

RESOLUTION NO. 061217-1

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. 3327 OF THE CITY; MAKING CERTAIN COVENANTS AND AGREEMENTS REGARDING PAYMENT AND SECURITY THEREOF; AND AUTHORIZING REALTED DOCUMENTS AND ACTIONS CONNECTED TO THE BONDS.

WHEREAS, the governing body of the City of Abilene, Kansas (the "City"), has adopted Ordinance No. 3327 (the "Bond Ordinance") authorizing the issuance of the City's General Obligation Refunding Bonds, Series 2017 (the "Bonds") for the purpose of providing funds to refund the Refunded Bonds (as defined in the Bond Ordinance) and pay the costs of issuing the Bonds; and

WHEREAS, the Bond Ordinance 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.

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

SECTION 1. Authority for Bonds; Security. In the Bond Ordinance the City has authorized the issuance of the Bonds (as described above) for the purposes described in the Bond Ordinance. Payment of the Bonds is secured as described in the Bond Ordinance. The Bond Ordinance and this Resolution shall be read and construed together in all matters relating to the Bonds.

SECTION 2. Details of Bonds; Payment of Principal and Interest. The Bonds shall be issued in the total principal amount of \$4,290,000.00, and are designated "City of Abilene, Kansas, General Obligation Refunding Bonds, Series 2017"; and dated July 6, 2017 (the "Dated Date"). The Bonds shall mature on September 1 (the "Principal Payment Date") in each of the years and in the principal amounts and shall bear interest at the respective rates per annum (computed on the basis of a 360-day year of twelve 30-day months), shown below:

Maturity Schedule  
SERIAL BONDS

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
09/01/2017	\$195,000.00	3.00%
09/01/2018	100,000.00	3.00%
09/01/2019	100,000.00	3.00%
09/01/2020	205,000.00	3.00%

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
09/01/2021	205,000.00	3.00%
09/01/2022	210,000.00	3.00%
09/01/2023	225,000.00	3.00%
09/01/2024	225,000.00	3.00%
09/01/2025	200,000.00	3.00%
09/01/2026	200,000.00	3.00%
09/01/2027	215,000.00	3.00%
09/01/2028	215,000.00	3.00%
09/01/2029	225,000.00	3.00%

TERM BONDS

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
09/01/2033	\$555,000.00	4.00%
09/01/2037	655,000.00	4.00%
09/01/2040	560,000.00	4.00%

Subject to the book-entry provisions of Section 6 of this Resolution, the Bonds shall be issued as fully registered certificated bonds without coupons in denominations of \$5,000, or integral multiples thereof not exceeding the principal amount of Bonds maturing on the respective Principal Payment Date; and the Bonds shall be numbered as the Bond Registrar (herein defined) shall determine.

The principal amount of the Bonds shall be payable in lawful money of the United States of America by check or draft of the Paying Agent (as defined in the Bond Ordinance and this Resolution) upon the presentation of the Bonds for payment and cancellation at the Paying Agent's principal office in the City of Topeka, Kansas. Interest on the Bonds shall be paid semiannually on March 1 and September 1 of each year (the "Interest Payment Dates"), beginning September 1, 2017. The interest on the Bonds shall be payable in lawful money of the United States of America to the owners of bonds (the "Owners") of record as of the as of the fifteenth (15th) day of the month prior to the Interest Payment Date (the "Record Date"), by check or draft of the Paying Agent mailed to the Owners at their addresses as shown on the Registration Books, or at such other address as an Owner has furnished in writing to the Bond Registrar, or in the case of an interest payment to an Owner that is a securities depository or an owner of \$500,000 or more aggregate principal amount of the Bonds, by electronic transfer, upon written notice given to the Paying Agent by that Owner, not less than 15 days before the Record Date for such payment, containing the electronic transfer instructions, including the bank address, ABA routing number and account number where the wire transfer should be directed.

If a Principal Payment Date or an Interest Payment Date (collectively a "Payment Date") occurs on a date which is a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the legislature of the State of Kansas and on which the Paying Agent is normally scheduled to be closed, then the payment of such principal, premium or interest may be made on the next succeeding business day with the same force and effect as if made on the

scheduled Payment Date, and no interest shall accrue for the period after the scheduled Payment Date.

