
TRANSCRIPT OF PROCEEDINGS

AUTHORIZING THE ISSUANCE

OF

CITY OF CANEY, KANSAS

\$668,000
GENERAL OBLIGATION BONDS
SERIES 2022-A

\$577,000
GENERAL OBLIGATION BONDS
SERIES 2022-B

DATED AUGUST 10, 2022

Legal Opinion

Gilmore & Bell, P.C.
Wichita, Kansas

**PROCEEDINGS AUTHORIZING THE SALE
AND ISSUANCE OF THE BONDS**

3. Excerpt of Minutes of the governing body meeting evidencing passage of Ordinance No. 2182 and adoption of Resolution No. 1413
4. Ordinance No. 2182 authorizing the issuance of the Bonds
5. Summary of Ordinance No. 2182 and Affidavit of publication thereof
6. Resolution No. 1413 prescribing the form and details of the Bonds

CLOSING DOCUMENTS

7. Transcript Certificate
 - Exhibit A* – Statement of Costs
 - Exhibit B* – Schedule of Outstanding General Obligation Indebtedness
8. Uniform Facsimile of Signature Certificates
9. Authorization of State Treasurer to use facsimile signature and seal
10. Specimen Bonds and Bond Printer's Certificate
11. Agreement Between Issuer and Agent
12. Closing Certificate
13. Federal Tax Certificate
 - Exhibit A* – Internal Revenue Service Form 8038-G and evidence of filing
 - Exhibit B* – Receipt for Purchase Price
 - Exhibit C* – Receipt and Representation
 - Exhibit D* – Description of Property Comprising the Financed Improvements
 - Exhibit E* – Sample Annual Compliance Checklist
 - Schedule 1* – Debt Service Schedule & Proof of Yield

LEGAL OPINIONS

14. Approving legal opinions of Gilmore & Bell, P.C.
 - Series 2022-A Bonds
 - Series 2022-B Bonds
15. Approval letters of Attorney General
 - Series 2022-A Bonds
 - Series 2022-B Bonds

USDA/RURAL DEVELOPMENT DOCUMENTS

16. Phase 2 Documents
 - Letter of Conditions-Phase 2 (August 28, 2018)
 - Approval Letter from Director, Community Programs (August 30, 2018)
 - Amendment to Original Letter of Conditions-Phase 2 (May 18, 2020)
 - Approval Letter from Director, Community Programs (May 20, 2020)

17. Phase 2B Documents
 - Amendment to Original Letter of Conditions-Phase 2B (September 20, 2021)
 - Approval Letter from Director, Community Programs (September 30, 2021)
 - Amendment to Original Letter of Conditions-Phase 2B supplement (May 16, 2022)
 - Approval Letter from Director, Community Programs (May 24, 2022)

18. Loan Resolutions (Form RUS Bulletin 1780-27) (June 20, 2022)

MISCELLANEOUS DOCUMENTS

19. Event Notice related to the issuance of the Bonds and proof of filing

20. Closing Letter

* * * * *

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF CANEY, KANSAS
HELD ON OCTOBER 2, 2017**

The governing body met in regular session at the usual meeting place in the City, at 7:00 p.m., the following members being present and participating, to-wit:

TOM BURK JR., KEITH ROGERS, VALERIE HURD,
DAN JOHNSTON, DEB WOOD, KOLT WEST, ZOE WAHL and KENITH BUTTS

Absent: NONE

The Mayor declared that a quorum was present and called the meeting to order.

(Other Proceedings)

There was presented a Charter Ordinance entitled:

**A CHARTER ORDINANCE EXEMPTING THE CITY OF CANEY, KANSAS,
FROM THE PROVISIONS OF K.S.A. 12-617 ET SEQ. AND PROVIDING
SUBSTITUTE AND ADDITIONAL PROVISIONS ON THE SAME SUBJECT
RELATING TO SEWER IMPROVEMENTS AND THE ISSUANCE OF BONDS
FOR THE PURPOSE OF PAYING FOR SAID IMPROVEMENTS.**

Councilmember KEITH ROGERS moved that the Ordinance be passed. The motion was seconded by Councilmember KOLT WEST. The Ordinance was duly read and considered, and upon being put, the motion for the passage of said Ordinance was carried by the vote of the governing body as follows:

Yea: TOM BURK JR., KEITH ROGERS, VALERIE HURD, DAN JOHNSTON, DEB WOOD,
KOLT WEST, ZOE WAHL and KENITH BUTTS.

Nay: NONE.

The Mayor declared the Charter Ordinance duly passed with more than a 2/3 vote of the governing body, and the Charter Ordinance was then duly numbered Charter Ordinance No. 30, was signed by the Mayor and attested by the Clerk and was directed to be published once a week for two consecutive weeks in the official newspaper of the City.

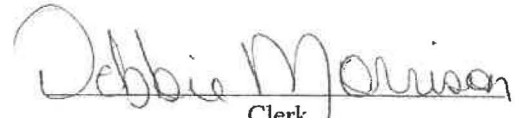
(Other Proceedings)

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On motion duly made, seconded and carried, the meeting thereupon adjourned.

CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the City of Caney, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.


Clerk



(SEAL)

(Published in the *Montgomery County Chronicle* on October 12, 2017, and October 19, 2017)

CHARTER ORDINANCE NO. 30

A CHARTER ORDINANCE EXEMPTING THE CITY OF CANEY, KANSAS, FROM THE PROVISIONS OF K.S.A. 12-617 *ET SEQ.* AND PROVIDING SUBSTITUTE AND ADDITIONAL PROVISIONS ON THE SAME SUBJECT RELATING TO SEWER IMPROVEMENTS AND THE ISSUANCE OF BONDS FOR THE PURPOSE OF PAYING FOR SAID IMPROVEMENTS.

WHEREAS, Article 12, Section 5 of the Constitution of the State of Kansas (the “Act”), provides that cities may exercise certain home rule powers, including passing charter ordinances which exempt such cities from non-uniform enactments of the Kansas Legislature; and

WHEREAS, the City of Caney, Kansas (the “City”) is a city, as defined in the Act, duly created and organized, under the laws of the State of Kansas; and

WHEREAS, K.S.A. 12-618, K.S.A. 12-619, K.S.A. 12-621 and K.S.A. 12-624 are part of an enactment of the Kansas Legislature (K.S.A. 12-617 *et seq.*) relating to sewer improvements and the issuance of bonds for such purposes, which enactment is applicable to the City, but is not uniformly applicable to all cities within the State of Kansas; and

WHEREAS, the governing body of the City desires, by charter ordinance, to exempt the City from the provisions of K.S.A. 12-618, K.S.A. 12-619, K.S.A. 12-621 and K.S.A. 12-624, and to provide substitute and additional provisions therefor.

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

Section 1. Exemption. The City, by virtue of the powers vested in it by the Act, hereby elects to exempt itself from and make inapplicable to it the provisions of K.S.A. 12-618, K.S.A. 12-619, K.S.A. 12-621 and K.S.A. 12-624, and shall be governed by the substitute and additional provisions contained herein.

Section 2. Authorization of Sewer Improvements; Bonds. The City shall have the authority to build, construct, improve, repair or purchase sewer improvements, including the acquisition of land or an interest therein necessary therefor, within or without the limits of the City, to serve the City, including but not limited to the following: sewer mains, interceptor sewers, pumping stations, sewers, sewer service lines, drains, outlets, treatment and disposal works. The City may issue its general obligation bonds (the “Bonds”) to pay the costs of such improvements when authorized to do so by the adoption of a resolution by the governing body of the City describing the type of sewer improvement to be provided for and the amount of Bonds to be issued. The Bonds shall be issued, sold, delivered and retired in accordance with the provisions of the general bond law except as herein otherwise expressly provided.

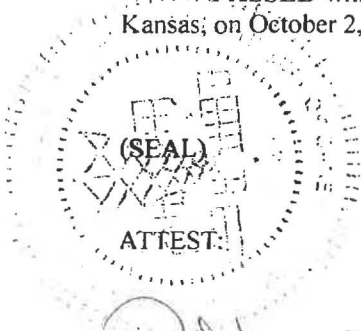
At the sole discretion of the governing body, such resolution may (but is not required to) contain a provision that the issuance of the Bonds be subject to: (a) a provision that the resolution be published one time in the official City newspaper, and if within 30 days after the date of publication of the resolution, a petition in opposition to the issuance of the Bonds, signed by not less than 10% of the qualified electors of the City, is filed with the City Clerk, the City shall not have the authority to issue the Bonds until such question is submitted to the electors of the City at a special election called for that purpose or at the next general election and approved by a majority of the electors of the City voting at such election; or (b) approval by a majority of the electors of the City voting on such question at a special election called for that purpose or at the next general election. If the governing body provides for notice and protest as set forth in *subsection (a)*, and no such written protest is filed pursuant to *subsection (a)*, the City may proceed to issue the Bonds. Any election required by this section shall be conducted in the manner set forth in K.S.A. 10-120 by the election officer of the county in which the City is located.

Section 3. Severability. If any provision or section of this Charter Ordinance is deemed or ruled unconstitutional or otherwise illegal or invalid by any court of competent jurisdiction, such illegality or invalidity shall not affect any other provision of this Charter Ordinance. In such instance, this Charter Ordinance shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 4. Effective Date. This Charter Ordinance shall be published once a week for two consecutive weeks in the official City newspaper, and shall take effect sixty (60) days after final publication, unless a petition signed by a number of electors of the City equal to not less than ten percent (10%) of the number of electors who voted at the last preceding regular City election shall be filed in the office of the City Clerk demanding that this Charter Ordinance be submitted to a vote of the electors, in which event this Charter Ordinance shall take effect when approved by a majority of the electors voting at an election held for such purpose.

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PASSED with at least a two-thirds (2/3) vote of the entire governing body of the City of Caney, Kansas; on October 2, 2017 and signed by the Mayor.



Chad Bradford

Mayor

Debbie Morrison

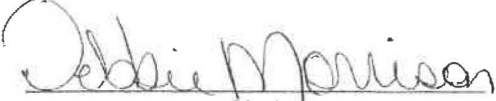
Clerk

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CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of the original Charter Ordinance No. 30; that was passed by the governing body on October 2, 2017; that the record of the final vote on its passage is found on page ____ of journal ____.

DATED: October 2, 2017.


Clerk

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Proof of publication:

MONTGOMERY COUNTY Chronicle

P.O. Box 186 • 202 W. Fourth • Caney, KS 67333 • (620) 879-2156
422 W. Main • Independence, KS 67301 • (620) 331-5040

AFFIDAVIT OF PUBLICATION

CITY OF CANEY CHARTER ORDINANCE NO. 30

Andrew R. Taylor of lawful age, being duly sworn, deposes and says he or she represents the publisher of:

Montgomery County Chronicle

P.O. Box 186 • 202 W. Fourth • Caney, KS 67333

a weekly newspaper in the City of Caney, County of Montgomery, State of Kansas, and of general circulation in said county and which has been admitted to the U.S. Mail as a second class matter in said county, and which said newspaper has been continuously and uninterruptedly published in said county during the period of one year immediately prior to the first publication of the notice hereinafter mentioned.

Legal notice publication printed two (2) weeks,
first published on Thursday, October 12, 2017
and again on Thursday, October 19, 2017.

The affiant further says that he or she has personal knowledge of the statements above set forth and that they are true.



Signature

State of Kansas, Montgomery County

Subscribed and sworn to before me
this 20th day of October, 2017



**CITY OF CANEY
CHARTER ORDINANCE
NO. 30**

A CHARTER ORDINANCE EXEMPTING THE CITY OF CANEY, KANSAS, FROM THE PROVISIONS OF K.S.A. 12-617 ET SEQ. AND PROVIDING SUBSTITUTE AND ADDITIONAL PROVISIONS ON THE SAME SUBJECT RELATING TO SEWER IMPROVEMENTS AND THE ISSUANCE OF BONDS FOR THE PURPOSE OF PAYING FOR SAID IMPROVEMENTS

WHEREAS, Article 12, Section 5 of the Constitution of the State of Kansas (the "Act") provides that cities may exercise home rule powers, including passing charter ordinances which exempt such cities from non-uniform enactments of the Kansas Legislature; and

WHEREAS, the City of Caney (the "City" is a city, defined in the Act, duly created and organized, under the laws of the State of Kansas; and

WHEREAS, K.S.A. 12-618, K.S.A. 12-619, K.S.A. 12-621, and K.S.A. 12-624 are part of an enactment of the Kansas Legislature (K.S.A. 12-617 et seq.) relating to sewer improvements and the issuance of bonds for such purposes, which enactment is applicable to the City, but is not uniformly applicable to all cities within the State of Kansas; and

WHEREAS, the governing body of the City desires, by charter ordinance, to exempt the City from the provisions of K.S.A. 12-618, K.S.A. 12-619, K.S.A. 12-621, and K.S.A. 12-624, and to provide substitute and additional provisions therefor.

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

Section 1. Exemption. The City, by virtue of the powers vested in it by the Act, hereby elects to exempt itself from and make inapplicable to it the provisions of K.S.A. 12-618, K.S.A. 12-619, K.S.A. 12-621, and K.S.A. 12-624, and shall be governed by the substitute and additional provisions contained herein.

Section 2. Authorization of Sewer Improvements; Bonds. The City shall have the authority to build, construct, improve, repair or purchase sewer improvements, including the acquisition of land or an interest therein necessary therefor, within or without the limits of the City, to serve the City, including but not limited to the following: sewer mains, interceptor sewers, pumping stations, sewers, sewer service lines, drains, outlets, treatment and disposal works. The City may issue its general obligation bonds (the "Bond") to pay the costs of such improvements when authorized to do so by the adoption of a resolution by the governing body of the City describing the type of sewer improvement to be provided for and the amount of Bonds to be issued. The Bonds shall be issued, sold, delivered and retired in accordance with the provisions of the general bond law except as herein otherwise expressly provided.

At the sole discretion of the governing body, such resolution may (but is not required to) contain a provision that the issuance of the Bonds be subject to: (a) a provision that the resolution be published one time in the official City newspaper, and if within 30 days after the date of publication of the resolution, a petition in opposition to the issuance of the Bonds, signed by not less than 10 percent of the qualified electors of the City, is filed with the City Clerk, the City shall not have the authority to issue the Bonds until such question is submitted to the electors of the City at a special election called for that purpose or at the next general election and approved by a majority of the electors of the City voting at such election; or (b) approval by a majority of the electors of the City voting on such question at a special election called for that purpose or at the next general election. If the governing body provides for notice and protest as set forth in subsection (a) and no such written protest is filed pursuant to subsection (a) the City may proceed to issue the Bonds. Any election required by this section shall be conducted in the manner set forth in K.S.A. 10-120 by the election officer of the county in which the City is located.

Section 3. Severability. If any provision or section of this Charter Ordinance is deemed or ruled unconstitutional or otherwise illegal or invalid by any court of competent jurisdiction, such illegality or invalidity shall not affect any other provision of this Charter Ordinance. In such instance, this Charter Ordinance shall be construed or enforced as if such illegal or invalid provision had not been contained herein.

Section 4. Effective date. This Charter Ordinance shall be published once a week for two consecutive weeks in the official City newspaper and shall take sixty (60) days after final publication, unless a petition signed by a number of electors of the City equal to not less than ten percent (10%) of the number of electors who voted at the last preceding regular City election shall be filed in the office of the City Clerk demanding that this Charter Ordinance be submitted to a vote of the electors, in which event this Charter Ordinance shall take effect when approved by a majority of the electors voting at an election held for such purpose.

PASSED with at least a two-thirds (2/3) vote of the entire governing body of the City of Caney, Kansas, on October 2, 2017, and signed by the Mayor.

Chad Bradford, mayor

ATTEST:

Debbie Morrison, city clerk

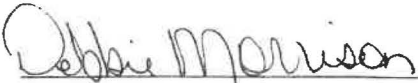
CERTIFICATE OF NO PROTEST

STATE OF KANSAS)
) ss:
COUNTY OF MONTGOMERY)

The undersigned, Clerk of the City of Caney, Kansas (the "City"), does hereby certify that the governing body of the City duly passed Charter Ordinance No. 30, on October 2, 2017, that said Charter Ordinance was published once a week for two consecutive weeks (October 12, 2017 and October 19, 2017) in the *Montgomery County Chronicle*, the official City newspaper; that more than sixty (60) days have elapsed from the date of the last said publication; and that there has been no sufficient written protest filed in my office against said Charter Ordinance, as provided in Article 12, Section 5 of the Kansas Constitution.

WITNESS my hand and official seal on December 19, 2017.

(Seal)


Clerk



September 20, 2021

City of Caney
ATTN: Mayor Burk Jr.
100 W. 4th Ave
Caney, KS 67333

SUBJECT: Recipient Name: Caney, City of
Project Name: Collection System Improvements
Amendment to Original Letter of Conditions (Sewer Application)

Dear Mayor Burk Jr.:

This letter reaffirms conditions set out in our previous Letters of Conditions (LOC) dated 8/28/18 and 5/18/20 and establishes conditions which must be understood and agreed to by you before further consideration may be given to the application and which must be met before the loan can be closed. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA Rural Development, by written amendment to this letter. Any changes not approved by USDA Rural Development shall be cause for discontinuing processing of the application. Unless modified by this amendment any of the original and previously amended letters will remain in effect for this project and change in funding.

This amended letter is not to be considered as a loan approval or as representation as to the availability of funds. The docket may be completed on the basis of an additional loan not to exceed \$668,000 at the poverty rate of interest, which is currently 1.375% and additional grant not to exceed \$398,000. If USDA Rural Development makes the loan you may make a written request that the interest rate be the lower of the rate in effect at the time of loan approval or the time of loan closing. If you do not request the lower of the two interest rates, the interest rate charged will be the rate in effect at the time of loan approval. The loan will be considered approved the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. If you want the lower of the two rates, your written request should be submitted to USDA Rural Development as soon as practical. In order to avoid possible delays in loan closing, such a request should ordinarily be submitted at least 30 calendar days before loan closing.

The docket may be developed on the basis of a supplemental loan of \$668,000 and a supplemental grant of \$398,000, which when added to the previous loans of \$2,741,000 and \$693,000 and grant of \$265,000 provides a total loan of \$4,102,000 and grant of \$663,000. The Community Development Block Grant of \$600,000 remains unchanged. The revised total project cost has increased to \$5,365,000.

Rural Development • Kansas
Community Programs

Hays Office
2715 Canterbury Drive
Hays, KS 67601
Phone: (785) 628-3081
Fax: (877) 470-3801

Iola Office
202 W. Miller Road
Iola, KS 66749
Phone: (620) 365-2901
Fax: (877) 470-3801

Newton Office
1405 South Spencer Road
Newton, KS 67114,
Phone: (316) 283-0370
Fax: (877) 470-3801

Topeka Office
1303 SW First American Place, Ste 100
Topeka, KS 66604
Phone: (785) 271-2700
Fax: (877) 470-3801

USDA is an equal opportunity provider, employer, and lender.

If you agree to meet the conditions set forth in this letter and desire further consideration be given to your application, please complete and return the following forms within 10 days:

- Form RD 1942-46, "Letter of Intent to Meet Conditions"
- Form RD 1940-1, "Request for Obligation of Funds"

The loan will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds," is signed by the approving official, and mailed to you. Thus, this letter does not constitute loan approval, nor does it ensure that funds are or will be available for the project.

