Agent and Bond Registrar; Issuer/Agent Agreement. Pursuant to K.S.A. 10-620 *et seq.*, the governing body elects to have the provisions of the Kansas Bond Registration Law apply to the Bonds and designates and appoints the Treasurer of the State of Kansas, Topeka, Kansas, as the Bond Registrar and Paying Agent for the bonds (the "Paying Agent"). The terms, conditions and provisions under which the Paying Agent will perform its duties are set forth in an Agreement between Issuer and Paying Agent dated as of September 1, 2016 (the "Issuer/Agent Agreement"). The Issuer/Agent Agreement is approved and accepted by the governing body, and all of the covenants, duties and responsibilities specified there to be performed by and on behalf of the City are declared the covenants, duties and responsibilities of the City as though fully set forth in this Ordinance. The Mayor and City Clerk are authorized to execute and deliver the Issuer/Agent Agreement for and on behalf of the City. The Issuer/Agent Agreement is incorporated in and made a part of this Ordinance by this reference; provided, publication of the Issuer/Agent Agreement is not required.

SECTION 5. Levy and Collection of Annual Tax. The governing body of 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 upon taxable tangible property within the City in the manner provided by law.

The taxes above referred to shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as other general ad valorem taxes of the City are levied and collected, shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due and the fees and expenses of the Paying Agent. The proceeds derived from such taxes shall be deposited in the Series 2017 Principal and Interest Account, as defined in the Resolution.

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

SECTION 6. Tax Covenants. The governing body of the City covenants that so long as any of the Bonds remain outstanding and unpaid, it will not make or permit use of the proceeds thereof that, if such use had been reasonably expected on the date of issuance and delivery of the Bonds, would have caused the Bonds to be “arbitrage bonds” within the meaning of Section 103(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”); and that it will comply with all applicable requirements of Section 148 of the Code and the applicable rules and regulations of the United States Treasury Department thereunder for so long as any of the Bonds remain outstanding and unpaid. The governing body further covenants to take all such action in its power as may be required from time to time in order to ensure the continued tax-exempt status of the interest on the Bonds, and to comply with all provisions of the Code, as the same be amended, and any applicable rules and regulations of the United States Treasury Department issued under the Code.

SECTION 7. Escrow Trust Agreement. The City designates and appoints Security Bank of Kansas City, Kansas City, Kansas, as the Escrow Trustee for the Refunded Bonds (the “Escrow Trustee”). The Escrow Trustee will perform its duties as set out in an Escrow Trust Agreement dated as of July 6, 2017 (the “Escrow Trust Agreement”) between the Escrow Trustee and the City. The Escrow Trust Agreement, in substantially the form presented with this Ordinance, is approved and accepted by the governing body, and all of the covenants, duties and responsibilities specified thereto be performed by and on behalf of the City are declared to be the covenants, duties and responsibilities of the City as though fully set forth at this place. The Mayor and City Clerk are authorized to execute and deliver the Escrow Trust Agreement for and on behalf of the City.

SECTION 7. Authorization of Official Statement; Continuing Disclosure. The governing body of the City ratifies and confirms its prior approval of the form and content of the “deemed final” Preliminary Official Statement dated June 1, 2017 and Commerce Bank, Kansas City, Missouri, as Original Purchaser of the Bonds is authorized to use the final Official Statement (in its entirety) in reoffering the Bonds; and the Mayor is authorized to execute and the City Clerk to attest the Official Statement on behalf of the City. The City agrees to provide continuing disclosure as required by Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR part 240, §240. 15c2-12) and as set forth in the Continuing Disclosure Undertaking submitted to the governing body with this Ordinance. The Mayor is authorized to execute and the City Clerk to attest the Continuing Disclosure Undertaking on behalf of the City.

SECTION 8. Designation as Qualified Tax-Exempt Obligations. The governing body of the City designates the Bonds as “qualified tax-exempt obligations” as defined in Section 265(b) (3) of the Code.

SECTION 9. Further Authority. The City and its officers, agents and employees are authorized and directed to take such actions, expend such moneys and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with this Ordinance and to give effect to the transactions contemplated by the Ordinance and Resolution, including final certificates included in the official Transcript of Proceedings

evidencing the authorization and issuance of the Bonds, all without further action by the governing body.

SECTION 10. Severability. If any section, paragraph, clause or provision of this Ordinance is, for any reason, held invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any remaining provisions of this Ordinance.

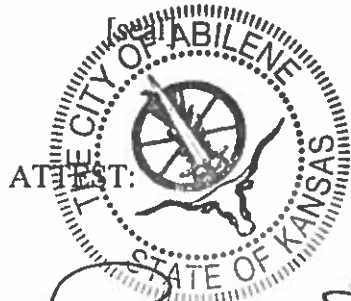
SECTION 11. Governing Law. This Ordinance and the Bonds shall be governed exclusively by and construed in accordance with the applicable laws of the State of Kansas.

SECTION 12. Effective Date. This Ordinance shall be in force and take effect from and after its adoption and approval by the governing body and its publication one time in the City's official newspaper.

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ADOPTED AND APPROVED by the governing body of the City of Abilene, Kansas on June 12, 2017.

CITY OF ABILENE, KANSAS



ATTEST:

By Penny Soukup, CMC
Penny Soukup, City Clerk

By Dee Marshall
Dee Marshall, Mayor

EXCERPT OF MINUTES

The governing body of the City of Abilene, Kansas, met in regular session at the usual meeting place in the City on June 12, 2017, at 4:00 p.m. Mayor Dee Marshall, presided, and members of the governing body were present as follows:

The following members were absent:

The City's Financial Advisor, Dustin Avey, of Piper Jaffray & Co. presented a summary of the bids received at 11:00 a.m. for the purchase of the City's General Obligation Refunding Bonds, Series 2017. The bids were examined and on motion of _____, seconded by _____, the city commission awarded sale of the Bonds to the following bidder:

[ORIGINAL PURCHASER]
[ORIGINAL PURCHASER CITY AND STATE]

The Mayor and City Clerk were directed to execute the successful bidder's Official Bid Form (with an adjustment to \$4,290,000 par amount to account for premium included in the bid).

An ordinance was presented to the governing body entitled:

AN ORDINANCE OF THE CITY OF ABILENE, KANSAS, AUTHORIZING ISSUANCE OF THE CITY'S GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,290,000, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING RELATED DOCUMENTS AND ACTIONS; AND MAKING COVENANTS REGARDING THE BONDS.

The Ordinance was considered and discussed, and upon the motion of _____, seconded by _____, the Ordinance was adopted by a majority vote of the governing body and was assigned No. ____.

Among other business, a Resolution was presented entitled:

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017, IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF \$4,290,000, OF THE CITY OF ABILENE, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. ____ OF THE CITY; MAKING CERTAIN COVENANTS AND AGREEMENTS REGARDING PAYMENT AND SECURITY THEREOF; AND AUTHORIZING REALTED DOCUMENTS AND ACTIONS CONNECTED TO THE BONDS.

The Resolution was considered and discussed; and on motion of _____, seconded by _____, the Resolution was adopted by a majority vote of all members present. The Resolution was assigned No. 061217-_____.

CITY CLERK'S
CERTIFICATION OF EXCERPT OF MINUTES

I certify that the foregoing is a true and correct Excerpt of Minutes of the June 12, 2017 meeting of the governing body of the City of Abilene, Kansas.

[seal]

Penny Soukup, City Clerk