While the Bonds are in book-entry form the Paying Agent (defined in the Bond Ordinance and this Resolution) shall make payments directly to DTC or its nominee, as the registered owner, for the principal of and the interest on the Bonds; and DTC will remit such principal and interest to its Direct Participants for distribution to the Beneficial Owners, all as defined and in the manner set forth in the following Section 6 and as governed by the terms of the Letter of Representation described in Section 6.

In the event that the Bonds are issued and delivered in certificated form at any time after the initial delivery of the Bonds, the Paying Agent shall maintain Registration Books for the ownership of the Bonds on behalf of the City; and the Paying Agent will make payment for the Bonds directly to the registered owners of the Bonds as shown by said Registration Books as described in this Section 2.

SECTION 3. Redemption of Bonds.

(A) Optional Redemption. At the option of the City, the Bonds maturing September 1, 2027, and thereafter, may be called for redemption and payment prior to their respective maturities, on September 1, 2026 or at any time thereafter, as a whole or in part, as determined by the City, at a redemption price equal to the principal amount, plus accrued interest to the date of redemption, without premium.

(B) Mandatory Redemption of Term Bonds. Each of the Bonds maturing on September 1, 2033 (the "2033 Term Bonds"), shall be subject to mandatory redemption and payment beginning September 1, 2030, and continuing on September 1 of each year thereafter pursuant to the redemption schedule set out below, at the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and payment, without premium.

The transfers to the Series 2017 Principal and Interest Account required by this Resolution for payments commencing September 1, 2030, shall be sufficient to redeem, and the City agrees to redeem, the principal amount of the 2033 Term Bonds on September 1, as follows:

<u>Redemption Date</u>	<u>Principal Amount</u>
2030	\$130,000
2031	135,000
2032	140,000

(Leaving \$150,000 to mature on September 1, 2033)

Each of the Bonds maturing on September 1, 2037 (the "2037 Term Bonds"), shall be subject to mandatory redemption and payment beginning September 1, 2034, and continuing on September 1 of each year thereafter pursuant to the redemption schedule set out below, at the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and payment, without premium.

The transfers to the Series 2017 Principal and Interest Account required by this Resolution for payments commencing September 1, 2034, shall be sufficient to redeem, and the City agrees to redeem, the principal amount of the 2037 Term Bonds on September 1, as follows:

<u>Redemption Date</u>	<u>Principal Amount</u>
2034	\$155,000
2035	160,000
2036	165,000

(Leaving \$175,000 to mature on September 1, 2037)

Each of the Bonds maturing on September 1, 2040 (the “2040 Term Bonds”), shall be subject to mandatory redemption and payment beginning September 1, 2038, and continuing on September 1 of each year thereafter pursuant to the redemption schedule set out below, at the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and payment, without premium.

The transfers to the Series 2017 Principal and Interest Account required by this Resolution for payments commencing September 1, 2038, shall be sufficient to redeem, and the City agrees to redeem, the principal amount of the 2040 Term Bonds on September 1, as follows:

<u>Redemption Date</u>	<u>Principal Amount</u>
2038	\$180,000
2039	185,000

(Leaving \$195,000 to mature on September 1, 2040)

The 2033 Term Bonds, the 2037 Term Bonds and the 2040 Term Bonds (collectively, the “Term Bonds”) to be redeemed and paid as described above shall be selected by the Paying Agent in such equitable manner as it may designate. The Paying Agent shall each year in which the Term Bonds are to be redeemed pursuant to the terms of the sinking fund make timely selection of the Term Bonds to be so redeemed and shall give notice thereof to the Owners as hereinafter provided without further instructions from the City.