If the conditions set forth in this letter are not met within 280 days from the date hereof, USDA Rural Development reserves the right to discontinue the processing of your application.

The approval of your supplemental loan will be considered, subject to the following conditions:

A. Conditions to be Met Before Start of Construction:

1. You will adopt RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)" for the additional loan.
2. This subsequent loan will be made through the City's issuance of a GO Bond in the amount of \$668,000. Principal payments will not be deferred.

<p>3. <u>Project Costs:</u></p> <ul style="list-style-type: none"> Construction Contingencies Engineering Fees Includes: <ul style="list-style-type: none"> Design Construction Administration Interest - Interim CDBG Administration Legal Fees – Attorney & Bond Counsel Total Project Costs 	<p><u>Total Budgeted:</u></p> <ul style="list-style-type: none"> \$ 4,534,187 \$ 159,013 \$ 525,800 \$ 288,800 \$ 237,000 \$ 106,000 \$ 25,000 <u>\$ 15,000</u> \$ 5,365,000
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<p>4. <u>Project Funding Source:</u></p> <ul style="list-style-type: none"> USDA Rural Development Loan USDA Rural Development Grant CDBG USDA Rural Development Loan-Subsequent USDA Rural Development Loan-Subsequent #2 USDA Rural Development Grant-Subsequent #2 Total Project Funding 	<p><u>Funding Amount</u></p> <ul style="list-style-type: none"> \$ 2,741,000 \$ 265,000 \$ 600,000 \$ 693,000 \$ 668,000 \$ 398,000 \$ 5,365,000
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Evidence of the availability of the above funds must be provided to USDA Rural Development. Without this participation, viability of the project is questionable.

5. You must have an agreement with your engineer. This agreement must be approved by USDA Rural Development prior to its execution. EJCDC Document E-500 "Standard Form of Agreement Between Owner and Engineer for Professional Services" should be used for this purpose.

6. You must adopt a rate schedule sufficient to produce the required revenue and which must meet the approval of USDA Rural Development. The schedule will be determined prior to award of bid.

B. Conditions to be Met at Closing:

1. You will adopt the necessary ordinances or resolutions for the GO Bond. The attorney will obtain for you and USDA Rural Development a Bond Counsel's Preliminary Opinion that legal requirements have been met and that the GO bond will be legally valid when issued according to the Bond Counsel's instructions. Annual principal payments and annual interest payments will be required.
2. You will execute RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)".

C. Conditions to be Met After Closing:

1. You will be required to establish accounts, including reserve, from revenue received as required in the Loan Resolution and Bond Ordinance as described in the original Letter of Conditions. Disbursement of funds from these accounts will be only for the purposes specified.

2. **Audits** – An annual audit under the Single Audit Act is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. It is not intended that audits required by this part be separate and apart from audits performed in accordance with State and local laws. To the extent feasible, the audit work should be done in conjunction with those audits. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law, and must be submitted within 9 months of your fiscal year end.

If an audit is required, you must enter into a written agreement with the auditor and submit a copy to the Agency prior to the advertisement of bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit or financial statements to be completed, the time frame in which the audit or financial statements will be completed, what type of reports will be generated from the services provided, and how irregularities will be reported.

Financial Statements – If you expend less than \$750,000 in Federal financial assistance per fiscal year, you may submit financial statements in lieu of an audit which include at a minimum a balance sheet and an income and expense statement. You may use Form RD 442-2, "Statement of Budget, Income and Equity," and 442-3, "Balance Sheet," or similar format to provide the financial information. The financial statements must be signed by the appropriate borrower official and submitted within 60 days of your fiscal year end.

3. If at any time it shall appear to the Government that you are able to refinance the amount of the debt then outstanding, in whole or in part, by obtaining a loan for such purposes from a responsible cooperative or private credit sources, at reasonable rates and terms for loans of similar purposes and periods of time, you will, upon request of the Government, apply for and accept such loan in a sufficient amount to repay the Government and will take such action as may be required in connection with such loan.

Sincerely,

Michael Billings

Michael Billings
Area Specialist

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF CANEY, KANSAS
HELD ON NOVEMBER 15, 2021**

The governing body met in regular session at the usual meeting place in the City, at 6:00 p.m., the following members being present and participating, to-wit:

THOMAS C. BURK, JR. (Mayor), MARIANNE RANES, LORI PATTERSON,
DAN JOHNSTON, DEBBIE WOOD, KEITH ROGERS, KENITH BUTTS and SHIRLEY DAVIS

Absent: VACANCY IN WARD 2

The Mayor declared that a quorum was present and called the meeting to order.

* * * * *

(Other Proceedings)

There was presented a Resolution entitled:

**A RESOLUTION OF THE CITY OF CANEY, KANSAS, AUTHORIZING
PAYMENT OF THE COSTS OF IMPROVEMENTS TO THE CITY SEWER
SYSTEM.**

Councilmember LORI PATTERSON moved that said Resolution be adopted. The motion was seconded by Councilmember KENITH BUTTS. Said Resolution was duly read and considered, and upon being put, the motion for the adoption of said Resolution was carried by the vote of the governing body, the vote being as follows:

Yea: MARIANNE RANES, LORI PATTERSON, DAN JOHNSTON, DEBBIE WOOD,
KEITH ROGERS, KENITH BUTTS and SHIRLEY DAVIS.

Nay: NONE.

The Mayor declared said Resolution duly adopted and the Resolution was then duly numbered Resolution No. 1402 and was signed by the Mayor and attested by the Clerk.

* * * * *

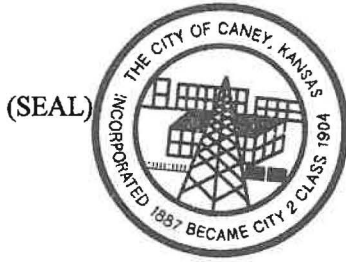
(Other Proceedings)

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On motion duly made, seconded and carried, the meeting thereupon adjourned.

CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the City of Caney, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.



Debbie Morrison
Clerk

RESOLUTION NO. 1402

**A RESOLUTION OF THE CITY OF CANEY, KANSAS, AUTHORIZING
PAYMENT OF THE COSTS OF IMPROVEMENTS TO THE CITY SEWER
SYSTEM.**

WHEREAS, K.S.A. 12-617 *et seq.*, as amended by Charter Ordinance No. 30 of the City of Caney, Kansas (the “City”) (enacted pursuant to the provisions of Section 5(c) of Article 12 of the Constitution of the State of Kansas) and K.S.A. 12-101 *et seq.* (collectively the “Act”), provides that the City shall have the authority to build, construct, improve, repair or purchase sewer improvements, including the acquisition of land or an interest therein necessary therefor, within or without the limits of the City, to serve the City, including but not limited to the following: sewer mains, interceptor sewers, pumping stations, sewers, sewer service lines, drains, outlets, treatment and disposal works; and

WHEREAS, pursuant to the Act the City may issue its general obligation bonds to pay the costs of such improvements when authorized to do so by the adoption of a resolution by the governing body of the City describing the type of sewer improvement to be provided for and the amount of Bonds to be issued; and

WHEREAS, the governing body of the City has heretofore found and determined it necessary and advisable to upgrade and rehabilitate its sanitary sewer system (the “System”); and

WHEREAS, the City hereby finds and determines that it is necessary and advisable to provide, pursuant to the provisions of the Act, for the issuance of general obligation bonds of the City to provide for the payment of the costs of such improvements.

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

Section 1. Project Authorization. It is hereby authorized, ordered and directed that the System be improved by repairing, rehabilitating and replacing the sewage collection system, manholes, and sewer collection mains, and improvements related thereto (collectively the “Project”). A portion of the Project was originally authorized by Resolution No. 1349 and 1374 of the City (the “Prior Resolutions”).

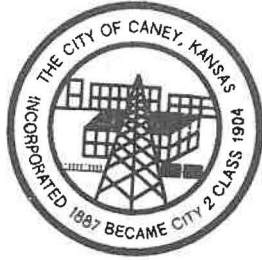
Section 2. Project Financing. The estimated cost of the Project is \$5,365,000. A portion of the costs of the Projects in the amount of \$4,102,000 (which includes the amount of \$3,434,000 previously authorized pursuant to the Prior Resolutions), interest on interim financing, and associated financing costs shall be payable from the proceeds of general obligation bonds of the City issued under authority of the Act (the “Bonds”), with the balance of said estimated costs to be paid from a special evaluation assistance for rural communities and households grant and other available funds or grants, if any. The Bonds may be issued to reimburse expenditures made on or after the date which is 60 days before the date of the Prior Resolutions, pursuant to Treasury Regulation § 1.150-2.

Section 3. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the governing body of the City.

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ADOPTED by the governing body of the City on November 15, 2021.

(SEAL)



ATTEST:



Mayor

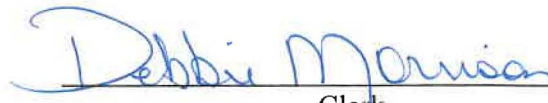


Clerk

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of the Resolution of the City adopted by the governing body on November 15, 2021, as the same appears of record in my office.

DATED: November 15, 2021.



Clerk



May 16, 2022

City of Caney
ATTN: Mayor Elliott
100 W. 4th Ave
Caney, KS 67333

SUBJECT: Recipient Name: Caney, City of
Project Name: Collection System Improvements
Amendment to Original Letter of Conditions (Sewer Application)

Dear Mayor Elliott:

This letter reaffirms conditions set out in our previous Letters of Conditions (LOC) dated 8/28/18, 5/18/20, and 9/20/21 and establishes conditions which must be understood and agreed to by you before further consideration may be given to the application and which must be met before the loan can be closed. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA Rural Development, by written amendment to this letter. Any changes not approved by USDA Rural Development shall be cause for discontinuing processing of the application. Unless modified by this amendment any of the original and previously amended letters will remain in effect for this project and change in funding.

This amended letter is not to be considered as a loan approval or as representation as to the availability of funds. The docket may be completed on the basis of an additional loan not to exceed \$577,000 at the poverty rate of interest, which is currently 1.5% and additional grant not to exceed \$291,000. If USDA Rural Development makes the loan you may make a written request that the interest rate be the lower of the rate in effect at the time of loan approval or the time of loan closing. If you do not request the lower of the two interest rates, the interest rate charged will be the rate in effect at the time of loan approval. The loan will be considered approved the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. If you want the lower of the two rates, your written request should be submitted to USDA Rural Development as soon as practical. In order to avoid possible delays in loan closing, such a request should ordinarily be submitted at least 30 calendar days before loan closing.

The docket may be developed on the basis of a supplemental loan of \$626,000 and a supplemental grant of \$342,000, which when added to the previous loans of \$2,741,000, \$693,000, and \$668,000 and grants of \$265,000 and \$398,000 provides a total loan of \$4,679,000 and grant of \$954,000. The Community Development Block Grant of \$600,000 remains unchanged. The revised total project cost has increased to \$6,233,000.

Rural Development • Kansas
Community Programs

Hays Office
2715 Canterbury Drive
Hays, KS 67601
Phone: (785) 628-3081
Fax: (877) 470-3801

Iola Office
202 W. Miller Road
Iola, KS 66749
Phone: (620) 365-2901
Fax: (877) 470-3801

Newton Office
1405 South Spencer Road
Newton, KS 67114,
Phone: (316) 283-0370
Fax: (877) 470-3801

Topeka Office
1303 SW First American Place, Ste 100
Topeka, KS 66604
Phone: (785) 271-2700
Fax: (877) 470-3801

USDA is an equal opportunity provider, employer, and lender.

If you agree to meet the conditions set forth in this letter and desire further consideration be given to your application, please complete and return the following forms within 10 days:

- Form RD 1942-46, "Letter of Intent to Meet Conditions"
- Form RD 1940-1, "Request for Obligation of Funds"

The loan will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds," is signed by the approving official, and mailed to you. Thus, this letter does not constitute loan approval, nor does it ensure that funds are or will be available for the project.

If the conditions set forth in this letter are not met within 280 days from the date hereof, USDA Rural Development reserves the right to discontinue the processing of your application.

The approval of your supplemental loan will be considered, subject to the following conditions:

A. Conditions to be Met Before Start of Construction:

1. You will adopt RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)" for the additional loan.
2. This subsequent loan will be made through the City's issuance of a GO Bond in the amount of \$626,000. Principal payments will not be deferred.

<p>3. <u>Project Costs:</u></p> <ul style="list-style-type: none"> Construction Soil Remediation Contingencies Engineering Fees Includes: <ul style="list-style-type: none"> Design Construction Administration Interest - Interim CDBG Administration Legal Fees – Attorney & Bond Counsel Total Project Costs 	<p><u>Total Budgeted:</u></p> <ul style="list-style-type: none"> \$ 5,125,254 \$ 221,295 \$ 79,701 \$ 656,750 \$ 308,350 \$ 348,400 \$ 110,000 \$ 25,000 \$ 15,000 \$ 6,233,000
--	--

<p>4. <u>Project Funding Source:</u></p> <ul style="list-style-type: none"> USDA Rural Development Loan USDA Rural Development Grant CDBG USDA Rural Development Loan-Subsequent USDA Rural Development Loan-Subsequent #2 USDA Rural Development Grant-Subsequent #2 USDA Rural Development Loan-Subsequent #3 USDA Rural Development Grant-Subsequent #3 	<p><u>Funding Amount</u></p> <ul style="list-style-type: none"> \$ 2,741,000 \$ 265,000 \$ 600,000 \$ 693,000 \$ 668,000 \$ 398,000 \$ 577,000 \$ 291,000
---	--

Total Project Funding	\$ 6,233,000
------------------------------	---------------------

Evidence of the availability of the above funds must be provided to USDA Rural Development. Without this participation, viability of the project is questionable.

5. You must have an agreement with your engineer. This agreement must be approved by USDA Rural Development prior to its execution. EJCDC Document E-500 "Standard Form of Agreement Between Owner and Engineer for Professional Services" should be used for this purpose.
6. You must adopt a rate schedule sufficient to produce the required revenue and which must meet the approval of USDA Rural Development. The schedule will be determined prior to award of bid.

B. Conditions to be Met at Closing:

1. You will adopt the necessary ordinances or resolutions for the GO Bond. The attorney will obtain for you and USDA Rural Development a Bond Counsel's Preliminary Opinion that legal requirements have been met and that the GO bond will be legally valid when issued according to the Bond Counsel's instructions. Annual principal payments and annual interest payments will be required.
2. You will execute RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)".

C. Conditions to be Met After Closing:

1. You will be required to establish accounts, including reserve, from revenue received as required in the Loan Resolution and Bond Ordinance as described in the original Letter of Conditions. Disbursement of funds from these accounts will be only for the purposes specified.
2. **Audits** – An annual audit under the Single Audit Act is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. It is not intended that audits required by this part be separate and apart from audits performed in accordance with State and local laws. To the extent feasible, the audit work should be done in conjunction with those audits. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law, and must be submitted within 9 months of your fiscal year end.

If an audit is required, you must enter into a written agreement with the auditor and submit a copy to the Agency prior to the advertisement of bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit or financial statements to be completed, the time frame in which the audit or financial statements will be completed, what type of reports will be generated from the services provided, and how irregularities will be reported.

Financial Statements – If you expend less than \$750,000 in Federal financial assistance per fiscal year, you may submit financial statements in lieu of an audit which include at a minimum a balance sheet and an income and expense statement. You may use Form RD 442-2, "Statement of Budget, Income and Equity," and 442-3, "Balance Sheet," or similar format to provide the financial information. The financial statements must be signed by the appropriate borrower official and submitted within 60 days of your fiscal year end.

3. If at any time it shall appear to the Government that you are able to refinance the amount of the debt then outstanding, in whole or in part, by obtaining a loan for such purposes from a responsible cooperative or private credit sources, at reasonable rates and terms for loans of similar purposes and periods of time, you will, upon request of the Government, apply for and accept such loan in a sufficient amount to repay the Government and will take such action as may be required in connection with such loan.

Sincerely,

Michael Billings

Michael Billings
Area Specialist

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF CANEY, KANSAS
HELD ON JULY 18, 2022**

The governing body met in regular session at the usual meeting place in the City, at 6:00 p.m., the following members being present and participating, to-wit:

JOSHUA ELLIOT (Mayor), MARIANNE RANES, LORI PATTERSON, ZACHARY ELLISON,
DEBBIE WOOD, KENITH BUTTS, AARON ELLIOTT and SHIRLEY DAVIS

Absent: NATHAN RAINS

The Mayor declared that a quorum was present and called the meeting to order.

(Other Proceedings)

There was presented a Resolution entitled:

**A RESOLUTION OF THE CITY OF CANEY, KANSAS, AMENDING
RESOLUTION NO. 1402 WHICH AUTHORIZED PAYMENT OF THE COSTS OF
IMPROVEMENTS TO THE CITY SEWER SYSTEM.**

Councilmember LORI PATTERSON moved that the Resolution be adopted. The motion was seconded by Councilmember DEBBIE WOOD. The Resolution was duly read and considered, and upon being put, the motion for the adoption of the Resolution was carried by the vote of the governing body, the vote being as follows:

Yea: MARIANNE RANES, LORI PATTERSON, ZACHARY ELLISON, DEBBIE WOOD,
KENITH BUTTS, AARON ELLIOTT and SHIRLEY DAVIS.

Nay: NONE.

The Mayor declared the Resolution duly adopted and the Resolution was then duly numbered Resolution No. 1412 and was signed by the Mayor and attested by the Clerk.

(Other Proceedings)

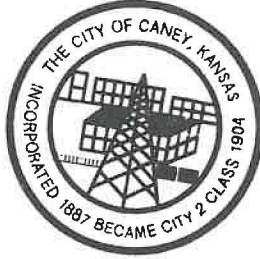
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On motion duly made, seconded and carried, the meeting thereupon adjourned.

CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the City of Caney, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)



Debbie Morrison
Clerk

RESOLUTION NO. 1412

**A RESOLUTION OF THE CITY OF CANEY, KANSAS, AMENDING
RESOLUTION NO. 1402 WHICH AUTHORIZED PAYMENT OF THE COSTS OF
IMPROVEMENTS TO THE CITY SEWER SYSTEM.**

WHEREAS, K.S.A. 12-617 *et seq.*, as amended by Charter Ordinance No. 30 of the City of Caney, Kansas (the “City”) (enacted pursuant to the provisions of Section 5(c) of Article 12 of the Constitution of the State of Kansas) and K.S.A. 12-101 *et seq.* (collectively the “Act”), provides that the City shall have the authority to build, construct, improve, repair or purchase sewer improvements, including the acquisition of land or an interest therein necessary therefor, within or without the limits of the City, to serve the City, including but not limited to the following: sewer mains, interceptor sewers, pumping stations, sewers, sewer service lines, drains, outlets, treatment and disposal works; and

WHEREAS, pursuant to the Act the City may issue its general obligation bonds to pay the costs of such improvements when authorized to do so by the adoption of a resolution by the governing body of the City describing the type of sewer improvement to be provided for and the amount of general obligation bonds to be issued; and

WHEREAS, the governing body of the City adopted Resolution No. 1402 which found and determined it necessary and advisable to upgrade and rehabilitate its sanitary sewer system (the “System”) by repairing, rehabilitating and replacing the sewage collection system, manholes, and sewer collection mains, and improvements related thereto (collectively the “Project”); and

WHEREAS, due to modifications to the estimated costs of the Project, the City hereby finds it necessary to amend *Section 2* of Resolution No. 1402.

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

Section 1. Amendment. *Section 2* of Resolution No. 1402 is hereby amended to read as follows:

Section 2. Project Financing. The estimated cost of the Project is \$6,233,000. A portion of the costs of the Projects in the amount of \$4,679,000 (which includes the amount of \$3,434,000 previously authorized pursuant to the Prior Resolutions), interest on interim financing, and associated financing costs shall be payable from the proceeds of general obligation bonds of the City issued under authority of the Act (the “Bonds”), with the balance of said estimated costs to be paid from a special evaluation assistance for rural communities and households grant and other available funds or grants, if any. The Bonds may be issued to reimburse expenditures made on or after the date which is 60 days before the date of the Prior Resolutions, pursuant to Treasury Regulation § 1.150-2.

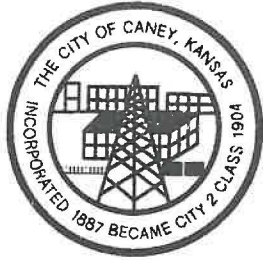
Section 2. Repealer; Ratification. *Section 2* of the Prior Resolution is hereby repealed, and the rest and remainder thereof is hereby ratified and confirmed.

Section 3. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the governing body of the City.

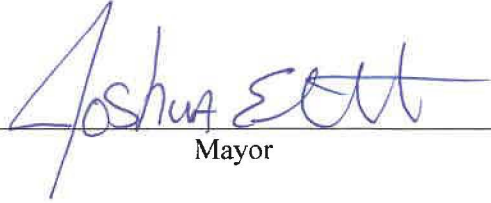
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ADOPTED by the governing body of the City on July 18, 2022.

(SEAL)



ATTEST:



Mayor

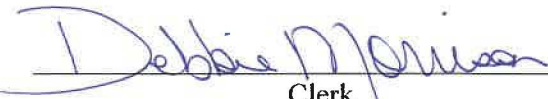


Clerk

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of the Resolution of the City adopted by the governing body on July 18, 2022, as the same appears of record in my office.

DATED: July 18, 2022.



Clerk

**EXCERPT OF MINUTES OF A MEETING
OF THE CITY COUNCIL OF
THE CITY OF CANEY, KANSAS
HELD ON JULY 18, 2022**

The City Council (the "Governing Body") met in regular session at the usual meeting place in the City, at 7:00 p.m., the following members being present and participating, to-wit:

JOSHUA ELLIOT (Mayor), MARIANNE RANES, LORI PATTERSON, ZACHARY ELLISON,
DEBBIE WOOD, KENITH BUTTS, AARON ELLIOTT and SHIRLEY DAVIS

Absent: NATHAN RAINS

The Mayor declared that a quorum was present and called the meeting to order.

* * * * *

(Other Proceedings)

There was presented the following Ordinance and Resolution:

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2022-A, AND GENERAL OBLIGATION BONDS, SERIES 2022-B, OF THE CITY OF CANEY, KANSAS; 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; AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION BONDS, SERIES 2022-A, AND GENERAL OBLIGATION BONDS, SERIES 2022-B, OF THE CITY OF CANEY, KANSAS; 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; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

Councilmember LORI PATTERSON moved that the Ordinance be passed and the Resolution be adopted. The motion was seconded by Councilmember DEBBIE WOOD. The Ordinance and Resolution were duly read and considered, and upon being put, the motion for the passage of the Ordinance and adoption of the Resolution was carried by the vote of the Governing Body as follows:

Yea: MARIANNE RANES, LORI PATTERSON, ZACHARY ELLISON, DEBBIE WOOD,
KENITH BUTTS, AARON ELLIOTT and SHIRLEY DAVIS.

Nay: NONE.

The Mayor declared the Ordinance duly passed and the Ordinance was then duly numbered Ordinance No. 2182, was signed by the Mayor and attested by the Clerk and the Ordinance or a summary thereof was directed to be published one time in the official newspaper of the City. The Mayor further declared the Resolution duly adopted and the Resolution was then duly numbered Resolution No. 1413, and was signed by the Mayor and attested by the Clerk

(Other Proceedings)

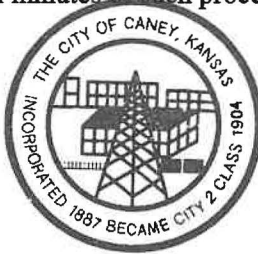
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On motion duly made, seconded and carried, the meeting thereupon adjourned.

CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the Governing Body of the City of Caney, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)



Debbie Morrison
Clerk

ORDINANCE NO. 2182

OF

THE CITY OF CANEY, KANSAS

PASSED

JULY 18, 2022

**GENERAL OBLIGATION BONDS, SERIES 2022-A
AND
GENERAL OBLIGATION BONDS, SERIES 2022-B**

ORDINANCE NO. 2182

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2022-A, AND GENERAL OBLIGATION BONDS, SERIES 2022-B, OF THE CITY OF CANEY, KANSAS; 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; AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

WHEREAS, the City of Caney, Kansas (the “City”) is a city of the second class, duly created, organized and existing under the Constitution and laws of the State; and

WHEREAS, pursuant to the provisions of the laws of the State of Kansas applicable thereto, by proceedings duly had, the City Council of the City (the “Governing Body”) has authorized the following improvements (collectively the “Improvements”) to be made in the City, to-wit:

<i>Project Description</i>	<i>Res. No.</i>	<i>Authority (K.S.A.)</i>	<i>Estimated Cost</i>
Sanitary sewer improvements-Phase 2B	1402	12-617 <i>et seq.</i> /Ch. Ord. 30	\$1,066,000
Sanitary sewer improvements-Phase 2B supplement	1412	12-617 <i>et seq.</i> /Ch. Ord. 30	<u>868,000</u>
<i>Total</i>			<i>\$1,934,000</i>

WHEREAS, all legal requirements pertaining to the Improvements have been complied with, and the Governing Body now finds and determines that the total cost of the Improvements (including issuance costs of the general obligation bonds) and related expenses are at least \$1,934,000, with \$1,245,000 to be paid by the City at large by the issuance of general obligation bonds; and

WHEREAS, the Governing Body is authorized by law to issue general obligation bonds of the City to pay a portion of the costs of the Improvements; and

WHEREAS, the City has received a commitment from the United States of America, acting through the Department of Agriculture – Rural Development (“RD/USDA”) to purchase the City's general obligation bonds in an aggregate amount of \$1,245,000, the proceeds of which, together with funds derived from federal grants in the amount of \$689,000, will be used to fund the Improvements, all pursuant to letters of conditions dated August 28, 2018, May 18, 2020, September 20, 2021, and May 16, 2022, and one or more approval letters received from RD/USDA.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CANEY, KANSAS, AS FOLLOWS:

Section 1. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms in this Ordinance shall have the following meaning:

“**Act**” means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, and K.S.A. 12-617 *et seq.*, as amended by Charter Ordinance No. 30 of the City, all as amended and supplemented from time to time.

“Bond and Interest Fund” means the Bond and Interest Fund of the City for its general obligation bonds.

“Bond Resolution” means the resolution to be adopted by the Governing Body prescribing the terms and details of the Bonds and making covenants with respect thereto.

“Bonds” means collectively the City's General Obligation Bonds, Series 2022-A, and General Obligation Bonds, Series 2022-B, all dated August 10, 2022, authorized by this Ordinance.

“City” means the City of Caney, Kansas.

“Clerk” means the duly appointed and acting Clerk of the City or, in the Clerk's absence, the duly appointed Deputy, Assistant or Acting Clerk.

“Governing Body” means the City Council of the City.

“Improvements” means the improvements referred to in the preamble to this Ordinance.

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

“Ordinance” means this Ordinance authorizing the issuance of the Bonds.

“Owner” when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

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

“RD/USDA” means Rural Development, United States Department of Agriculture.

“State” means the State of Kansas.

Section 2. Authorization of the Bonds. There shall be issued and hereby are authorized and directed to be issued the City's General Obligation Bonds, Series 2022-A, in the principal amount of \$668,000, and General Obligation Bonds, Series 2022-B, in the principal amount of \$577,000, all for the purpose of providing funds to: (a) pay a portion of the costs of the Improvements; and (b) pay costs of issuance of the Bonds.

Section 3. Security for the Bonds. The Bonds shall be general obligations of the City payable as to both principal and interest 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 4. 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 the maturity thereof, and shall be issued and delivered in the manner prescribed and subject to the provisions, covenants and agreements set forth in the Bond Resolution hereafter adopted by the Governing Body.

Section 5. Levy and Collection of Annual Tax. The Governing Body 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 all of the 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 the 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 said taxes shall be deposited in the Bond and Interest Fund.

If at any time said taxes are not collected in time to pay the principal of or interest on the Bonds when due, the 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 are collected.

Section 6. Further Authority. The Mayor, Clerk and other City officials are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of the Ordinance, and to make 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.

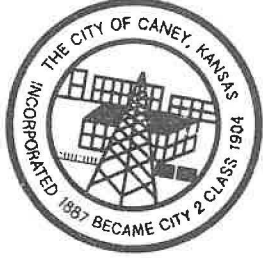
Section 7. Governing Law. This Ordinance and the Bonds shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 8. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the Governing Body and publication of the Ordinance or a summary thereof in the official City newspaper.

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PASSED by the City Council on July 18, 2022 and **SIGNED** by the Mayor.

(SEAL)



ATTEST:

Joshua Elliott
Mayor

Debbie Morrison
Clerk

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CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of the original ordinance; that said Ordinance was passed on July 18, 2022; that the record of the final vote on its passage is found on page ____ of journal ____; and that the Ordinance or a summary thereof was published in the *Montgomery County Chronicle* on July 28, 2022.

DATED: July 28, 2022.


Clerk

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(PUBLISHED IN THE *MONTGOMERY COUNTY CHRONICLE* ON JULY 28, 2022)

SUMMARY OF ORDINANCE NO. 2182

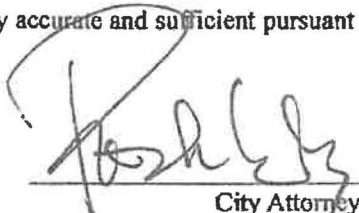
On July 18, 2022, the governing body of the City of Caney, Kansas passed an ordinance entitled:

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2022-A, AND GENERAL OBLIGATION BONDS, SERIES 2022-B, OF THE CITY OF CANEY, KANSAS; 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; AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

The Series 2022-A Bonds and the Series 2022-B Bonds approved by the Ordinance are being issued in the aggregate principal amounts set forth therein to finance the costs of to construct certain sewer improvements in the City, and constitute general obligations of the City payable as to both principal and interest, to the extent necessary, 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. A complete text of the Ordinance may be obtained or viewed free of charge at the office of the City Clerk, City Hall, 100 W. 4th Avenue, Caney, Kansas 67333. A reproduction of the Ordinance is available for not less than 7 days following the publication date of this Summary at <http://www.caneyks.com/>.

This Summary is hereby certified to be legally accurate and sufficient pursuant to the laws of the State of Kansas.

DATED: July 18, 2022.



City Attorney

f publication:

MONTGOMERY COUNTY Chronicle

P.O. Box 186 • 202 W. Fourth • Caney, KS 67333 • (620) 879-2156
422 W. Main • Independence, KS 67301 • (620) 331-5040

AFFIDAVIT OF PUBLICATION

SUMMARY OF ORDINANCE NO. 2182 CITY OF CANEY, KANSAS

Andrew R. Taylor of lawful age, being duly sworn, deposes and says he or she represents the publisher of:

Montgomery County Chronicle

P.O. Box 186 • 202 W. Fourth • Caney, KS 67333

a weekly newspaper in the City of Caney, County of Montgomery, State of Kansas, and of general circulation in said county and which has been admitted to the U.S. Mail as a second class matter in said county, and which said newspaper has been continuously and uninterruptedly published in said county during the period of one year immediately prior to the first publication of the notice hereinafter mentioned.

Legal notice publication printed one (1) week
first published on Thursday, July 28, 2022
and again on ---

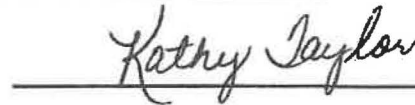
The affiant further says that he or she has personal knowledge of the statements above set forth and that they are true.



Signature

State of Kansas, Montgomery County

Subscribed and sworn to before me
this 28th day of July, 2022.



(Published in the Montgomery County Chronicle on Thursday, July 28, 2022)

**SUMMARY OF ORDINANCE NO. 2182
CITY OF CANEY, KANSAS**

On July 18, 2022, the governing body of the City of Caney, Kansas passed an ordinance entitled:

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The Series 2022-A Bonds and the Series 2022-B Bonds approved by the Ordinance are being issued in the aggregate principal amounts set forth therein to finance the costs of to construct certain sewer improvements in the City, and constitute general obligations of the City payable as to both principal and interest, to the extent necessary, 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. A complete text of the Ordinance may be obtained or viewed free of charge at the office of the City Clerk, City Hall, 100 W. 4th Avenue, Caney, Kansas 67333. A reproduction of the Ordinance is available for not less than 7 days following the publication date of this Summary at <http://www.caneyks.com>.

This Summary is hereby certified to be legally accurate and sufficient pursuant to the laws of the State of Kansas.

DATED: July 18, 2022

Paul Kritz, Caney City Attorney

RESOLUTION NO. 1413

OF

THE CITY OF CANEY, KANSAS

ADOPTED

JULY 18, 2022

**GENERAL OBLIGATION BONDS, SERIES 2022-A
AND
GENERAL OBLIGATION BONDS, SERIES 2022-B**

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RESOLUTION NO. 1413

A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION BONDS, SERIES 2022-A, AND GENERAL OBLIGATION BONDS, SERIES 2022-B, OF THE CITY OF CANEY, KANSAS; 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; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

WHEREAS, the Issuer has heretofore passed the Ordinance authorizing the issuance of the Bonds;
and

WHEREAS, the Ordinance authorized the City Council of the Issuer (the “Governing Body”) 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 Governing Body hereby finds and determines that it is necessary for the Issuer to authorize the issuance and delivery of the Bonds in the aggregate principal amount of \$1,245,000 to pay a portion of the costs of the Improvements.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CANEY, KANSAS, AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms as used in this Bond Resolution shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

“Act” means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, and K.S.A. 12-617 *et seq.*, as amended by Charter Ordinance No. 30 of the City, all as amended and supplemented from time to time.

“Amortization Schedule” means the schedules that set forth the principal and interest payments on the Bonds, and which is attached hereto as *Schedule 1* which shall also be printed on each Bond.

“Authorized Denomination” means \$5,000 or any integral multiples thereof, or any amount of principal stated to be paid pursuant to the Amortization Schedule.

“Bond and Interest Fund” means the Bond and Interest Fund of the Issuer for its general obligation bonds.

“Bond Counsel” means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

“Bond Payment Date” means each anniversary of the Dated Date of the Bond, commencing on the anniversary of the Dated Date in 2023.

“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 State Treasurer and any successors and assigns.

“Bond Resolution” means this resolution relating to the Bonds.

“Bonds” or **“Bond”** means collectively the Series 2022-A Bonds and the Series 2022-B Bonds.

“Business Day” means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

“City” means the City of Caney, Kansas.

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

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder by the United States Department of the Treasury.

“Costs of Issuance” means all costs of issuing the Bonds, including but not limited to all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, all expenses incurred in connection with receiving ratings on the Bonds, and any premiums or expenses incurred in obtaining municipal bond insurance on the Bonds.

“Costs of Issuance Account” means collectively the Costs of Issuance Account for the General Obligation Bonds, Series 2022-A, and General Obligation Bonds, Series 2022-B, created pursuant to *Section 501* hereof.

“Dated Date” means August 10, 2022.

“Debt Service Account” means collectively the Debt Service Accounts for the General Obligation Bonds, Series 2022-A, and General Obligation Bonds, Series 2022-B, created within the Bond and Interest Fund pursuant to *Section 501* hereof.

“Debt Service Requirements” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise

set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Bond Payment Date.

“Defeasance Obligations” means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) such obligations are rated in a rating category by Moody's or Standard & Poor's that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

“Derivative” means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

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

(a) Payment of the principal and of the redemption premium, if any, of any of the Bonds shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise;

(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 Issuer 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 Bond Resolution on the part of the

Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Bonds then Outstanding.

“Federal Tax Certificate” means the Issuer's Federal Tax Certificate dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.

“Fiscal Year” means the twelve month period ending on December 31.

“Funds and Accounts” means funds and accounts created pursuant to or referred to in *Section 501* hereof.

“Governing Body” means the City Council of the Issuer.

“Grant” means the federal grants in the aggregate amount of \$689,000.

“Improvement Fund” means collectively the Improvement Fund for the General Obligation Bonds, Series 2022-A, and General Obligation Bonds, Series 2022-B, created pursuant to *Section 501* hereof.

“Improvements” means the improvements referred to in the preamble to the Ordinance.

“Independent Accountant” means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by this Bond Resolution.

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

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

“Loan Resolution” means the Loan Resolution (Form RUS Bulletin 1780-27), between the Issuer and the RD/USDA, dated as of July 18, 2022.

“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 call for redemption or otherwise.

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

“Moody's” means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody's” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

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

(a) To the Issuer at:

City Hall
100 W. 4th Avenue
Caney, Kansas 67333
Fax: (620) 879-9808

(b) To the Paying Agent at:

State Treasurer of the State of Kansas
Landon Office Building
900 Southwest Jackson, Suite 201
Topeka, Kansas 66612-1235
Fax: (785) 296-6976

(c) To the Purchaser:

United States of America
Department of Agriculture
4300 Goodfellow Blvd., Bldg. 104
St. Louis, Missouri 63120-1703

(d) To the Rating Agency(ies):

Moody's Municipal Rating Desk
7 World Trade Center
250 Greenwich Street
23rd Floor
New York, New York 10007

S&P Global Ratings, a division of S&P Global Inc.
55 Water Street, 38th Floor
New York, New York 10004

or such other address as is furnished in writing to the other parties referenced herein.

“Notice Representative” means:

- (a) With respect to the Issuer, the Clerk.
- (b) With respect to the Bond Registrar and Paying Agent, the Director of Bond Services.
- (c) With respect to the Purchaser, any director or manager of the Finance Office.
- (d) With respect to any Rating Agency, any Vice President thereof.

“Ordinance” means Ordinance No. 2182 of the Issuer authorizing the issuance of the Bonds, as amended from time to time.

“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 *Article VII* 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.

“Paying Agent” means the State Treasurer, and any successors and assigns, appointed in accordance with *Section 203* hereof.

“Permitted Investments” shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the Issuer is located which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

“Person” means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“Purchase Price” means 100% of the principal amount of the Bonds.

“Purchaser” means USDA, or if and to the extent any rights, privileges or duties of USDA hereunder are assigned by USDA pursuant to an assignment of the Loan Resolution, the assignee of USDA.

“Rating Agency” means any company, agency or entity that provides, pursuant to request of the Issuer, financial ratings for the Bonds.

“RD/USDA” means Rural Development, United States Department of Agriculture.

“Record Dates” means the fifteenth day (whether or not a Business Day) next preceding each Bond Payment Date.

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

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

“Series 2022-A Bonds” means the General Obligation Bonds, Series 2022-A, authorized and issued by the Issuer pursuant to the Ordinance and this Bond Resolution.