(C) Selection of Bonds to be Redeemed. The Bonds shall be redeemed only in face amounts of \$5,000 or integral multiples thereof. If the City elects to call for redemption less than all of the Bonds at the time outstanding, the Bonds shall be redeemed in such manner as the City shall determine, with Bonds of less than a full maturity to be selected by lot in units of \$5,000; and the City shall, in the case of Bonds registered in denominations greater than \$5,000, treat each \$5,000 of face value of a Bond so registered as though it were a separate Bond in the denomination of \$5,000. If one or more, but not all, of the \$5,000 units of face value represented by any fully registered Bond certificate is selected for redemption, then the Owner of such Bond shall present and surrender such Bond to the Paying Agent for payment of the redemption price of the \$5,000 unit or units of face value called for redemption, and 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 of a denomination greater than \$5,000 shall fail 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 principal amount thereof called for redemption (and to that extent only).

(D) Notice of Redemption. The City shall give notice of any call for redemption and payment in writing to the Paying Agent not less than forty-five (45) days prior to the redemption date; and the Paying Agent shall give notice of such call for redemption and payment in writing mailed via United States first class mail to the Owners of the Bonds so called not less than thirty (30) days prior to the redemption date, unless an Owner has waived such written notice of redemption. The City shall also give or cause to be given such additional notice of a call for redemption and payment as is then required by the laws of the State of Kansas in effect as of the date a notice is given. All notices of redemption given under the provisions of this Section shall state (i) the redemption date, (ii) the redemption price, (iii) if less than all Outstanding Bonds are to be redeemed, the identification (and in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (iv) that on the redemption date the principal amount, and premium, if any, will become due and payable upon each such Bond or portion thereof which has been selected for redemption, and that the interest thereon shall cease to accrue from and after the redemption date, (v) any conditions required prior to redemption and payment, and (vi) that the Bonds so selected for redemption are to be surrendered to or at the principal office of the Paying Agent for payment. The failure of any Owner of the Bonds to receive notice given as herein provided or an immaterial defect therein shall not invalidate any redemption.

At the option of the City, a notice of optional redemption may be made conditional upon moneys being on deposit with the Paying Agent on or prior to the redemption date in an amount sufficient to pay the redemption price on the redemption date. If the notice is conditional and moneys are not received, the notice shall be of no force and effect, the Paying Agent shall not redeem such Bonds and the Paying Agent shall give notice, in the same manner that notice of redemption was given, that moneys were not received and Bonds will not be redeemed.

For as long as the Securities Depository (defined in Section 6) is effecting book-entry transfers of the Bonds, the Bond Registrar shall provide the notices specified in this subsection to the Securities Depository. It is expected the Securities Depository will, in turn, notify its Participants and that its Participants, in turn, will notify or cause to notification of the Beneficial Owners of the Bonds. A failure on the part of the Securities Depository or a Participant, or a failure on the part of a nominee of a Beneficial Owner of Bond (having received notice of a redemption from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Bonds so affected, shall not affect the validity of the redemption of such Bond.

(E) Deposit of Moneys for and Payment of Redemption Price. On or prior to the redemption date, the City shall deposit with the Paying Agent sufficient funds to pay the redemption price, together with all unpaid and accrued interest thereon to the redemption date, of all Bonds or portions thereof selected for redemption on the redemption date. Upon the surrender by the Owners of Bonds selected for redemption, the Paying Agent shall pay the redemption price therefor to the Owners. If one or more, but not all, of the \$5,000 units of face value represented by any Bond is selected for redemption and surrendered and paid, then the Paying Agent shall prepare and furnish to the Owner thereof a new Bond or Bonds of the same maturity

and in the amount of the unredeemed portion of such Bond as provided above. All Bonds selected, called and surrendered for redemption shall be canceled by the Paying Agent and shall not be reissued.

(F) Effect of Call for Redemption. Whenever any Bond, or one or more of the \$5,000 units of face value represented by any Bond, has been selected for redemption and payment as provided in this Section, all interest on such Bond, or such one or more of the \$5,000 units of face value represented by any such Bond, shall cease from and after the redemption date, provided funds are then available for its payment at the price hereinbefore specified.

SECTION 4. Designation of Paying Agent and Bond Registrar. In the Bond Ordinance the City has designated the State Treasurer of Kansas, Topeka, Kansas as the Bond Registrar and Paying Agent for the Bonds pursuant to the Issuer/Agent Agreement and the Bond Act (each as defined in the Bond Ordinance).