“Series 2022-B Bonds” means the General Obligation Bonds, Series 2022-B, authorized and issued by the Issuer pursuant to the Ordinance and this Bond Resolution.

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

“Standard & Poor’s” or “S&P” means S&P Global Ratings, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor’s shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“State” means the state of Kansas.

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

“Stated Maturity” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and this Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable as set forth in the Amortization Schedule.

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

“United States Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

“USDA” means the United States of America, acting through the United States Department of Agriculture.

ARTICLE II

AUTHORIZATION AND DETAILS OF THE BONDS

Section 201. Authorization of the Bonds. The Ordinance authorized and directed to be issued the Issuer's General Obligation Bonds, Series 2022-A, in the principal amount of \$668,000, and General Obligation Bonds, Series 2022-B, in the principal amount of \$577,000, all for the purpose of providing funds to: (a) pay a portion of the costs of the Improvements; and (b) pay Costs of Issuance.

Section 202. Description of the Bonds. The Bonds shall consist of fully registered bonds in an Authorized Denomination, and shall be numbered in such manner as the Bond Registrar shall determine. All of the Bonds shall be dated as of the Dated Date, shall become due in the amounts, on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities as provided in *Article III* hereof. The Series 2022-A Bonds shall bear interest at the rate of 1.375% per annum (computed on the basis of a 365-day year) from the later of the Dated Date or the most recent Bond Payment Date on which interest has been paid in the manner set forth in *Section 204* hereof. The Series 2022-B Bonds shall bear interest at the rate of 1.500% per annum (computed on the basis of a 365-day year) from the later of the Dated Date or the most recent Bond Payment Date on which interest has been paid in the manner set forth in *Section 204* hereof.

At the option of the Purchaser, each series of the Bonds may be issued as single certificates in the denomination of \$668,000 with respect to the Series 2022-A Bonds and \$577,000 with respect to the Series 2022-B Bonds, or the respective Outstanding declining principal balances thereof. The principal on each Bond shall be payable on the dates and in the amounts set forth on the Amortization Schedule, provided that the entire remaining principal payments shall become due and payable on the Bond Payment Date in 2062. Interest on each Bond shall be payable on the Bond Payment Date. If issued as other than as a single certificate with an Amortization Schedule, the Stated Maturities and principal amounts of each Bond shall be on the dates and in the amounts as set forth in the Amortization Schedule.

Each of the Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be printed in accordance with the format required by the Attorney General of the State and shall be substantially in the form attached hereto as *EXHIBIT A* or as may be required by the Attorney General pursuant to the Notice of Systems of Registration for Kansas Municipal Bonds, 2 Kan. Reg. 921 (1983), in accordance with the Kansas Bond Registration Law, K.S.A. 10-620 *et seq.*

Section 203. Designation of Paying Agent and Bond Registrar. The State Treasurer 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 of the Issuer is hereby authorized and empowered to execute on behalf of the Issuer and agreement with the Bond Registrar and Paying Agent for the Bonds.

The Issuer will at all times maintain a Paying Agent and Bond Registrar meeting the qualifications herein described for the performance of the duties hereunder. The Issuer reserves the right to appoint a successor Paying Agent or Bond Registrar, and shall appoint a successor Paying Agent at the request of USDA, by (a) 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 (b) 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 acceptable to USDA has been appointed and has

accepted the duties of Paying Agent or Bond Registrar. Each successor Paying Agent shall be approved in writing by USDA before the appointment of such successor Paying Agent shall become effective.

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. As long as the USDA is the Owner of the Bonds, payments of principal and interest, or the Redemption Price shall be by preauthorized debit or similar banking means or such other manner as is specified by the USDA from time to time.

The principal or Redemption Price 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, upon presentation and surrender of such Bond at the principal office of the Paying Agent. Notwithstanding the foregoing, if a single certificate with an Amortization Schedule 1s issued, principal will be paid in the same manner as interest is paid and presentation and surrender of the Bond to the Paying Agent shall not be necessary until the final payment of the entire obligation evidenced by such Bond.

The interest payable on each Bond on any Bond 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 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 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 Owner 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 Issuer 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 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice at the address of such Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Bonds and at least annually shall forward a copy or summary of such records to the Issuer.

Section 205. Payments Due on Saturdays, Sundays and Holidays. In any case where a 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 Issuer 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 Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds provided for by this Bond 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 Code § 3406, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Owner hereunder or under the Bonds.

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to *Article III* hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to this *Article II*.

The Issuer 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 or Redemption Price of 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 Issuer 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 (or a designated representative thereof) of 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 Issuer by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Clerk, and the seal of the Issuer shall be affixed thereto or imprinted thereon. The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and to cause the Bonds to be registered in the office of the Clerk, which registration shall be evidenced by the manual or facsimile signature of the Clerk with the seal of the Issuer affixed thereto or imprinted thereon. The 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 Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds as herein specified, and when duly executed, to deliver the Bonds to the Bond Registrar for authentication.

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 an authorized officer or employee of the Bond Registrar, but it shall not be necessary that the same officer or employee 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 Bond 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 Bond Resolution. Upon authentication, the Bond Registrar shall deliver the Bonds to the Purchaser upon instructions of the Issuer 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 Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, 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 Issuer, in its discretion, may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this Section, the Issuer and the Paying Agent 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 Issuer, and shall be entitled to all the benefits of this Bond 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 cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and destroyed and shall file an executed counterpart of such certificate with the Issuer.

Section 210. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the Issuer 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 Bond Resolution or on, or with respect to, said Bond. If any 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, without liability for interest thereon, to the Issuer the funds 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 Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 211. Sale of the Bonds. The sale of the Bonds to the Purchaser is hereby ratified and confirmed. Delivery of the Bonds shall be made to the Purchaser on the Issue Date (which shall be as soon as practicable after the adoption of this Bond Resolution), upon payment of the Purchase Price.

Section 212. Loan Resolution. So long as USDA is the Owner of any of the Bonds, the Issuer shall be subject to the separate Loan Resolution executed and entered into by it at closing of the issuance of the Bonds in accordance with the Loan Resolution. The provisions of the Loan Resolution and the provisions of this Bond Resolution are to be construed wherever possible so that they will not be in conflict. In the event such a construction is not possible, the provisions of the Loan Resolution shall prevail.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption by Issuer.

(a) **Optional Redemption.** At the option of the Issuer, the Bonds (including installments of principal set forth on the Amortization Schedule) may be called for redemption and payment prior to the Stated Maturity as a whole or in part (selection of principal installments and amounts to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

(b) **Mandatory Redemption.** The Issuer acknowledges the provisions of 7 U.S.C. 1983(3) and right of USDA to require the redemption of the entire unpaid principal amount of the Bonds in accordance therewith.

Section 302. Selection of Bonds to be Redeemed.

(a) In the event the Issuer 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 45 days prior to the Redemption Date. 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 45 days prior to the Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in *Section 303* are met.

(b) Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Bonds are to be redeemed and paid prior to their Stated Maturity, such Bonds shall be redeemed in such manner as the Issuer shall determine. Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in a minimum Authorized Denomination of principal amount in such equitable manner as the Bond Registrar may determine.

(c) In the case of a partial redemption of Bonds, the Owner of a single certificate with Amortization Schedule need not submit such certificate for re-registration. In the case of a partial redemption of any other Bonds by lot when Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each a minimum Authorized Denomination of face value shall be treated as though it were a separate Bond of the denomination of a minimum Authorized Denomination. If it is determined that one or more, but not all, of a minimum Authorized Denomination of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem such a minimum Authorized Denomination, 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 a minimum Authorized Denomination 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 a minimum Authorized Denomination of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption. In the event the Issuer 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 45 days prior to the Redemption Date. 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 45 days prior to the Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption.

Unless waived by any Owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar, the State Treasurer and the Purchaser. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

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 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.

The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the Issuer 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 Issuer 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 cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

In addition to the foregoing notice, further notice may be given by the Issuer or the Bond Registrar on behalf of the Issuer as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed:

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) the CUSIP numbers of all Bonds being redeemed; (2) the date of issue of the Bonds as originally issued; (3) the rate of interest borne by each Bond being redeemed; (4) the maturity date of each Bond being redeemed; and (5) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least one day before the mailing of notice to Owners by first class, registered or certified mail or overnight delivery, as determined by the Bond Registrar, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(c) Each check or other transfer of funds issued for the payment of the Redemption Price of Bonds being redeemed shall bear or have enclosed the CUSIP number of the Bonds being redeemed with the proceeds of such check or other transfer.

The Paying Agent is also directed to comply with any mandatory 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.

ARTICLE IV

SECURITY FOR BONDS

Section 401. Security for the Bonds. The Bonds shall be general obligations of the Issuer payable as to both principal and interest 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 Issuer. The full faith, credit and resources of the Issuer are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 402. Levy and Collection of Annual Tax; Transfer to Debt Service Account. The Governing Body shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law.

The taxes 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 Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be transferred to the Debt Service Account 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 Paying Agent.

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

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS

DEPOSIT AND APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 501. Creation of Funds and Accounts. Simultaneously with the issuance of the Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

- (a) Improvement Fund for the General Obligation Bonds, Series 2022-A, and General Obligation Bonds, Series 2022-B.

- (b) Debt Service Accounts for General Obligation Bonds, Series 2022-A, and General Obligation Bonds, Series 2022-B (within the Bond and Interest Fund).
- (c) Costs of Issuance Account for General Obligation Bonds, Series 2022-A, and General Obligation Bonds, Series 2022-B.

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 502. Deposit of Bond Proceeds and Other Moneys. The net proceeds received from the sale of the Bonds and certain other funds shall be deposited simultaneously with the delivery of the Bonds as follows:

- (a) An amount to pay the Costs of Issuance shall be deposited in the Costs of Issuance Account.
- (b) The remaining proceeds of the Bonds shall be deposited in the Improvement Fund.
- (c) In addition to proceeds of the Bonds, the Issuer will use proceeds of the Grant in the aggregate amount of \$689,000 and available funds of the City, if necessary, to pay a portion of the costs of the Improvements.

Section 503. Application of Moneys in the Improvement Fund. Moneys in the Improvement Fund shall be used for paying the costs of the Improvements in accordance with the plans and specifications therefor approved by the governing body of the Issuer and on file in the office of the Clerk, including any alterations in or amendments to said plans and specifications deemed advisable and approved by the governing body of the Issuer.

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

Upon completion of the Improvements, any surplus remaining in the Improvement Fund: (a) consisting of proceeds of the Grant shall be returned to the grantor thereof; and (b) consisting of proceeds of the Bonds shall be deposited in the Debt Service Account.

Section 504. Application of Moneys in Debt Service Account. All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the 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 Debt Service Account sums sufficient to pay both principal or Redemption Price 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 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 Issuer. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Bond Resolution and shall be held in trust 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 Debt Service Account after the retirement of the Bonds shall be transferred and paid into the Bond and Interest Fund.

Section 505. Deposits and Investment of Moneys. Moneys in each of the Funds and Accounts shall be deposited in accordance with laws of the State, in a bank, savings and loan association or savings bank organized under the laws of the State, any other state or the United States: (a) which has a main or branch office located in the Issuer; or (b) if no such entity has a main or branch office located in the Issuer, with such an entity that has a main or branch office located in the county or counties in which the Issuer is located. All such depositories shall be members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law. All such deposits shall be invested in Permitted Investments as set forth in this Article or shall be adequately secured as provided by the laws of the State. All moneys held in the Funds and Accounts shall be kept separate and apart from all other funds of the Issuer so that there shall be no commingling with any other funds of the Issuer.

Moneys held in any Fund or Account other than the Redemption Fund may be invested in accordance with this Bond Resolution and the Federal Tax Certificate 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; provided that, during the period of construction of the Improvements, earnings on the investment of such funds may, at the discretion of the Issuer, be credited to the Debt Service Account.

Section 506. Application of Moneys in the Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of 30 days prior to the first Stated Maturity of principal or one year after the date of issuance of the Bonds, shall be transferred to the Improvement Fund until completion of the Improvements and thereafter to the Debt Service Account.

ARTICLE VI

DEFAULT AND REMEDIES

Section 601. Remedies. The provisions of the Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 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 Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Bond 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 Issuer, 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 602. Limitation on Rights of Owners. The covenants and agreements of the Issuer 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 Bond 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 603. Remedies Cumulative. No remedy conferred herein upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Owner of any 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 Bond Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. If action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the Issuer and the Owners of the 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 VII

DEFEASANCE

Section 701. Defeasance. When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Bond Resolution and the pledge of the Issuer'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 Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said 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 to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall

occur until (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer 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 302(a)** of this Bond Resolution. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the Issuer, 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 other 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 Bond Resolution.

Notwithstanding anything in this Bond Resolution to the contrary, so long as any of the Bonds are owned or insured by USDA, the Issuer will not issue any additional bonds or other obligations for the purpose of providing funds to refund all or a part of the Bonds unless either: (a) all of the Bonds are paid, retired and cancelled concurrently with the issuance of such refunding bonds or obligations or at the next occurring Stated Maturity; or (b) written consent to the issuance of such refunding bonds or obligations is given by USDA.

ARTICLE VIII

TAX COVENANTS

Section 801. General Covenants. The Issuer covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Mayor and the Clerk are hereby authorized and directed to execute the Federal Tax Certificate in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the Issuer. The Issuer will, in addition, adopt such other ordinances or 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 Issuer.

Section 802. Survival of Covenants. The covenants contained in this Article and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to **Article VII** hereof or any other provision of this Bond Resolution until such time as is set forth in the Federal Tax Certificate.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 901. Insurance; Fidelity Bond Coverage. The Issuer will carry and maintain such reasonable amount of all-risk insurance on all properties constituting the Improvements insofar as they are of an insurable nature as would be carried by a municipality with similar property and performing similar functions; and in the event of loss or damage, the Issuer will use the proceeds of such insurance to reconstruct or replace the damaged or destroyed property, or if such reconstruction or replacement be unnecessary, then such proceeds shall be used in redeeming or paying off Outstanding Bonds. The Issuer also will carry general

liability insurance in amounts not less than the then maximum liability of a governmental entity for claims arising out of a single occurrence, as provided by the Kansas tort claims act or other similar future law (currently \$500,000 per occurrence).

So long as the Bonds are owned or insured by USDA, all officers and employees of the Issuer handling the Funds and Accounts shall be bonded in each Fiscal Year in an amount not less than the total Debt Service Requirements on the Outstanding Bonds, until the final maturity date of the Outstanding Bonds or such other amount as is agreed to by USDA.

As long as any of the Bonds owned or insured by USDA remain Outstanding, the Issuer will annually submit a report of its insurance and fidelity bond coverage to USDA for review and approval.

Section 902. Annual Audit. Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of its Funds and Accounts for the preceding Fiscal Year by an Independent Accountant. As long as any of the Bonds owned or insured by USDA remain Outstanding, such audit to be performed in accordance with RUS Staff Instruction 1780-4 and in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400.

Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the Clerk and a duplicate copy of the audit shall be mailed to USDA. Such audit shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer or Owner. Upon payment of the reasonable cost of preparing and mailing the same, a copy of any annual audit will, upon request, be sent to any Owner or prospective Owner.

As soon as possible after the completion of the annual audit, the governing body of the Issuer shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Bond Resolution, the Issuer shall promptly cure such deficiency.

Section 903. USDA Deemed to be Owner. So long as any of the Bonds are owned or insured by USDA remain Outstanding, USDA shall be deemed to be an Owner of such Bond.

Section 904. Sale, Disposition or Use of the Improvements. So long as any of the Bonds are owned or insured by USDA remain Outstanding, the Issuer will not sell, lease or otherwise dispose of the Improvements to any nongovernmental person or entity without the prior written consent of USDA.

Section 905. Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of this Bond Resolution, may be amended or modified at any time in any respect by ordinance or resolution of the Issuer 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 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 Issuer 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 Bond Resolution.

Any provision of the Bonds or of this Bond Resolution may, however, be amended or modified by ordinance or resolution duly adopted by the Governing Body 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 Issuer may amend or supplement this Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity herein, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Improvements, to reallocate proceeds of the Bonds among Improvements, to conform this Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Every amendment or modification of the provisions of the Bonds or of this Bond Resolution, to which the written consent of the Owners is given, as above provided, shall be expressed in a resolution or ordinance adopted by the Governing Body amending or supplementing the provisions of this Bond Resolution and shall be deemed to be a part of this Bond Resolution. A certified copy of every such amendatory or supplemental ordinance or resolution, if any, and a certified copy of this Bond Resolution shall always be kept on file in the office of the Clerk, and shall be made available for inspection by the Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Bond Resolution, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental ordinance or resolution or of this Bond Resolution will be sent by the Clerk to any such Owner or prospective Owner.

Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the Clerk a copy of the ordinance or resolution of the Issuer hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

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

Section 906. 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 Bond Resolution, and shall be conclusive in favor of the Issuer and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of 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 Bond Resolution, Bonds owned by the Issuer shall be disregarded and deemed not to be Outstanding under this Bond 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 Issuer.

Section 907. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Bond Resolution shall be in writing, given to the Notice Representative at the Notice Address and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

Section 908. Electronic Transactions. The transactions described in this Bond Resolution may be conducted, and documents related to the Bonds may be sent, received, executed, and stored, by electronic means or transmissions. Copies, telecopies, electronic files and other reproductions of original executed documents (or documents executed by electronic means or transmissions) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 909. Further Authority. The officers and officials of the Issuer, including the Mayor and Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Bond 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 910. Severability. If any section or other part of this Bond 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 Bond Resolution.

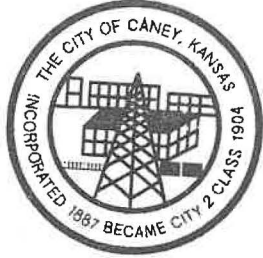
Section 911. Governing Law. This Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.


Section 912. Effective Date. This Bond Resolution shall take effect and be in full force from and after its adoption by the Governing Body.

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ADOPTED by the City Council on July 18, 2022.

(SEAL)





Mayor

ATTEST:



Clerk

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of the Bond Resolution of the Issuer adopted by the Governing Body on July 18, 2022, as the same appears of record in my office.

DATED: July 18, 2022.



Clerk

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SCHEDULE 1

AMORTIZATION SCHEDULE - COMBINED

Payment Date	Payments			Principal Balance
	Interest	Principal	Total	
8/10/2022				\$ 1,245,000.00
8/10/2023	17,840.00	23,274.00	41,114.00	1,221,726.00
8/10/2024	17,506.69	23,607.31	41,114.00	1,198,118.69
8/10/2025	17,168.60	23,945.40	41,114.00	1,174,173.29
8/10/2026	16,825.65	24,288.35	41,114.00	1,149,884.94
8/10/2027	16,477.79	24,636.21	41,114.00	1,125,248.73
8/10/2028	16,124.92	24,989.08	41,114.00	1,100,259.65
8/10/2029	15,767.01	25,346.99	41,114.00	1,074,912.66
8/10/2030	15,403.95	25,710.05	41,114.00	1,049,202.61
8/10/2031	15,035.68	26,078.32	41,114.00	1,023,124.29
8/10/2032	14,662.13	26,451.87	41,114.00	996,672.42
8/10/2033	14,283.22	26,830.78	41,114.00	969,841.64
8/10/2034	13,898.86	27,215.14	41,114.00	942,626.50
8/10/2035	13,509.00	27,605.00	41,114.00	915,021.50
8/10/2036	13,113.53	28,000.47	41,114.00	887,021.03
8/10/2037	12,712.40	28,401.60	41,114.00	858,619.43
8/10/2038	12,305.50	28,808.50	41,114.00	829,810.93
8/10/2039	11,892.76	29,221.24	41,114.00	800,589.69
8/10/2040	11,474.10	29,639.90	41,114.00	770,949.79
8/10/2041	11,049.43	30,064.57	41,114.00	740,885.22
8/10/2042	10,618.66	30,495.34	41,114.00	710,389.88
8/10/2043	10,181.71	30,932.29	41,114.00	679,457.59
8/10/2044	9,738.49	31,375.51	41,114.00	648,082.08
8/10/2045	9,288.90	31,825.10	41,114.00	616,256.98
8/10/2046	8,832.86	32,281.14	41,114.00	583,975.84
8/10/2047	8,370.27	32,743.73	41,114.00	551,232.11
8/10/2048	7,901.04	33,212.96	41,114.00	518,019.15
8/10/2049	7,425.07	33,688.93	41,114.00	484,330.22
8/10/2050	6,942.27	34,171.73	41,114.00	450,158.49
8/10/2051	6,452.54	34,661.46	41,114.00	415,497.03
8/10/2052	5,955.78	35,158.22	41,114.00	380,338.81
8/10/2053	5,451.88	35,662.12	41,114.00	344,676.69
8/10/2054	4,940.74	36,173.26	41,114.00	308,503.43
8/10/2055	4,422.27	36,691.73	41,114.00	271,811.70
8/10/2056	3,896.35	37,217.65	41,114.00	234,594.05
8/10/2057	3,362.88	37,751.12	41,114.00	196,842.93
8/10/2058	2,821.75	38,292.25	41,114.00	158,550.68
8/10/2059	2,272.85	38,841.15	41,114.00	119,709.53
8/10/2060	1,716.06	39,397.94	41,114.00	80,311.59
8/10/2061	1,151.28	39,962.72	41,114.00	40,348.87
8/10/2062	578.38	40,348.87	40,927.25	(0.00)
Total	399,373.25	1,245,000.00	1,644,373.25	

AMORTIZATION SCHEDULE – SERIES 2022-A BONDS

Payment Date	Amort. Pmt. No.	Interest Rate	Payments			Principal Balance
			Interest	Principal	Total	
8/10/2022						\$ 668,000.00
8/10/2022	-					
8/10/2023	1	1.375%	9,185.00	12,639.00	21,824.00	655,361.00
8/10/2024	2	1.375%	9,011.21	12,812.79	21,824.00	642,548.21
8/10/2025	3	1.375%	8,835.04	12,988.96	21,824.00	629,559.25
8/10/2026	4	1.375%	8,656.44	13,167.56	21,824.00	616,391.69
8/10/2027	5	1.375%	8,475.39	13,348.61	21,824.00	603,043.08
8/10/2028	6	1.375%	8,291.84	13,532.16	21,824.00	589,510.92
8/10/2029	7	1.375%	8,105.78	13,718.22	21,824.00	575,792.70
8/10/2030	8	1.375%	7,917.15	13,906.85	21,824.00	561,885.85
8/10/2031	9	1.375%	7,725.93	14,098.07	21,824.00	547,787.78
8/10/2032	10	1.375%	7,532.08	14,291.92	21,824.00	533,495.86
8/10/2033	11	1.375%	7,335.57	14,488.43	21,824.00	519,007.43
8/10/2034	12	1.375%	7,136.35	14,687.65	21,824.00	504,319.78
8/10/2035	13	1.375%	6,934.40	14,889.60	21,824.00	489,430.18
8/10/2036	14	1.375%	6,729.66	15,094.34	21,824.00	474,335.84
8/10/2037	15	1.375%	6,522.12	15,301.88	21,824.00	459,033.96
8/10/2038	16	1.375%	6,311.72	15,512.28	21,824.00	443,521.68
8/10/2039	17	1.375%	6,098.42	15,725.58	21,824.00	427,796.10
8/10/2040	18	1.375%	5,882.20	15,941.80	21,824.00	411,854.30
8/10/2041	19	1.375%	5,663.00	16,161.00	21,824.00	395,693.30
8/10/2042	20	1.375%	5,440.78	16,383.22	21,824.00	379,310.08
8/10/2043	21	1.375%	5,215.51	16,608.49	21,824.00	362,701.59
8/10/2044	22	1.375%	4,987.15	16,836.85	21,824.00	345,864.74
8/10/2045	23	1.375%	4,755.64	17,068.36	21,824.00	328,796.38
8/10/2046	24	1.375%	4,520.95	17,303.05	21,824.00	311,493.33
8/10/2047	25	1.375%	4,283.03	17,540.97	21,824.00	293,952.36
8/10/2048	26	1.375%	4,041.84	17,782.16	21,824.00	276,170.20
8/10/2049	27	1.375%	3,797.34	18,026.66	21,824.00	258,143.54
8/10/2050	28	1.375%	3,549.47	18,274.53	21,824.00	239,869.01
8/10/2051	29	1.375%	3,298.20	18,525.80	21,824.00	221,343.21
8/10/2052	30	1.375%	3,043.47	18,780.53	21,824.00	202,562.68
8/10/2053	31	1.375%	2,785.24	19,038.76	21,824.00	183,523.92
8/10/2054	32	1.375%	2,523.45	19,300.55	21,824.00	164,223.37
8/10/2055	33	1.375%	2,258.07	19,565.93	21,824.00	144,657.44
8/10/2056	34	1.375%	1,989.04	19,834.96	21,824.00	124,822.48
8/10/2057	35	1.375%	1,716.31	20,107.69	21,824.00	104,714.79
8/10/2058	36	1.375%	1,439.83	20,384.17	21,824.00	84,330.62
8/10/2059	37	1.375%	1,159.55	20,664.45	21,824.00	63,666.17
8/10/2060	38	1.375%	875.41	20,948.59	21,824.00	42,717.58
8/10/2061	39	1.375%	587.37	21,236.63	21,824.00	21,480.95
8/10/2062	40	1.375%	295.36	21,480.95	21,776.31	-
Total			204,912.31	668,000.00	872,912.31	

AMORTIZATION SCHEDULE – SERIES 2022-B BONDS

Payment Date	Amort. Pmt. No.	Interest Rate	Payments			Principal Balance
			Interest	Principal	Total	
8/10/2022						\$ 577,000.00
8/10/2023	1	1.500%	8,655.00	10,635.00	19,290.00	566,365.00
8/10/2024	2	1.500%	8,495.48	10,794.52	19,290.00	555,570.48
8/10/2025	3	1.500%	8,333.56	10,956.44	19,290.00	544,614.04
8/10/2026	4	1.500%	8,169.21	11,120.79	19,290.00	533,493.25
8/10/2027	5	1.500%	8,002.40	11,287.60	19,290.00	522,205.65
8/10/2028	6	1.500%	7,833.08	11,456.92	19,290.00	510,748.73
8/10/2029	7	1.500%	7,661.23	11,628.77	19,290.00	499,119.96
8/10/2030	8	1.500%	7,486.80	11,803.20	19,290.00	487,316.76
8/10/2031	9	1.500%	7,309.75	11,980.25	19,290.00	475,336.51
8/10/2032	10	1.500%	7,130.05	12,159.95	19,290.00	463,176.56
8/10/2033	11	1.500%	6,947.65	12,342.35	19,290.00	450,834.21
8/10/2034	12	1.500%	6,762.51	12,527.49	19,290.00	438,306.72
8/10/2035	13	1.500%	6,574.60	12,715.40	19,290.00	425,591.32
8/10/2036	14	1.500%	6,383.87	12,906.13	19,290.00	412,685.19
8/10/2037	15	1.500%	6,190.28	13,099.72	19,290.00	399,585.47
8/10/2038	16	1.500%	5,993.78	13,296.22	19,290.00	386,289.25
8/10/2039	17	1.500%	5,794.34	13,495.66	19,290.00	372,793.59
8/10/2040	18	1.500%	5,591.90	13,698.10	19,290.00	359,095.49
8/10/2041	19	1.500%	5,386.43	13,903.57	19,290.00	345,191.92
8/10/2042	20	1.500%	5,177.88	14,112.12	19,290.00	331,079.80
8/10/2043	21	1.500%	4,966.20	14,323.80	19,290.00	316,756.00
8/10/2044	22	1.500%	4,751.34	14,538.66	19,290.00	302,217.34
8/10/2045	23	1.500%	4,533.26	14,756.74	19,290.00	287,460.60
8/10/2046	24	1.500%	4,311.91	14,978.09	19,290.00	272,482.51
8/10/2047	25	1.500%	4,087.24	15,202.76	19,290.00	257,279.75
8/10/2048	26	1.500%	3,859.20	15,430.80	19,290.00	241,848.95
8/10/2049	27	1.500%	3,627.73	15,662.27	19,290.00	226,186.68
8/10/2050	28	1.500%	3,392.80	15,897.20	19,290.00	210,289.48
8/10/2051	29	1.500%	3,154.34	16,135.66	19,290.00	194,153.82
8/10/2052	30	1.500%	2,912.31	16,377.69	19,290.00	177,776.13
8/10/2053	31	1.500%	2,666.64	16,623.36	19,290.00	161,152.77
8/10/2054	32	1.500%	2,417.29	16,872.71	19,290.00	144,280.06
8/10/2055	33	1.500%	2,164.20	17,125.80	19,290.00	127,154.26
8/10/2056	34	1.500%	1,907.31	17,382.69	19,290.00	109,771.57
8/10/2057	35	1.500%	1,646.57	17,643.43	19,290.00	92,128.14
8/10/2058	36	1.500%	1,381.92	17,908.08	19,290.00	74,220.06
8/10/2059	37	1.500%	1,113.30	18,176.70	19,290.00	56,043.36
8/10/2060	38	1.500%	840.65	18,449.35	19,290.00	37,594.01
8/10/2061	39	1.500%	563.91	18,726.09	19,290.00	18,867.92
8/10/2062	40	1.500%	283.02	18,867.92	19,150.94	-
Total			194,460.94	577,000.00	771,460.94	

EXHIBIT A
(FORM OF SERIES 2022-A BONDS)

**REGISTERED
NUMBER** __

**REGISTERED
\$**

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF MONTGOMERY
CITY OF CANEY
GENERAL OBLIGATION BOND
SERIES 2022-A**

**Interest
Rate:**

**Maturity
Date:**

**Dated
Date: August 10, 2022**

**Identification
Number:
Principal Paydown Certificate**

REGISTERED OWNER: United States of America
Department of Agriculture
4300 Goodfellow Blvd., Bldg. 104
St. Louis, Missouri 63120-1703
Tax I.D. No. 43-1757115

PRINCIPAL AMOUNT: SIX HUNDRED SIXTY-EIGHT THOUSAND DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Caney, in the County of Montgomery, State of Kansas (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Stated Maturities set forth on the Amortization Schedule printed hereon, unless called for redemption prior to the Maturity Date shown above, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 365-day year), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable annually on the anniversary of the Dated Date of each year (the "Bond Payment Date"), commencing on the anniversary of the Dated Date in 2023 until the entire Principal Amount has been paid in full.

Method and Place of Payment. The installments of principal and interest payable on this Bond shall be paid on any Bond Payment Date by the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent" and "Bond Registrar") to the person in whose name this Bond is registered on the registration books maintained by the Bond Registrar at the close of business on the Record Date(s), which shall be the 15th day (whether or not a business day) next preceding each Bond Payment Date. As long as the USDA is the Owner of the Bonds, payments of principal and interest, or the Redemption Price shall be by preauthorized debit or similar banking means or such other manner as is specified by the USDA from time to time. Such principal of and/or interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner, or (b) in the case of an interest payment to 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 Registered Owner, not less than 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 Registered Owner wishes to have such transfer directed. The final payment of principal of this Bond, whether at the Maturity Date set forth above or upon earlier redemption shall be made upon presentation and surrender of this Bond at the principal office of the

Paying Agent. The principal or redemption price of and interest on this Bond shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. 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.

ADDITIONAL PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter defined Bond Resolution until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Bond Registrar.

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 the Issuer, including this series of bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Issuer 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 Clerk, and its seal to be affixed hereto or imprinted hereon.

CITY OF CANEY, KANSAS

(Facsimile Seal)

By: _____ (facsimile)
Mayor

ATTEST:

By: _____ (facsimile)
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of a series of General Obligation Bonds, Series 2022-A, of the City of Caney, Kansas, described in the within-mentioned Bond Resolution.

Registration Date: _____

Office of the State Treasurer,
Topeka, Kansas,
as Bond Registrar and Paying Agent

By _____

Registration Number: 0117-063-081022-572

(FORM OF REVERSE SIDE OF BOND)

ADDITIONAL PROVISIONS

Authorization of Bonds. This Bond is one of an authorized series of Bonds of the Issuer designated "General Obligation Bonds, Series 2022-A," aggregating the principal amount of \$668,000 (the "Bonds") issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Bonds and the Resolution of the Issuer prescribing the form and details 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, including K.S.A. 12-617 *et seq.*, as amended by Charter Ordinance No. 30 of the City, all as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

General Obligations. The Bonds constitute general obligations of the Issuer payable as to both principal and interest 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 Issuer. The full faith, credit and resources of the Issuer 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 become due.

Redemption Prior to Maturity. The Bonds are subject to redemption prior to maturity as follows:

Optional Redemption. At the option of the Issuer, this Bond (including installments of principal set forth on the Amortization Schedule) may be called for redemption and payment prior to the Stated Maturity as a whole or in part (selection of principal installments and amounts to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

Mandatory Redemption. The Issuer acknowledges the provisions of 7 U.S.C. 1983(3) and right of USDA to require the redemption of the entire unpaid principal amount of this Bond in accordance therewith.

Redemption Denominations. Whenever the Bond Registrar is to select Bonds for the purpose of redemption, it shall, in the case of Bonds in denominations greater than a minimum Authorized Denomination, if less than all of the Bonds then Outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such Bond as though it were a separate Bond in the denomination of a minimum Authorized Denomination.

Notice of Redemption. Notice of redemption, unless waived, shall be given by the Issuer to the State Treasurer of Kansas, the Purchaser of the Bonds and to the Bond Registrar in accordance with the Bond Resolution. The Issuer shall cause the Bond Registrar to notify each Registered Owner at the address maintained on the Bond Register, such notice to be given by mailing an official notice of redemption by first class mail at least 30 days prior to the redemption date.

Effect of Redemption. Notice of redemption having been given as aforesaid, this Bond or portions of principal 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 Issuer defaults in the payment of the redemption price), this Bond or principal portions hereof so redeemed shall cease to bear interest. Redemption of less than all of the principal amount of this Bond shall not reduce the annual installments of principal not redeemed which shall remain due and payable in accordance with the Amortization Schedule.

Transfer and Exchange. 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.

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of such Bonds:

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

(PRINTED LEGAL OPINION)

BOND ASSIGNMENT

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

(Name and Address)

(Social Security or Taxpayer Identification 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 Bond Registrar. The undersigned do(es) hereby irrevocably constitute and appoint _____ as agent 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 Identification No.

Signature (Sign here exactly as name(s)
appear on the face of Certificate)

AMORTIZATION SCHEDULE

Payment Date	Amort. Pmt. No.	Interest Rate	Payments			Principal Balance
			Interest	Principal	Total	
8/10/2022	-					\$ 668,000.00
8/10/2023	1	1.375%	9,185.00	12,639.00	21,824.00	655,361.00
8/10/2024	2	1.375%	9,011.21	12,812.79	21,824.00	642,548.21
8/10/2025	3	1.375%	8,835.04	12,988.96	21,824.00	629,559.25
8/10/2026	4	1.375%	8,656.44	13,167.56	21,824.00	616,391.69
8/10/2027	5	1.375%	8,475.39	13,348.61	21,824.00	603,043.08
8/10/2028	6	1.375%	8,291.84	13,532.16	21,824.00	589,510.92
8/10/2029	7	1.375%	8,105.78	13,718.22	21,824.00	575,792.70
8/10/2030	8	1.375%	7,917.15	13,906.85	21,824.00	561,885.85
8/10/2031	9	1.375%	7,725.93	14,098.07	21,824.00	547,787.78
8/10/2032	10	1.375%	7,532.08	14,291.92	21,824.00	533,495.86
8/10/2033	11	1.375%	7,335.57	14,488.43	21,824.00	519,007.43
8/10/2034	12	1.375%	7,136.35	14,687.65	21,824.00	504,319.78
8/10/2035	13	1.375%	6,934.40	14,889.60	21,824.00	489,430.18
8/10/2036	14	1.375%	6,729.66	15,094.34	21,824.00	474,335.84
8/10/2037	15	1.375%	6,522.12	15,301.88	21,824.00	459,033.96
8/10/2038	16	1.375%	6,311.72	15,512.28	21,824.00	443,521.68
8/10/2039	17	1.375%	6,098.42	15,725.58	21,824.00	427,796.10
8/10/2040	18	1.375%	5,882.20	15,941.80	21,824.00	411,854.30
8/10/2041	19	1.375%	5,663.00	16,161.00	21,824.00	395,693.30
8/10/2042	20	1.375%	5,440.78	16,383.22	21,824.00	379,310.08
8/10/2043	21	1.375%	5,215.51	16,608.49	21,824.00	362,701.59
8/10/2044	22	1.375%	4,987.15	16,836.85	21,824.00	345,864.74
8/10/2045	23	1.375%	4,755.64	17,068.36	21,824.00	328,796.38
8/10/2046	24	1.375%	4,520.95	17,303.05	21,824.00	311,493.33
8/10/2047	25	1.375%	4,283.03	17,540.97	21,824.00	293,952.36
8/10/2048	26	1.375%	4,041.84	17,782.16	21,824.00	276,170.20
8/10/2049	27	1.375%	3,797.34	18,026.66	21,824.00	258,143.54
8/10/2050	28	1.375%	3,549.47	18,274.53	21,824.00	239,869.01
8/10/2051	29	1.375%	3,298.20	18,525.80	21,824.00	221,343.21
8/10/2052	30	1.375%	3,043.47	18,780.53	21,824.00	202,562.68
8/10/2053	31	1.375%	2,785.24	19,038.76	21,824.00	183,523.92
8/10/2054	32	1.375%	2,523.45	19,300.55	21,824.00	164,223.37
8/10/2055	33	1.375%	2,258.07	19,565.93	21,824.00	144,657.44
8/10/2056	34	1.375%	1,989.04	19,834.96	21,824.00	124,822.48
8/10/2057	35	1.375%	1,716.31	20,107.69	21,824.00	104,714.79
8/10/2058	36	1.375%	1,439.83	20,384.17	21,824.00	84,330.62
8/10/2059	37	1.375%	1,159.55	20,664.45	21,824.00	63,666.17
8/10/2060	38	1.375%	875.41	20,948.59	21,824.00	42,717.58
8/10/2061	39	1.375%	587.37	21,236.63	21,824.00	21,480.95
8/10/2062	40	1.375%	295.36	21,480.95	21,776.31	-
Total			204,912.31	668,000.00	872,912.31	

EXHIBIT B
(FORM OF SERIES 2022-B BONDS)

**REGISTERED
NUMBER** __

**REGISTERED
\$**

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF MONTGOMERY
CITY OF CANEY
GENERAL OBLIGATION BOND
SERIES 2022-B**

**Interest
Rate:**

**Maturity
Date:**

**Dated
Date: August 10, 2022**

**Identification
Number:**
Principal Paydown Certificate

REGISTERED OWNER: United States of America
Department of Agriculture
4300 Goodfellow Blvd., Bldg. 104
St. Louis, Missouri 63120-1703
Tax I.D. No. 43-1757115

PRINCIPAL AMOUNT: FIVE HUNDRED SEVENTY-SEVEN THOUSAND DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Caney, in the County of Montgomery, State of Kansas (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Stated Maturities set forth on the Amortization Schedule printed hereon, unless called for redemption prior to the Maturity Date shown above, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 365-day year), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable annually on the anniversary of the Dated Date of each year (the "Bond Payment Date"), commencing on the anniversary of the Dated Date in 2023 until the entire Principal Amount has been paid in full.