SECTION 5. Ownership; Transfers and Exchanges; Mutilated, Lost, Stolen or Destroyed Bonds. Pursuant to the Issuer/Agent Agreement, the Bond Registrar shall maintain books for the recording of the initial registration and any subsequent transfers of the ownership of the Bonds (the "Registration Books"), and the person(s) in whose name any Bond is registered as shown on the Registration Books shall be deemed and regarded as the absolute Owner thereof for all purposes. Payment of, or on account of, the principal of and the interest on any such Bond shall be made only to or upon the order of the Owner or his duly authorized agent. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

The provisions, terms, conditions and requirements for the transfer and exchange of the Bonds, and for the replacement of a mutilated, lost, stolen or destroyed Bond are fully set forth in the Issuer/Agent Agreement. Replacement bonds delivered upon any transfer or exchange made in compliance with the provisions, terms, conditions and requirements set forth in the Issuer/Agent Agreement shall be valid obligations of the City, evidencing the same debt as the Bonds surrendered, shall be secured by the pledges made in this Resolution and the Bond Ordinance and shall be entitled to all of the security and benefits hereof to the same extent as the bonds surrendered.

SECTION 6. Book-Entry-Only Bonds. The Bonds shall be initially distributed in book-entry-only form through The Depository Trust Company, New York, New York ("DTC"), by depositing with DTC one certificate for each maturity in fully registered form, registered in the name of DTC's nominee, Cede & Co., in an amount equal to the total principal amount of the Bonds maturing on the respective Principal Payment Dates as authorized herein. Notwithstanding anything in this Resolution to the contrary, so long as the Bonds remain in book-entry-only form the manner of payment of the principal of and the interest on the Bonds to DTC, and other matters relating to the distribution of the Bonds in book-entry-only form through DTC, shall be governed by the provisions of this Section 6 and a Letter of Representations from the City to DTC (the "Letter of Representations"), which the Mayor or City Clerk is authorized to execute and deliver on behalf of the City.

One certificate per maturity registered in the name of DTC's nominee, Cede & Co., for the total principal amount of the Bonds maturing on the respective Principal Payment Dates will be issued to DTC in New York, New York; and such certificates will be immobilized in its custody. Purchases of the Bonds in denominations permitted by Section 2 hereof must be made by or through Direct Participants of DTC (as defined in the Letter of Representations), which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Transfers of ownership will be effected on the records of DTC and its Participants pursuant to the rules and procedures established by DTC and its Participants. Payment of principal and interest on the Bonds will be made in same day funds directly to DTC. The transfer of principal and interest to Participants of DTC will be the responsibility of DTC; the transfer of principal and interest to beneficial owners by Participants of DTC will be the responsibility of such Participants. Neither the City nor the Paying Agent and Bond Registrar will be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

In the event the Bond Registrar receives written notice from Participants having interest in not less than 50% of the Bonds outstanding, as shown on the records of DTC (and certified to such effect by DTC), that the continuation of a book-entry only system to the exclusion of any Bonds being issued to any Registered Owner other than Cede & Co., is no longer in the best interest of the Beneficial Owners of the Bonds, then the Bond Registrar shall notify the registered owners of such determination or such notice, 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 ("Replacement Bonds"). If issued in certificated form, the certificates representing the Bonds shall be numbered in such manner as the Bond Registrar shall determine.

All references to DTC herein shall relate to the period of time when DTC 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 DTC shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds. If DTC resigns and the City, the Bond Registrar or the Owners are unable to locate a qualified successor of the securities depository, 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 DTC and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the City.

In the event DTC 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 receives written evidence satisfactory to the Bond Registrar 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 the Bonds to the successor securities depository in appropriate denominations and form as provided in this Resolution.

SECTION 7. Execution and Authentication. The Bonds shall be executed for and on behalf of the City by the manual or facsimile signature of its Mayor, attested by the manual or facsimile signature of its City Clerk, and a facsimile of the City's official seal shall be printed on or affixed to the Bonds. The Bonds shall be registered in the Office of the City Clerk, evidenced by the manual or facsimile signature of the City Clerk on a Certificate of Registration printed on the Bonds, attested by a facsimile of the City's official seal. The Bonds shall be registered by the State Treasurer in the municipal bond register in his office, with the registration evidenced by his manual or facsimile signature on a Certificate of State Treasurer printed on the Bonds, and attested by a facsimile of his official seal. If any officer of the City or of the State whose signature appears on the Bonds is no longer such officer on or before the actual delivery of the Bonds, their signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until delivery of the Bonds.