Method and Place of Payment. The installments of principal and interest payable on this Bond shall be paid on any Bond Payment Date by the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent" and "Bond Registrar") to the person in whose name this Bond is registered on the registration books maintained by the Bond Registrar at the close of business on the Record Date(s), which shall be the 15th day (whether or not a business day) next preceding each Bond Payment Date. As long as the USDA is the Owner of the Bonds, payments of principal and interest, or the Redemption Price shall be by preauthorized debit or similar banking means or such other manner as is specified by the USDA from time to time. Such principal of and/or interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner, or (b) in the case of an interest payment to 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 Registered Owner, not less than 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 Registered Owner wishes to have such transfer directed. The final payment of principal of this Bond, whether at the Maturity Date set forth above or upon earlier redemption shall be made upon presentation and surrender of this Bond at the principal office of the

Paying Agent. The principal or redemption price of and interest on this Bond shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. 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.

ADDITIONAL PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter defined Bond Resolution until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Bond Registrar.

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 the Issuer, including this series of bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Issuer 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 Clerk, and its seal to be affixed hereto or imprinted hereon.

CITY OF CANEY, KANSAS

(Facsimile Seal)

By: _____ (facsimile)
Mayor

ATTEST:

By: _____ (facsimile)
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of a series of General Obligation Bonds, Series 2022-B, of the City of Caney, Kansas, described in the within-mentioned Bond Resolution.

Registration Date: _____

Office of the State Treasurer,
Topeka, Kansas,
as Bond Registrar and Paying Agent

By _____

Registration Number: 0117-063-081022-573

(FORM OF REVERSE SIDE OF BOND)

ADDITIONAL PROVISIONS

Authorization of Bonds. This Bond is one of an authorized series of Bonds of the Issuer designated "General Obligation Bonds, Series 2022-B," aggregating the principal amount of \$577,000 (the "Bonds") issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Bonds and the Resolution of the Issuer prescribing the form and details 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, including K.S.A. 12-617 *et seq.*, as amended by Charter Ordinance No. 30 of the City, all as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

General Obligations. The Bonds constitute general obligations of the Issuer payable as to both principal and interest 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 Issuer. The full faith, credit and resources of the Issuer 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 become due.

Redemption Prior to Maturity. The Bonds are subject to redemption prior to maturity as follows:

Optional Redemption. At the option of the Issuer, this Bond (including installments of principal set forth on the Amortization Schedule) may be called for redemption and payment prior to the Stated Maturity as a whole or in part (selection of principal installments and amounts to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

Mandatory Redemption. The Issuer acknowledges the provisions of 7 U.S.C. 1983(3) and right of USDA to require the redemption of the entire unpaid principal amount of this Bond in accordance therewith.

Redemption Denominations. Whenever the Bond Registrar is to select Bonds for the purpose of redemption, it shall, in the case of Bonds in denominations greater than a minimum Authorized Denomination, if less than all of the Bonds then Outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such Bond as though it were a separate Bond in the denomination of a minimum Authorized Denomination.

Notice of Redemption. Notice of redemption, unless waived, shall be given by the Issuer to the State Treasurer of Kansas, the Purchaser of the Bonds and to the Bond Registrar in accordance with the Bond Resolution. The Issuer shall cause the Bond Registrar to notify each Registered Owner at the address maintained on the Bond Register, such notice to be given by mailing an official notice of redemption by first class mail at least 30 days prior to the redemption date.

Effect of Redemption. Notice of redemption having been given as aforesaid, this Bond or portions of principal 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 Issuer defaults in the payment of the redemption price), this Bond or principal portions hereof so redeemed shall cease to bear interest. Redemption of less than all of the principal amount of this Bond shall not reduce the annual installments of principal not redeemed which shall remain due and payable in accordance with the Amortization Schedule.

Transfer and Exchange. 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.

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of such Bonds:

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

(PRINTED LEGAL OPINION)

BOND ASSIGNMENT

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

(Name and Address)

(Social Security or Taxpayer Identification 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 Bond Registrar. The undersigned do(es) hereby irrevocably constitute and appoint _____ as agent 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 Identification No.

Signature (Sign here exactly as name(s)
appear on the face of Certificate)

Signature guarantee:

By _____

CERTIFICATE OF CLERK

STATE OF KANSAS)
) SS.
COUNTY OF MONTGOMERY)

The undersigned, Clerk of the City of Caney, Kansas, does hereby certify that the within Bond has been duly registered in my office according to law as of August 10, 2022.

WITNESS my hand and official seal.

(Facsimile Seal)

By: _____ (facsimile)
Clerk

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

LYNN W. ROGERS, Treasurer of the State of Kansas, does hereby certify that a transcript of the proceedings leading up to the issuance of this Bond has been filed in the office of the State Treasurer, and that this Bond was registered in such office according to law on _____.

WITNESS my hand and official seal.

(Facsimile Seal)

By: _____ (facsimile)
Treasurer of the State of Kansas

AMORTIZATION SCHEDULE

Payment Date	Amort. Pmt. No.	Interest Rate	Payments			Principal Balance
			Interest	Principal	Total	
8/10/2022	-					\$ 577,000.00
8/10/2023	1	1.500%	8,655.00	10,635.00	19,290.00	566,365.00
8/10/2024	2	1.500%	8,495.48	10,794.52	19,290.00	555,570.48
8/10/2025	3	1.500%	8,333.56	10,956.44	19,290.00	544,614.04
8/10/2026	4	1.500%	8,169.21	11,120.79	19,290.00	533,493.25
8/10/2027	5	1.500%	8,002.40	11,287.60	19,290.00	522,205.65
8/10/2028	6	1.500%	7,833.08	11,456.92	19,290.00	510,748.73
8/10/2029	7	1.500%	7,661.23	11,628.77	19,290.00	499,119.96
8/10/2030	8	1.500%	7,486.80	11,803.20	19,290.00	487,316.76
8/10/2031	9	1.500%	7,309.75	11,980.25	19,290.00	475,336.51
8/10/2032	10	1.500%	7,130.05	12,159.95	19,290.00	463,176.56
8/10/2033	11	1.500%	6,947.65	12,342.35	19,290.00	450,834.21
8/10/2034	12	1.500%	6,762.51	12,527.49	19,290.00	438,306.72
8/10/2035	13	1.500%	6,574.60	12,715.40	19,290.00	425,591.32
8/10/2036	14	1.500%	6,383.87	12,906.13	19,290.00	412,685.19
8/10/2037	15	1.500%	6,190.28	13,099.72	19,290.00	399,585.47
8/10/2038	16	1.500%	5,993.78	13,296.22	19,290.00	386,289.25
8/10/2039	17	1.500%	5,794.34	13,495.66	19,290.00	372,793.59
8/10/2040	18	1.500%	5,591.90	13,698.10	19,290.00	359,095.49
8/10/2041	19	1.500%	5,386.43	13,903.57	19,290.00	345,191.92
8/10/2042	20	1.500%	5,177.88	14,112.12	19,290.00	331,079.80
8/10/2043	21	1.500%	4,966.20	14,323.80	19,290.00	316,756.00
8/10/2044	22	1.500%	4,751.34	14,538.66	19,290.00	302,217.34
8/10/2045	23	1.500%	4,533.26	14,756.74	19,290.00	287,460.60
8/10/2046	24	1.500%	4,311.91	14,978.09	19,290.00	272,482.51
8/10/2047	25	1.500%	4,087.24	15,202.76	19,290.00	257,279.75
8/10/2048	26	1.500%	3,859.20	15,430.80	19,290.00	241,848.95
8/10/2049	27	1.500%	3,627.73	15,662.27	19,290.00	226,186.68
8/10/2050	28	1.500%	3,392.80	15,897.20	19,290.00	210,289.48
8/10/2051	29	1.500%	3,154.34	16,135.66	19,290.00	194,153.82
8/10/2052	30	1.500%	2,912.31	16,377.69	19,290.00	177,776.13
8/10/2053	31	1.500%	2,666.64	16,623.36	19,290.00	161,152.77
8/10/2054	32	1.500%	2,417.29	16,872.71	19,290.00	144,280.06
8/10/2055	33	1.500%	2,164.20	17,125.80	19,290.00	127,154.26
8/10/2056	34	1.500%	1,907.31	17,382.69	19,290.00	109,771.57
8/10/2057	35	1.500%	1,646.57	17,643.43	19,290.00	92,128.14
8/10/2058	36	1.500%	1,381.92	17,908.08	19,290.00	74,220.06
8/10/2059	37	1.500%	1,113.30	18,176.70	19,290.00	56,043.36
8/10/2060	38	1.500%	840.65	18,449.35	19,290.00	37,594.01
8/10/2061	39	1.500%	563.91	18,726.09	19,290.00	18,867.92
8/10/2062	40	1.500%	283.02	18,867.92	19,150.94	-
Total			194,460.94	577,000.00	771,460.94	

TRANSCRIPT CERTIFICATE

CITY OF CANEY, KANSAS

\$668,000
GENERAL OBLIGATION BONDS
SERIES 2022-A

\$577,000
GENERAL OBLIGATION BONDS
SERIES 2022-B

DATED AUGUST 10, 2022

The undersigned Mayor and Clerk of the City of Caney, Kansas (the "Issuer"), do hereby make this certificate for inclusion in the transcript of and as a part of the proceedings authorizing and providing for the issuance of the above described bonds (collectively the "Bonds"); and do hereby certify as of July 18, 2022, as follows:

1. Meaning of Words and Terms. Capitalized words and terms used herein, unless otherwise defined herein or the context requires otherwise, shall have the same meanings ascribed to such words and terms in the hereinafter defined Bond Resolution authorizing the Bonds.

2. Organization. The Issuer is a legally constituted city of the second class organized and existing under the laws of the State of Kansas.

3. Transcript of Proceedings. The transcript of proceedings (the "Transcript") relating to the authorization and issuance of the Bonds is to the best of our knowledge, information and belief full and complete; none of such proceedings have been modified, amended or repealed, except as might be shown in the Transcript, and the facts stated in the Transcript still exist. In each and every instance where copies appear in the Transcript, such copies are true and correct duplicates of the original instruments now on file with the Clerk.

4. Newspaper. The *Montgomery County Chronicle* was the official newspaper of the Issuer at all times during these proceedings.

5. Meetings. All of the meetings of the governing body of the Issuer at which action was taken as shown in the Transcript were either regular meetings or duly adjourned regular meetings or special meetings duly called and held in accordance with law and the ordinances and rules of the Issuer.

6. Incumbency of Officers. The following named persons were and are the duly qualified and acting officers of the Issuer at and during all the times when action was taken as indicated in the Transcript as follows:

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>
<i>Current</i>		
Joshua Elliott	Mayor	01/2022 to 01/2024
Zachary Ellison	Councilmember	01/2022 to 01/2024
Marianne Carey-Ranes	Councilmember	01/2019 to 01/2023
Nathan Rains	Councilmember	01/2022 to 01/2024
Kenith Butts	Councilmember	04/2015 to 01/2023
Lori Patterson	Councilmember	01/2018 to 01/2024
Debbie Wood	Councilmember	01/2017 to 01/2023
Shirley Davis	Councilmember	02/2019 to 01/2023

Aaron Elliott	Councilmember	01/2022 to 01/2024
Debbie Morrison	Clerk	01/2019 to 12/20/2019
<i>Prior</i>		11/2013 to DATE
Thomas C. Burk Jr.	Mayor	01/2018 to 01/2022
Chad S. Bradford	Mayor	05/2015 to 01/2018
Valerie Hurd	Councilmember	01/2017 to 01/2019
Kolt West	Councilmember	05/2017 to 01/2019
Zoe Wahl	Councilmember	01/2017 to 01/2019

7. Execution of Bonds. The Bonds have been executed with facsimile signatures; and the facsimile signatures appearing on the face of the Bonds are facsimiles of the true and genuine signatures of the Mayor and Clerk of the Issuer; which facsimiles are ratified as a proper execution of said Bonds. Each signature has either been duly filed in the office of the Secretary of State of Kansas pursuant to K.S.A. 75-4001 *et seq* or executed in accordance with K.S.A. 16-1601 *et seq*. A facsimile of the seal of the Issuer is affixed to or imprinted on each of the Bonds and on the reverse side of each of the Bonds at the place where the Clerk has executed by facsimile signature the Certificate of Registration; and each Bond bears a Certificate of Registration evidencing the fact that it has been registered in the office of the Clerk. A true impression of the seal is set forth adjacent to the signature of the Clerk below. The specimen bond included in the Transcript is in the form adopted by the governing body of the Issuer for the Bonds.

8. Authorization and Purpose of the Bonds. The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State, including particularly K.S.A. 12-617 *et seq.*, as amended by Charter Ordinance No. 30 of the City, as amended, Ordinance No. 2182 and Resolution No. 1413 of the Issuer duly adopted by the Governing Body of the Issuer on July 18, 2022 (collectively the “Bond Resolution”) for the purpose of paying costs of issuance and paying a portion of the costs of certain sewer improvements (the “Improvements”).

The total principal amount of the Bonds does not exceed the cost of the Improvements for which the Bonds are issued. A Statement of Cost is attached hereto as *Exhibit A* and made a part hereof by reference as though fully set out herein.

The interest rates on the Bonds on the date of the sale of the Bonds were within the maximum legal limit for interest rates under K.S.A. 10-1009, as amended.

9. Bonded Indebtedness. The currently outstanding applicable indebtedness of the Issuer, including the Bonds, does not exceed any applicable constitutional or statutory limitations. A Schedule of Bonded Indebtedness, which sets forth all currently outstanding general obligation indebtedness of the Issuer, is attached hereto as *Exhibit B* and made a part hereof by reference as though fully set out herein.

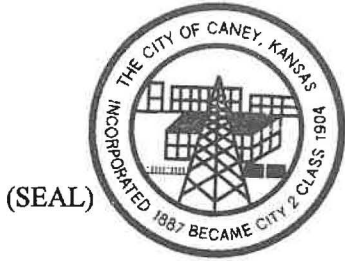
10. Valuation. The total assessed valuation of the taxable tangible property within the Issuer for the year 2021, is as follows:

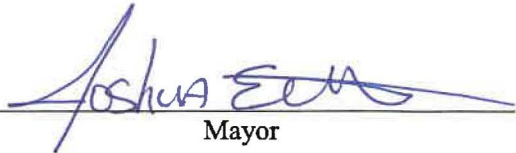
Equalized Assessed Valuation of	
Taxable Tangible Property	\$ 8,625,826
Tangible Valuation of Motor Vehicles	<u>1,416,426</u>
Equalized Assessed Tangible Valuation	
for Computation of Bonded Debt Limitations.....	\$10,042,252

11. Non-litigation. There is no controversy, suit or other proceedings of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way: (a) the legal organization of the Issuer or its boundaries; (b) the right or title of any of its officers to their respective offices; (c) the legality of any official act shown to have been done in the Transcript; (d) the constitutionality or validity of the indebtedness represented by the Bonds shown to be authorized in the Transcript; (e) the validity of the Bonds, or any of the proceedings had in relation to the authorization, issuance or sale thereof; or (f) the levy and collection of a tax to pay the principal of and interest on the Bonds.

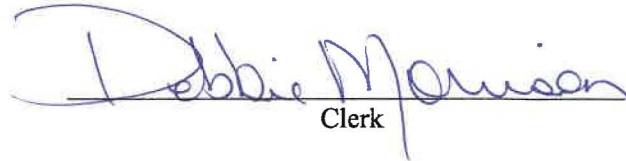
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WITNESS our true and genuine manual signatures and the seal of the Issuer.





Mayor



Clerk

EXHIBIT A

STATEMENT OF COST

Re: General Obligation Bonds, Series 2022-A, and General Obligation Bonds,
Series 2022-B, Dated August 10, 2022, of the City of Caney, Kansas

Sources of Funds:

Principal Amount of the Series 2022-A Bonds	\$ 668,000.00
Principal Amount of the Series 2022-B Bonds	577,000.00
Grants	<u>689,000.00</u>
Total	<u>\$1,934,000.00</u>

Uses of Funds:

Deposit to Improvement Fund	\$1,922,000.00
<i>From Bonds</i>	<i>1,233,000.00</i>
<i>From Grants</i>	<i>689,000.00</i>
Costs of Issuance	<u>12,000.00</u>
Total	<u>\$1,934,000.00</u>

EXHIBIT B

CITY OF CANEY, KANSAS

**SCHEDULE OF OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS
(as of August 10, 2022)**

GENERAL OBLIGATION BONDS

Description of Indebtedness	Dated Date	Final Maturity	Original Principal Amount	Amount Outstanding	Exempt From Debt Limit
G.O. Bonds, Series 2020-A	06/24/2020	06/24/2060	\$ 540,000	\$ 519,419	\$ 519,419
G.O. Bonds, Series 2020-B	06/24/2020	06/24/2060	2,741,000	2,636,542	2,636,542
G.O. Bonds, Series 2020-C	06/24/2020	06/24/2060	693,000	666,589	666,589
G.O. Refunding and Improvement Bonds, Series 2020-D	09/01/2020	12/01/2040	2,710,000	2,450,000	1,353,625
G.O. Bonds, Series 2022-A	08/10/2022	08/10/2062	668,000	668,000	668,000
G.O. Bonds, Series 2022-B	08/10/2022	08/10/2062	577,000	<u>577,000</u>	<u>577,000</u>
	Total			\$7,517,550	\$6,421,175

TEMPORARY NOTES

Description of Indebtedness	Dated Date	Final Maturity	Original Principal Amount	Amount Outstanding	Exempt From Debt Limit
G.O. Temporary Notes, Series 2022-1	01/06/2022	02/15/2024	\$740,000	\$740,000	\$0

STATE OF KANSAS
OFFICE OF SECRETARY OF STATE

I, SCOTT SCHWAB, Kansas Secretary of State, certify that the records of this office reveal the following:

The Certificate of Manual Signature for

JOSHUA ELLIOTT, MAYOR

CANEY, CITY OF, KANSAS

was filed in this office the 28th day of July, A.D. 2022

as provided by K.S.A. 75-4001 through 75-4007.

IN TESTIMONY WHEREOF:
I hereto set my hand and cause
be affixed my official seal. Done
at the City of Topeka, this
29th day of July, A.D. 2022



A handwritten signature in cursive script that reads "Scott Schwab". Below the signature is a thin horizontal line.

SCOTT SCHWAB
KANSAS SECRETARY OF STATE

STATE OF KANSAS
OFFICE OF SECRETARY OF STATE

I, KRIS W. KOBACH, Kansas Secretary of State, certify that the records of this office reveal the following:

The Certificate of Manual Signature for

DEBBIE MORRISON, CLERK

CITY OF CANEY, KANSAS

was filed in this office the 27th day of February, A.D. 2018

as provided by K.S.A. 75-4001 through 75-4007.

IN TESTIMONY WHEREOF:

I hereto set my hand and cause to
be affixed my official seal. Done
at the City of Topeka, this
27th day of February, A.D. 2018



A handwritten signature in cursive script that reads "Kris W. Kobach". The signature is written in black ink and is positioned above the printed name.

KRIS W. KOBACH
KANSAS SECRETARY OF STATE

Dunlap, Robyn (G&B)

From: bond.newissues@treasurer.ks.gov
Sent: Tuesday, July 26, 2022 10:27 AM
To: Dunlap, Robyn (G&B)
Subject: Bondreg: Updated Bond Registration

July 26, 2022, 10:27:21

This bond issue has been updated in the KST Bond Registration System. Below is the updated information:

Registration #: 0117-063-081022-572
Municipality: Caney
Bond Counsel: Gilmore Bell: Robyn Dunlap
Paying Agent: State
Purpose & Series: General Obligation Bonds, Series 2022-A Book Entry: No
Principal: \$668,000.00
Closing Date: August 10, 2022

The issue was updated by Gina Clement.

Office of the Kansas State Treasurer

Bond Registration Intranet

900 SW Jackson St., Ste 201 ... Topeka, KS 66612-1235 ... 785-296-3171

July 26, 2022

Robyn Dunlap
Gilmore & Bell Pc
100 North Main, Suite 800
Wichita, KS 67202

RE: \$668,000.00, City of Caney, Kansas
General Obligation Bonds, Series 2022-A
Dated August 10, 2022, Registration #0117-063-081022-572

Dear Ms. Dunlap,

This office has been requested to authorize the printing of the State Treasurer's facsimile signature and seal on the above referenced issue. The registration number has been confirmed as correct.

Authorization hereby granted July 26, 2022.

Sincerely,



Shauna Wake, M.B.A.
Director of Fiscal Services
Office of the Kansas State Treasurer

cc Robyn Dunlap
Gilmore & Bell Pc
100 North Main, Suite 800
Wichita, KS 67202

G.C.

Dunlap, Robyn (G&B)

From: bond.newissues@treasurer.ks.gov
Sent: Tuesday, July 26, 2022 10:30 AM
To: Dunlap, Robyn (G&B)
Subject: Bondreg: Updated Bond Registration

July 26, 2022, 10:30:27

This bond issue has been updated in the KST Bond Registration System. Below is the updated information:

Registration #: 0117-063-081022-573
Municipality: Caney
Bond Counsel: Gilmore Bell: Robyn Dunlap
Paying Agent: State
Purpose & Series: General Obligation Bonds, Series 2022-B Book Entry: No
Principal: \$577,000.00
Closing Date: August 10, 2022

The issue was updated by Gina Clement.

Office of the Kansas State Treasurer

Bond Registration Intranet

900 SW Jackson St., Ste 201 ... Topeka, KS 66612-1235 ... 785-296-3171

July 26, 2022

Robyn Dunlap
Gilmore & Bell Pc
100 North Main, Suite 800
Wichita, KS 67202

RE: \$577,000.00, City of Caney, Kansas
General Obligation Bonds, Series 2022-B
Dated August 10, 2022, Registration #0117-063-081022-573

Dear Ms. Dunlap,

This office has been requested to authorize the printing of the State Treasurer's facsimile signature and seal on the above referenced issue. The registration number has been confirmed as correct.

Authorization hereby granted July 26, 2022.

Sincerely,



Shauna Wake, M.B.A.
Director of Fiscal Services
Office of the Kansas State Treasurer

cc Robyn Dunlap
Gilmore & Bell Pc
100 North Main, Suite 800
Wichita, KS 67202

G.C.

**REGISTERED
NUMBER R-1**

**REGISTERED
\$668,000.00**

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF MONTGOMERY
CITY OF CANEY
GENERAL OBLIGATION BOND
SERIES 2022-A**

Interest	Maturity	Dated	Identification
Rate: 1.375%	Date: August 10, 2062	Date: August 10, 2022	Number: 011772AA1 Principal Paydown Certificate

REGISTERED OWNER: United States of America
Department of Agriculture
4300 Goodfellow Blvd., Bldg. 104
St. Louis, Missouri 63120-1703
Tax I.D. No. 43-1757115

PRINCIPAL AMOUNT: SIX HUNDRED SIXTY-EIGHT THOUSAND DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Caney, in the County of Montgomery, State of Kansas (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Stated Maturities set forth on the Amortization Schedule printed hereon unless called for redemption prior to the Maturity Date shown above, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 365-day year), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable annually on the anniversary of the Dated Date of each year (the "Bond Payment Date"), commencing on the anniversary of the Dated Date in 2023 until the entire Principal Amount has been paid in full.

Method and Place of Payment. The installments of principal and interest payable on this Bond shall be paid on any Bond Payment Date by the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent" and "Bond Registrar") to the person in whose name this Bond is registered on the registration books maintained by the Bond Registrar at the close of business on the Record Date(s), which shall be the 15th day (whether or not a business day) next preceding each Bond Payment Date. As long as the USDA is the Owner of the Bonds, payments of principal and interest, or the Redemption Price shall be by preauthorized debit on similar banking means or such other manner as is specified by the USDA from time to time. Such principal of and/or interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner, or (b) in the case of an interest payment to an 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 Registered Owner, not less than 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 Registered Owner wishes to have such transfer directed. The final payment of principal of this Bond, whether at the Maturity Date set forth above or upon earlier redemption shall be made upon presentation and surrender of this Bond at the principal office of the Paying Agent. The principal or redemption price of and interest on this Bond shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and

private debts. 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 Issuer designated "General Obligation Bonds, Series 2022-A," aggregating the principal amount of \$600,000 (the "Bonds") issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Bonds and the Resolution of the Issuer prescribing the form and details 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, including K.S.A. 12-617 *et seq.*, as amended by Charter Ordinance No. 30 of the City, all as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

General Obligations. The Bonds constitute general obligations of the Issuer payable as to both principal and interest 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 Issuer. The full faith, credit and resources of the Issuer 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 become due.

Redemption Prior to Maturity. The Bonds are subject to redemption prior to maturity as follows:

Optional Redemption. At the option of the Issuer, this Bond (including installments of principal set forth on the Amortization Schedule) may be called for redemption and payment prior to the Stated Maturity as a whole or in part (selection of principal installments and amounts to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

Mandatory Redemption. The Issuer acknowledges the provisions of 7 U.S.C. 1983(3) and right of USDA to require the redemption of the entire unpaid principal amount of this Bond in accordance therewith.

Redemption Denominations. Whenever the Bond Registrar is to select Bonds for the purpose of redemption, it shall, in the case of Bonds in denominations greater than a minimum Authorized Denomination, if less than all of the Bonds then Outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such Bond as though it were a separate Bond in the denomination of a minimum Authorized Denomination.

Notice of Redemption. Notice of redemption, unless waived, shall be given by the Issuer to the State Treasurer of Kansas, the Purchaser of the Bonds and to the Bond Registrar in accordance with the Bond Resolution. The issuer shall cause the Bond Registrar to notify each Registered Owner at the address maintained on the Bond Register, such notice to be given by mailing an official notice of redemption by first class mail at least 30 days prior to the redemption date.

Effect of Redemption. Notice of redemption having been given as aforesaid, this Bond or portions of principal 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 Issuer defaults in the payment of the redemption price), this Bond or principal portions hereof so redeemed shall cease to bear interest. Redemption of less than all of the principal amount of this Bond shall not reduce the annual installments of principal not redeemed which shall remain due and payable in accordance with the Amortization Schedule.

Transfer and Exchange. 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.

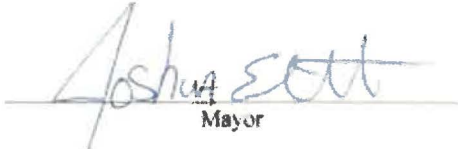
Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Bond Registrar.

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 the Issuer, including this series of bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Issuer 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 Clerk, and its seal to be affixed hereto or imprinted hereon.



CITY OF CANEY, KANSAS



Mayor

ATTEST:

By: 

Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of a series of General Obligation Bonds, Series 2022-A, of the City of Caney, Kansas, described in the within-mentioned Bond Resolution.

Registration Date: August 10, 2022

Office of the State Treasurer,
Topeka, Kansas,
as Bond Registrar and Paying Agent.

By _____

Registration Number: 0117-063-081022-572

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of such Bonds:

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

Governing Body
City of Caney, Kansas

United States Department of Agriculture
- Rural Development
Iola, Kansas

Re: \$668,000 General Obligation Bonds, Series 2022-A, of the City of Caney, Kansas,
Dated August 10, 2022

We have acted as Bond Counsel in connection with the issuance by the City of Caney, Kansas (the "Issuer"), of the above-captioned bonds (the "Bonds"). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer prescribing the details of the Bonds.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

2. The Bonds are payable as to both principal and interest 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 Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. The interest on the Bonds is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds are "qualified tax-exempt obligations" within the meaning of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding the accuracy, completeness or sufficiency of the any offering material relating to the Bonds (except to the extent, if any, stated in such offering material). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

GILMORE & BELL, P.C.

BOND ASSIGNMENT

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

(Name and Address)

(Social Security or Taxpayer Identification 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 Bond Registrar. The undersigned do(es) hereby irrevocably constitute and appoint _____ as agent 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 Identification No.

Signature (Sign here exactly as name(s)
appear on the face of Certificate)

Signature guarantee:

By _____

AMORTIZATION SCHEDULE

Payment Date	Amort. Pmt. No.	Interest Rate	Payments			Principal Balance
			Interest	Principal	Total	
8/10/2022						\$ 668,000.00
8/10/2023	1	1.375%	9,185.00	12,639.00	21,824.00	655,361.00
8/10/2024	2	1.375%	9,011.21	12,812.79	21,824.00	642,548.21
8/10/2025	3	1.375%	8,835.04	12,988.96	21,824.00	628,559.25
8/10/2026	4	1.375%	8,656.44	13,167.56	21,824.00	616,391.69
8/10/2027	5	1.375%	8,475.39	13,348.61	21,824.00	603,043.08
8/10/2028	6	1.375%	8,291.84	13,532.16	21,824.00	589,510.92
8/10/2029	7	1.375%	8,105.78	13,718.22	21,824.00	575,792.70
8/10/2030	8	1.375%	7,917.15	13,906.85	21,824.00	561,885.85
8/10/2031	9	1.375%	7,725.93	14,098.07	21,824.00	547,787.78
8/10/2032	10	1.375%	7,532.08	14,291.92	21,824.00	533,495.86
8/10/2033	11	1.375%	7,335.57	14,488.43	21,824.00	519,007.43
8/10/2034	12	1.375%	7,136.35	14,687.67	21,824.00	504,319.78
8/10/2035	13	1.375%	6,934.40	14,889.60	21,824.00	489,430.18
8/10/2036	14	1.375%	6,729.66	15,094.34	21,824.00	474,335.84
8/10/2037	15	1.375%	6,522.12	15,301.88	21,824.00	459,033.96
8/10/2038	16	1.375%	6,311.72	15,512.28	21,824.00	443,521.68
8/10/2039	17	1.375%	6,098.42	15,725.58	21,824.00	427,796.10
8/10/2040	18	1.375%	5,882.20	15,941.80	21,824.00	411,854.30
8/10/2041	19	1.375%	5,663.00	16,161.00	21,824.00	395,693.30
8/10/2042	20	1.375%	5,440.78	16,383.22	21,824.00	379,310.08
8/10/2043	21	1.375%	5,215.51	16,608.49	21,824.00	362,701.59
8/10/2044	22	1.375%	4,987.15	16,836.85	21,824.00	345,864.74
8/10/2045	23	1.375%	4,755.64	17,068.36	21,824.00	328,796.38
8/10/2046	24	1.375%	4,520.95	17,303.05	21,824.00	311,493.33
8/10/2047	25	1.375%	4,283.01	17,540.97	21,824.00	293,952.36
8/10/2048	26	1.375%	4,041.84	17,782.16	21,824.00	276,170.20
8/10/2049	27	1.375%	3,797.34	18,026.66	21,824.00	258,143.54
8/10/2050	28	1.375%	3,549.47	18,274.53	21,824.00	239,869.01
8/10/2051	29	1.375%	3,298.20	18,525.80	21,824.00	221,343.21
8/10/2052	30	1.375%	3,043.47	18,780.53	21,824.00	202,562.68
8/10/2053	31	1.375%	2,785.24	19,038.76	21,824.00	183,523.92
8/10/2054	32	1.375%	2,523.45	19,300.55	21,824.00	164,223.37
8/10/2055	33	1.375%	2,258.07	19,565.93	21,824.00	144,657.44
8/10/2056	34	1.375%	1,989.04	19,834.96	21,824.00	124,822.48
8/10/2057	35	1.375%	1,716.31	20,107.69	21,824.00	104,714.79
8/10/2058	36	1.375%	1,439.83	20,384.17	21,824.00	84,330.62
8/10/2059	37	1.375%	1,159.55	20,664.45	21,824.00	63,666.17
8/10/2060	38	1.375%	875.41	20,948.59	21,824.00	42,717.58
8/10/2061	39	1.375%	587.37	21,236.63	21,824.00	21,480.95
8/10/2062	40	1.375%	295.36	21,480.95	21,776.31	-
Total			204,912.31	668,000.00	872,912.31	

BOND PRINTER'S CERTIFICATE

This will certify that Gilmore & Bell, P.C., Wichita, Kansas has printed and delivered registered bonds for:

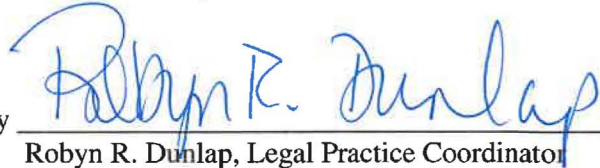
**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF MONTGOMERY
CITY OF CANEY
GENERAL OBLIGATION BOND
SERIES 2022-A**

These Bonds were delivered as 1 piece numbered R-1.

All spoilage and press proofs needed in our manufacture have been destroyed.

GILMORE & BELL, P.C.

By


Robyn R. Dunlap, Legal Practice Coordinator

**REGISTERED
NUMBER R-1**

**REGISTERED
\$577,000.00**

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF MONTGOMERY
CITY OF CANEY
GENERAL OBLIGATION BOND
SERIES 2022-B**

Interest	Maturity	Dated	Identification
Rate: 1.500%	Date: August 10, 2062	Date: August 10, 2022	Number: 011773AB1 Principal Paydown Certificate

REGISTERED OWNER: United States of America
Department of Agriculture
4300 Goodfellow Blvd., Bldg. 104
St. Louis, Missouri 63120-1703
Tax I.D. No. 43-1757115

PRINCIPAL AMOUNT: FIVE HUNDRED SEVENTY-SEVEN THOUSAND DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Caney, in the County of Montgomery, State of Kansas (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Stated Maturities set forth on the Amortization Schedule printed hereon unless called for redemption prior to the Maturity Date shown above, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 365-day year), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable annually on the anniversary of the Dated Date of each year (the "Bond Payment Date"), commencing on the anniversary of the Dated Date in 2023 until the entire Principal Amount has been paid in full.

Method and Place of Payment. The installments of principal and interest payable on this Bond shall be paid on any Bond Payment Date by the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent" and "Bond Registrar") to the person in whose name this Bond is registered on the registration books maintained by the Bond Registrar at the close of business on the Record Date(s), which shall be the 15th day (whether or not a business day) next preceding each Bond Payment Date. As long as the USDA is the Owner of the Bonds, payments of principal and interest, or the Redemption Price shall be by preauthorized debit on similar banking means or such other manner as is specified by the USDA from time to time. Such principal of and/or interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner, or (b) in the case of an interest payment to 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 Registered Owner, not less than 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 Registered Owner wishes to have such transfer directed. The final payment of principal of this Bond, whether at the Maturity Date set forth above or upon earlier redemption shall be made upon presentation and surrender of this Bond at the principal office of the Paying Agent. The principal or redemption price of and interest on this Bond shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and

private debts. 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 Issuer designated "General Obligation Bonds, Series 2022-B," aggregating the principal amount of \$5,700,000 (the "Bonds") issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Bonds and the Resolution of the Issuer prescribing the form and details 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, including K.S.A. 12-617 *et seq.*, as amended by Charter Ordinance No. 30 of the City, all as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

General Obligations. The Bonds constitute general obligations of the Issuer payable as to both principal and interest 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 Issuer. The full faith, credit and resources of the Issuer 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 become due.

Redemption Prior to Maturity. The Bonds are subject to redemption prior to maturity as follows:

Optional Redemption. At the option of the Issuer, this Bond (including installments of principal set forth on the Amortization Schedule) may be called for redemption and payment prior to the Stated Maturity as a whole or in part (selection of principal installments and amounts to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

Mandatory Redemption. The Issuer acknowledges the provisions of 7 U.S.C. 1983(3) and right of USDA to require the redemption of the entire unpaid principal amount of this Bond in accordance therewith.

Redemption Denominations. Whenever the Bond Registrar is to select Bonds for the purpose of redemption, it shall, in the case of Bonds in denominations greater than a minimum Authorized Denomination, if less than all of the Bonds then Outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such Bond as though it were a separate Bond in the denomination of a minimum Authorized Denomination.

Notice of Redemption. Notice of redemption, unless waived, shall be given by the Issuer to the State Treasurer of Kansas, the Purchaser of the Bonds and to the Bond Registrar in accordance with the Bond Resolution. The issuer shall cause the Bond Registrar to notify each Registered Owner at the address maintained on the Bond Register, such notice to be given by mailing an official notice of redemption by first class mail at least 30 days prior to the redemption date.

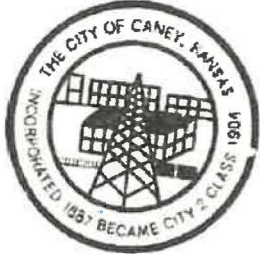
Effect of Redemption. Notice of redemption having been given as aforesaid, this Bond or portions of principal to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer defaults in the payment of the redemption price), this Bond or principal portions hereof so redeemed shall cease to bear interest. Redemption of less than all of the principal amount of this Bond shall not reduce the annual installments of principal not redeemed which shall remain due and payable in accordance with the Amortization Schedule.

Transfer and Exchange. 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.

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

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 the Issuer, including this series of bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Issuer 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 Clerk, and its seal to be affixed hereto or imprinted hereon.



CITY OF CANEY, KANSAS

Ashua Scott

Mayor

ATTEST:

By: *Debbie Morrison*

Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of a series of General Obligation Bonds, Series 2022-B, of the City of Caney, Kansas, described in the within-mentioned Bond Resolution.

Registration Date: August 10, 2022

Office of the State Treasurer,
Topeka, Kansas,
as Bond Registrar and Paying Agent

By _____

Registration Number: 0117-063-081022-573

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of such Bonds:

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Winita, Kansas 67202

Governing Body
City of Caney, Kansas

United States Department of Agriculture
- Rural Development
Iola, Kansas

Re: \$577,000 General Obligation Bonds, Series 2022-B, of the City of Caney, Kansas,
 Dated August 10, 2022

We have acted as Bond Counsel in connection with the issuance by the City of Caney, Kansas (the "Issuer"), of the above-captioned bonds (the "Bonds"). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer prescribing the details of the Bonds.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

2. The Bonds are payable as to both principal and interest 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 Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. The interest on the Bonds is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds are "qualified tax-exempt obligations" within the meaning of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding the accuracy, completeness or sufficiency of the any offering material relating to the Bonds (except to the extent, if any, stated in such offering material). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

GILMORE & BELL, P.C.