No bond shall be valid or obligatory for any purpose until the Certificate of Authentication on the bond is properly executed by the Bond Registrar, and such executed certificate on any Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution. The Bond Registrar's Certificate of Authentication on any Bond is properly executed by the Bond Registrar when manually signed by an authorized officer or signatory of the Bond Registrar. It is not necessary that the same officer or signatory of the Bond Registrar manually sign the Certificate of Authentication on all Bonds issued under this Resolution.

SECTION 8. Bonds Not Presented for Payment. If a Bond is not presented for payment when the principal is due at maturity and if funds sufficient to pay such Bond have been made available to the Paying Agent, then all liability of the City to the Owner thereof for the payment of such Bond shall cease and be completely discharged, and it shall be the duty of the Paying Agent to hold such funds, without liability for interest, for the benefit of the Owner of such Bond, who shall be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If a Bond is not presented for payment within four (4) years following the date when such Bond becomes due at maturity, the Paying Agent shall repay to the City the funds therefore 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 City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

SECTION 9. Payment of Costs. The City shall pay out of the proceeds of the Bonds all costs incurred in connection with the issuance, transfer, exchange, registration, redemption and payment of the bonds except (a) the reasonable fees and expenses of replacing a Bond or Bonds which have been mutilated, stolen, lost or destroyed, or (b) any tax or other governmental charge imposed in relation to the transfer, exchange, registration, redemption or payment of the Bonds.



SECTION 10. Form of Bonds. The Bonds issued under this Resolution shall be evidenced by printed certificates in the form required by the laws of the State of Kansas, and shall contain recitals as required by the Constitution and Laws of the State of Kansas, including a recital that the Bonds are issued in the manner prescribed by the Bond Act, and pursuant to the authority of the Refunding Act, for the purpose of refunding the Refunded Bonds and paying the costs of issuing the Bonds.

The governing body hereby authorizes, orders and directs Triplett Woolf Garretson, LLC, the City's Bond Counsel, to prepare the form and text of the certificates for the Bonds, and to cause the same to be printed as the definitive bond certificates for the Bonds.

SECTION 11. Creation and Ratification of Accounts. Simultaneously with the issuance and delivery of the Bonds, the following accounts for the Bonds are created within the Treasury of the City:

- A. General Obligation Refunding Bonds, Series 2017 Principal and Interest Account (the "Series 2017 Principal and Interest Account"); and
- B. General Obligation Refunding Bonds, Series 2017 Costs of Issuance Account (the "Costs of Issuance Account"); and
- C. City of Abilene, Escrow Trust Account (the "Escrow Trust Account").

SECTION 12. Sale and Delivery of Bonds; Disposition of Bond Proceeds. The Mayor and City Clerk are authorized and directed to prepare and execute the Bonds in the form and manner specified in this Resolution, including a reasonable inventory quantity of bond certificates for transfer, exchange and replacement in accordance with the provisions of this Resolution; and when executed the Bonds shall be registered in the Office of the City Clerk and in the Office of the State Treasurer, as required by law and as provided herein. The Bonds were sold at public sale as provided by law and shall be delivered to Commerce Bank, Kansas City, Missouri, through the clearing facilities of DTC, upon receipt by the City of the full purchase price of the Bonds, as shown on the City's Receipt for Purchase Price.

The proceeds from the sale of the Bonds shall be deposited into the Treasury of the City for the credit of and shall be applied, together with other monies of the City, as follows:

(A) The amount of the proceeds representing accrued interest on the Bonds, if any, and the amount of the proceeds representing bid premium paid on the Bonds, if any, shall be credited to and deposited in the Series 2017 Principal and Interest Account; and

(B) \$87,130.78 of the proceeds shall be immediately credited to and deposited in to the Costs of Issuance Account, to be held by the Escrow Trustee.

(C) \$4,519,896.52 of the proceeds shall be immediately credited to and deposited in the Escrow Trust Account for the refunding of the Refunded Bonds.

SECTION 13. Application of Money in Accounts.

*Series A, 2016 Principal and Interest Account.* The Series 2017 Principal and Interest Account shall be administered and maintained for the purpose of depositing moneys from the issuance, sale and delivery of the Bonds which represent accrued interest and premium, if any, and for the subsequent payment and retirement of the Bonds, whether upon an Interest Payment Date, Principal Payment Date or upon the redemption thereof prior to maturity, and for no other purpose. The Series 2017 Principal and Interest Account may be created as a subaccount of the City's Bond and Interest Fund.

*Escrow Trust Account.* The Escrow Trust Account is established with Security Bank of Kansas City, Kansas City, Kansas, as Escrow Trustee (the "Escrow Trustee") and shall be administered and maintained according to the terms and provisions of an Escrow Trust Agreement dated as of July 6, 2017 (the "Escrow Trust Agreement") as authorized by the Ordinance for the purpose of depositing moneys from the issuance, sale and delivery of the Bonds necessary for the full payment and defeasance of the Refunded Bonds.

*Costs of Issuance Account.* The Costs of Issuance Account shall be administered and maintained for the purpose of depositing moneys received in connection with the issuance, sale and delivery of the Bonds to pay the costs of issuance associated with the issuance of the Bonds. The Costs of Issuance Account shall be held by the Escrow Trustee and shall be governed by terms of the Escrow Trust Agreement. Any amounts remaining in the Costs of Issuance Account on the date which is 30 days prior to the first principal payment date of the Bonds shall be transferred to the Series 2017 Principal and Interest Account, and shall be used towards payment of the principal next becoming due on the Bonds.

SECTION 14. Resolution Constitutes Contract; Remedies of Owners. The provisions of this Resolution and the Ordinance, and all of its covenants and agreements, shall constitute a contract between the City and the Owners, and the Owners of not less than ten percent (10%) of the Bonds at the time Outstanding shall have the right, for the equal benefit and protection of all Owners similarly situated:

(A) By mandamus or other suit, action or proceeding at law or in equity to enforce his or their rights against the City and its officers, agents and employees, and to require and compel the City and its officers, agents and employees to perform all duties and obligations required by the provisions of this Resolution, the Ordinance, or by the Constitution and laws of the State of Kansas;

(B) By suit, action or other proceeding 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 proceeding in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners.

SECTION 15. Limitation on Actions by Owners; Remedies Cumulative; Delay or Omission Not Waiver. No one or more of the Owners secured by this Resolution and the Ordinance shall have any right in any manner whatsoever 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 here provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all of the Owners. Nothing in this Resolution, the Ordinance, or in the Bonds shall affect or impair the obligations of the City to pay at the date of maturity thereof or on any prepayment date established therefor, the principal of and the interest on the Bonds to the respective Owners thereof or affect or impair the right of action of any Owners to enforce payment of the Bonds held by them, or to reduce to judgment their claim against the City for the payment of the principal amount of and the interest on the Bonds without reference to or consent of any other Owners. No remedy herein conferred upon the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute, and may be exercised without regard to any other remedy however given. No delay or omission of any Owners to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power or be construed as an acquiescence in default, and every right, power and remedy given by this Resolution to the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient. In case any proceeding taken by any Owners on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Owners, then in every such case the City and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Owners shall continue as though no such proceedings had been taken.

SECTION 16. Amendments. The City may, without the consent of the Owners, amend or supplement the provisions of this Resolution (i) to cure any ambiguity herein or to correct or supplement any provision herein which may be inconsistent with any other provision herein or to correct errors, provided such action shall not materially adversely affect the interest of the Owners, or (ii) to grant or confer upon the Owners any additional rights, remedies, powers or security, or (iii) to more precisely identify the Project, or (iv) to conform this Resolution to the Code (as hereinafter defined) or future applicable Federal laws concerning tax-exempt obligations. The rights and duties of the City and the Owners and the terms and provisions of this Resolution may be modified or altered in any respect by an ordinance of the City with the consent of the Owners of not less than seventy-five percent (75%) in principal amount of the bonds then outstanding, such consent to be evidenced by an instrument or instruments executed by the 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; provided that, the following modifications or alternations shall require the written consent of one hundred percent (100%) of the Owners of the then outstanding Bonds:

(A) Extending the maturity of any payment of principal or interest due upon the Bonds, or

(B) Effecting a reduction in the amount which the City is required to pay by way of principal or interest on the Bonds, or

(C) Permitting a preference or priority of any Bond or Bonds over any other Bond or Bonds, or

(D) Reducing the percentage of the principal amount of the then outstanding Bonds for which the written consent of the Owners is required for any modification or alteration of the provisions of this Resolution.

Any and all modifications made as provided above shall not become effective until a copy of the ordinance of the City authorizing the modifications, duly certified and published, and proof of consent to such modification by the required percentage of Owners, is filed with the City Clerk. It shall not be necessary to note on any of the outstanding Bonds any reference to such amendment or modification.

SECTION 17. Defeasance. When the principal of and the interest on the Bonds shall have been paid and discharged, then the requirements contained herein and all other rights granted by this Resolution shall cease and terminate. The Bonds shall be deemed to have been paid and discharged within the meaning of this Resolution if there shall have been deposited with the Paying Agent or with a bank located in the State of Kansas and having full trust powers, at or prior to the maturity or date of redemption, as the case may be, of the Bonds, in trust for and irrevocably appropriated thereto, moneys and/or Government Securities consisting of direct obligations of, or obligations payment of the principal of and interest on which are guaranteed by, the United States of America, which together with the interest to be earned on such Government Securities, will be sufficient for the payment of the principal amount of and the interest on the Bonds, to the date of maturity or redemption, as the case may be, or if default in such payment shall have accrued on such date, then to the date of the tender of such payments; provided that, if such payment and discharge is to be made on a redemption date that notice of such redemption has been duly and properly given as provided by this Resolution and that all of the other terms and provisions of this Resolution relative to the call for and the redemption and payment of the Bonds shall have been satisfied. Any moneys which at any time shall be deposited with the Paying Agent or such Kansas bank by or on behalf of the City, for the purpose of paying and discharging any of the Bonds or interest thereon, shall be and are hereby assigned, transferred and set over to the Paying Agent or such Kansas bank 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 moneys so deposited with the Paying Agent or such Kansas bank shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Resolution.

SECTION 18. Surrender and Cancellation of Bonds. Whenever any outstanding Bond shall be delivered to the Bond Registrar after payment of the principal amount of and the interest represented thereof or for replacement pursuant to this Resolution, such Bond shall be canceled and destroyed by the Bond Registrar and counterparts of a Certificate of Destruction describing such Bonds so destroyed and evidencing such destruction shall be furnished by the Bond Registrar to the City.

SECTION 19. Tax Covenants. The governing body of the City covenants that so long as any of the Bonds remain outstanding and unpaid, it will not use or permit the use of the proceeds thereof in an manner which, if such use had been reasonably expected on the date of issuance and delivery, 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 rules and regulations of the United States Treasury Department relating to the applicable provisions of the Code 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

SECTION 20. Designation as Qualified Tax-Exempt Obligations. In the Ordinance, the governing body of the City has designated the Bonds as “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code in the Bond Ordinance.

SECTION 21. Other Documents. The Mayor and City Clerk are authorized and directed to prepare and execute any and all supporting documents and certificates required to issue the Bonds, including final certificates required to be included in the official Transcript of Proceedings relating to the authorization and issuance of the Bonds, all without further action by the governing body.

SECTION 22. Further Authority. The City shall, 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 in order to carry out and comply with the provisions of this Resolution and to give effect to the transactions contemplated herein.

SECTION 23. Severability. If any section, paragraph, clause or provision of this Resolution 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 Resolution.

SECTION 24. Effective Date. This Resolution shall be in force and take effect from and after its adoption and approval.

*[Remainder of Page Intentionally Left Blank]*

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

CITY OF ABILENE, KANSAS



By *Dee Marshall*  
Dee Marshall, Mayor

By *Penny Soukup*  
Penny Soukup, City Clerk