BOND ASSIGNMENT

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

(Name and Address)

(Social Security or Taxpayer Identification 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 Bond Registrar. The undersigned do(es) hereby irrevocably constitute and appoint _____ as agent 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 Identification No.

Signature (Sign here exactly as name(s)
appear on the face of Certificate)

Signature guarantee:

By _____

CERTIFICATE OF CLERK

STATE OF KANSAS)
) SS.
COUNTY OF MONTGOMERY)

The undersigned, Clerk of the City of Caney, Kansas, does hereby certify that the within Bond has been duly registered in my office according to law as of August 10, 2022.

WITNESS my hand and official seal.



By: Debbie Morrison
Clerk

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

LYNN W. ROGERS, Treasurer of the State of Kansas, does hereby certify that a transcript of the proceedings leading up to the issuance of this Bond has been filed in the office of the State Treasurer, and that this Bond was registered in such office according to law on August 10, 2022.

WITNESS my hand and official seal.



By: Lynn W Rogers
Treasurer of the State of Kansas

AMORTIZATION SCHEDULE

Payment Date	Amort. Pmt. No.	Interest Rate	Payments			Principal Balance
			Interest	Principal	Total	
8/10/2022						\$ 577,000.00
8/10/2023	1	1.500%	8,655.00	10,635.00	19,290.00	568,705.00
8/10/2024	2	1.500%	8,495.48	10,794.52	19,290.00	559,210.52
8/10/2025	3	1.500%	8,333.56	10,956.44	19,290.00	549,254.04
8/10/2026	4	1.500%	8,169.21	11,120.79	19,290.00	538,834.25
8/10/2027	5	1.500%	8,002.40	11,287.60	19,290.00	527,531.85
8/10/2028	6	1.500%	7,833.08	11,456.92	19,290.00	515,298.77
8/10/2029	7	1.500%	7,661.23	11,628.77	19,290.00	502,119.96
8/10/2030	8	1.500%	7,486.80	11,803.20	19,290.00	487,936.76
8/10/2031	9	1.500%	7,309.75	11,980.25	19,290.00	472,757.01
8/10/2032	10	1.500%	7,130.05	12,159.95	19,290.00	456,597.06
8/10/2033	11	1.500%	6,947.65	12,342.35	19,290.00	439,454.41
8/10/2034	12	1.500%	6,762.51	12,527.49	19,290.00	421,326.92
8/10/2035	13	1.500%	6,574.60	12,715.40	19,290.00	402,211.32
8/10/2036	14	1.500%	6,383.87	12,906.13	19,290.00	382,107.45
8/10/2037	15	1.500%	6,190.28	13,099.72	19,290.00	361,017.77
8/10/2038	16	1.500%	5,993.78	13,296.22	19,290.00	338,721.49
8/10/2039	17	1.500%	5,794.34	13,495.66	19,290.00	316,026.15
8/10/2040	18	1.500%	5,591.90	13,698.10	19,290.00	292,733.05
8/10/2041	19	1.500%	5,386.43	13,903.57	19,290.00	268,631.62
8/10/2042	20	1.500%	5,177.88	14,112.12	19,290.00	243,613.74
8/10/2043	21	1.500%	4,966.20	14,323.80	19,290.00	217,689.94
8/10/2044	22	1.500%	4,751.34	14,538.66	19,290.00	190,851.30
8/10/2045	23	1.500%	4,533.26	14,756.74	19,290.00	163,094.56
8/10/2046	24	1.500%	4,311.91	14,978.09	19,290.00	134,416.65
8/10/2047	25	1.500%	4,087.24	15,202.76	19,290.00	104,823.91
8/10/2048	26	1.500%	3,859.20	15,430.80	19,290.00	74,314.11
8/10/2049	27	1.500%	3,627.73	15,662.27	19,290.00	42,886.38
8/10/2050	28	1.500%	3,392.80	15,897.20	19,290.00	9,448.58
8/10/2051	29	1.500%	3,154.34	16,135.66	19,290.00	(17,997.02)
8/10/2052	30	1.500%	2,912.31	16,377.69	19,290.00	(36,364.63)
8/10/2053	31	1.500%	2,666.64	16,623.36	19,290.00	(54,991.27)
8/10/2054	32	1.500%	2,417.29	16,872.71	19,290.00	(73,868.06)
8/10/2055	33	1.500%	2,164.20	17,125.80	19,290.00	(92,992.26)
8/10/2056	34	1.500%	1,907.31	17,382.69	19,290.00	(112,364.95)
8/10/2057	35	1.500%	1,646.57	17,643.43	19,290.00	(131,911.38)
8/10/2058	36	1.500%	1,381.92	17,908.08	19,290.00	(151,623.46)
8/10/2059	37	1.500%	1,113.30	18,176.70	19,290.00	(171,450.16)
8/10/2060	38	1.500%	840.65	18,449.35	19,290.00	(191,391.51)
8/10/2061	39	1.500%	563.91	18,726.09	19,290.00	(211,448.42)
8/10/2062	40	1.500%	283.02	18,867.92	19,150.94	(231,599.36)
Total			194,460.94	577,000.00	771,460.94	

BOND PRINTER'S CERTIFICATE

This will certify that Gilmore & Bell, P.C., Wichita, Kansas has printed and delivered registered bonds for:

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF MONTGOMERY
CITY OF CANEY
GENERAL OBLIGATION BOND
SERIES 2022-B**

These Bonds were delivered as 1 piece numbered R-1.

All spoilage and press proofs needed in our manufacture have been destroyed.

GILMORE & BELL, P.C.

By 
Robyn R. Dunlap, Legal Practice Coordinator

AGREEMENT BETWEEN ISSUER AND AGENT

CITY OF CANEY, KANSAS

\$668,000	\$577,000
GENERAL OBLIGATION BONDS	GENERAL OBLIGATION BONDS
SERIES 2022-A	SERIES 2022-B
DATED AUGUST 10, 2022	

THIS AGREEMENT, dated as of August 10, 2022, between the City of Caney, Kansas, a municipality (the "Issuer"), and the State Treasurer of Kansas, as Agent (the "Agent").

WHEREAS, for its lawful purposes, the Issuer has duly authorized the issue of the above-captioned bonds (collectively the "Securities"), and the Issuer wishes the Agent to act as its Paying Agent, Bond Registrar, and Transfer Agent for the Securities:

Now, therefore, it is hereby agreed as follows:

I. APPOINTMENT

Issuer hereby appoints or has heretofore appointed the State Treasurer of Kansas to act as Paying Agent, Bond Registrar and Transfer Agent for the Securities. The State Treasurer of Kansas hereby accepts its appointment as the Paying Agent, Bond Registrar and Transfer Agent.

II. BASIC DUTIES

- A. Issuer or its duly authorized representative agrees to furnish Agent the name(s) and address(es) of the initial registered owner(s) of the Securities together with such registered owners' tax identification (social security) number(s), the maturity date(s), denomination(s) and interest rate(s) for each Security.
- B. Agent shall manually authenticate the originally issued Securities upon the written order of one or more authorized officers of Issuer. Thereafter, Agent shall manually authenticate all Securities resulting from transfer or exchange of Securities.
- C. Agent shall maintain an office in the City of Topeka, Kansas, where Securities may be presented for registration, transfer and exchange; and shall also maintain an office in the City of Topeka, Kansas, where Securities may be presented for payment. Agent shall keep a register of the Securities and their transfer and exchange.
- D. Agent may rely upon any document believed by it to be genuine and to have been signed or presented by the proper person. Agent need not investigate any fact or matter stated in the document. Agent undertakes to perform such duties and only such duties set forth in K.S.A. 10-620 *et seq.*, except as specifically provided in this Agreement.
- E. Agent shall notify the owners of the Securities upon default in payment of principal or interest on the Securities and the Agent shall have no duties or responsibilities thereafter.

III. COMPENSATION

Issuer covenants and agrees to pay to Agent, as reasonable compensation for the services provided as Agent, the following fees:

	Series 2022-A Bonds	Series 2022-B Bonds
Initial Setup Fee	\$300.00	\$300.00
Registration Fee	30.00	30.00
Paying Agent Fee ¹	<u>835.00</u>	<u>721.25</u>
Total	\$1,165.00	\$1,051.25

¹ Based on a percentage of the aggregate principal amount of the Securities as follows:

- 1/8 of 1% (.125%) of the first \$10,000,000
- 1/16 of 1% (.0625%) of the next \$15,000,000
- 1/32 of 1% (.03125%) of the next \$25,000,000
- 1/64 of 1% (.015625%) of the next \$50,000,000
- 1/128 of 1% (.0078125%) over \$100,000,000.

This amount will be due at the time of registration unless such fee is to be paid from the proceeds of the bond issue in which case Issuer agrees to pay such fee within two (2) business days of the closing of the bond issue. In addition to the aforementioned fee, Issuer covenants and agrees to pay to Agent the fee as stated and required by K.S.A. 10-505 for performing the duties of paying the principal of the Securities.

IV. STANDARD OF PERFORMANCE

Issuer shall provide, or shall cause to be provided to Agent, a designation of whether its Securities are to be issued in certificated or uncertificated form, or both.

A. **STATEMENTS OF OWNERSHIP**

Agent agrees to provide Statements of Ownership to the owner of uncertificated Securities. Such Statements shall be in accordance with the standards set forth by the Attorney General. All Statements shall be issued in the denominations of \$1,000 or \$5,000 or integral multiples thereof except for one additional Security in another denomination, which additional Security shall mature in the initial maturity year of the series of the Securities. Interest is computed on the basis of \$1,000 or \$5,000 units and in all transactions involving the payment of interest, fractions of a cent equalling or exceeding five mills shall be regarded as one cent; fractions of a cent less than five mills shall be disregarded. Agent shall at all times maintain an adequate supply of Statements of Ownership for any anticipated transfers or exchanges of the Statements.

B. **CERTIFICATED SECURITIES**

All certificated Securities issued by Issuer under this Agreement shall be in accordance with the standards set forth by the Attorney General and unless otherwise authorized by Agent, the principal thereof shall be payable only upon surrender of the Security to Agent. All certificates shall be issued in the denomination of \$1,000 or \$5,000 or integral multiples thereof except one authorized Security in another denomination which additional Security shall mature in the initial maturity year of the series of Securities. Interest is computed on

the basis of \$1,000 or \$5,000 units and in all transactions involving the payment of interest, fractions of a cent equaling or exceeding five mills shall be regarded as one cent; fractions of a cent less than five mills shall be disregarded. Issuer shall at Issuer's cost provide Agent with an adequate supply of certificates for any anticipated transfers or exchanges of the certificates. Issuer shall be responsible for the payment of the printing or other expenses for such certificates. Issuer shall be responsible for obtaining appropriate "CUSIP" number(s) and shall notify Agent of each number(s) prior to the issuance of the applicable Securities.

C. *INTEREST CALCULATIONS*

Agent shall calculate interest on the basis of \$1,000 and \$5,000 units, or in the case of one odd denomination, calculate the unit separately. Each intermediate unit calculation is first determined, then rounded to the sixth decimal position; i.e. whenever the seventh decimal place is equal to or greater than five the sixth decimal place is increased by one. The final per unit calculation is subsequently rounded to two decimal positions. (See Attachment "A" for sample calculation.)

D. *SURRENDER*

Securities surrendered for payment, cancellation or partial redemption shall be cancelled by Agent and returned to Issuer in accordance with K.S.A. 10-111.

E. *TRANSFERS AND EXCHANGES*

1. When Securities are presented to Agent for transfer or exchange, Agent shall so transfer or exchange such Securities if the requirements of Section 8-401(1) of the Uniform Commercial Code are met.
2. In accordance with the authorizing Resolution or Ordinance of the Issuer (the "Bond Resolution"), payments of interest shall be made to the owner of record of each Security as of the close of business on the fifteenth day of the month preceding each interest payment date. The Agent shall make such payments to the record owner of each Security as set forth on the registration books maintained by Agent as of such date.
3. Agent shall not be required to transfer or exchange any Security during a period beginning on the day following the fifteenth day of the month preceding any interest payment date for such Securities and ending at the close of business on the interest payment date, or to transfer or exchange any Security selected or called for redemption in whole or in part subsequent to the date notice of such redemption is given in accordance with the Bond Resolution authorizing the Securities.

F. *REGISTRATION DATES AND FUNDS FOR PAYMENTS*

Date of Registration shall be affixed on the initial Securities. Subsequent transfers or exchanges shall bear a Date of Registration as of the date that all the required documentation is received at the Agent's official place of business. Issuer will provide funds to make any interest or principal payments in accordance with K.S.A. 10-130 and amendments thereto. Agent is hereby authorized to effect any semiannual payment of interest or any principal by charging the Issuer's Fiscal Agency account with Agent.

G. **REPLACEMENT OF SECURITIES**

If the owner of a Security claims that a Security has been lost, destroyed or wrongfully taken, Issuer shall issue and Agent shall authenticate a replacement Security if the requirements of Section 8-405 of the Uniform Commercial Code are met. Only Agent shall perform this function. An indemnity bond and affidavit of loss shall be provided to Agent and Issuer at the expense of the owner of the Security. Such indemnity bond and affidavit of loss must be sufficient in the judgment of Issuer and Agent to protect Issuer and Agent from any loss which any of them may suffer if the Security is replaced. Issuer may charge the Security owner for its expenses in the replacement of a Security.

H. **REDEMPTIONS**

Optional Redemption. If any Securities are to be redeemed pursuant to an optional redemption in accordance with their terms, Issuer agrees to give Agent at least fifteen (15) days written notice thereof prior to the notice to be given the Security owners. If there is no provision for notice to the Security owners, Issuer agrees to give at least thirty (30) days written notice to Agent.

Notice of Redemption. Agent shall then notify, by ordinary mail, the owner of such Securities to be so redeemed. Agent shall select the Securities to be so redeemed. Agent shall not be required to exchange or register a transfer of any Security for a period of fifteen (15) days preceding the date notice is to be provided to the Security owners for the purpose of selecting Securities on a partial redemption. Further, in the event notice is given to Agent for a complete redemption of the Issue according to the terms of the Bond Resolution, Agent shall not be required to transfer or exchange any Security beginning on the day following the 15th day preceding the date set for redemption.

I. **MISCELLANEOUS**

Agent hereby acknowledges receipt of numbered Securities of Issuer (in a number equal to one Security for each maturity for each series) for registration and exchange, and shall safeguard any "blank" Securities held for purpose of exchange or transfer.

J. **REPORTS**

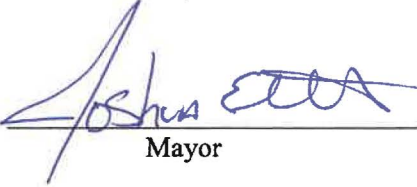
Agent shall provide Issuer an annual report of the activity with respect to the issuance of Securities upon written request of Issuer.

K. **CONSTRUCTION**

This Agreement shall be construed in accordance with the laws of the State of Kansas and also the Bond Resolution authorizing the issuance of the Securities.

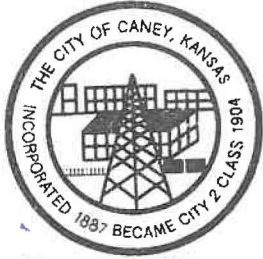
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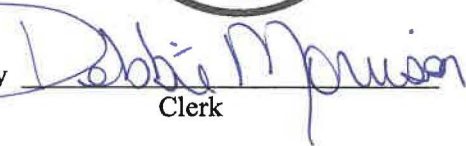
CITY OF CANEY, KANSAS

By 
Mayor

(SEAL)

ATTEST:



By 
Clerk

**OFFICE OF THE TREASURER
OF THE STATE OF KANSAS**

By 
Deputy Director of Fiscal Services

(SEAL)



ATTACHMENT "A"

SAMPLE

$$\begin{array}{r} \$5,000.00000 \dots\dots\dots \text{Bond Unit} \\ \times \quad \underline{.06875 \dots\dots\dots \text{Interest Rate}} \\ = \quad 343.750000 \quad \text{Rounded to six decimal places} \\ \\ / \quad \underline{360 \dots\dots\dots \text{Days per year}} \\ = \quad .954861 \quad \text{Rounded to six decimal places} \\ \\ \times \quad \underline{180 \dots\dots\dots \text{Day in interest period}} \\ = \quad 171.874980 \quad (\text{Rounded to second decimal} = \$171.87) \end{array}$$

Unit interest is then multiplied by the number of units in the maturity.

CLOSING CERTIFICATE

CITY OF CANEY, KANSAS

\$668,000	\$577,000
GENERAL OBLIGATION BONDS	GENERAL OBLIGATION BONDS
SERIES 2022-A	SERIES 2022-B

DATED AUGUST 10, 2022

The undersigned Mayor and Clerk of the City of Caney, Kansas (the “Issuer”), make this Certificate for inclusion in the transcript of and as a part of the proceedings authorizing and providing for the issuance of the above described bonds (collectively the “Bonds”); and certify as of August 10, 2022 (the “Issue Date”), as follows:

1. Meaning of Words and Terms. Capitalized words and terms used in this Certificate, unless otherwise defined in this Certificate or the context requires otherwise, have the same meanings ascribed to such words and terms in the Bond Resolution (defined below) authorizing the Bonds.

2. Transcript of Proceedings. The transcript of proceedings relating to the authorization and issuance of the Bonds (the “Transcript”), furnished to the Purchaser of the Bonds, is to the best of our knowledge, information and belief full and complete; none of such proceedings have been modified, amended or repealed, except as might be shown in the Transcript; and the facts stated in the Transcript still exist. In each instance where copies appear in the Transcript, such copies are true and correct duplicates of the original instruments now on file with the Clerk. All certifications made by the Issuer in the Transcript Certificate dated July 18, 2022 are true and correct as of this date and are incorporated in this Certificate by reference.

3. Authorization and Purpose of the Bonds. The Issuer is issuing and delivering the Bonds simultaneously with the delivery of this Certificate, pursuant to and in full compliance with the Constitution and statutes of the State, including particularly K.S.A. 12-617 *et seq.*, as amended by Charter Ordinance No. 30 of the City, Ordinance No. 2182 and Resolution No. 1413 of the Issuer duly adopted by the Governing Body of the Issuer on July 18, 2022 (collectively the “Bond Resolution”) for the purpose of paying costs of issuance and paying a portion of the costs of certain sewer improvements (the “Improvements”).

4. Security for the Bonds. The Bonds are general obligations of the Issuer payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are pledged under the Bond Resolution to the payment of the principal of and interest on the Bonds. In the Bond Resolution, the governing body of the Issuer has covenanted to annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, by levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law.

5. Sale of Bonds. The Bonds have been sold at rates not in excess of the limitations set forth in K.S.A. 10-1009.

6. Non-Litigation. There is no controversy, action, suit, proceeding, or to the best of our knowledge, any inquiry or investigation at law or in equity or before or by any public board or body pending

or, to the best of our knowledge, threatened against or affecting the Issuer, its officers or its property, or, to the best of our knowledge, any basis therefor questioning, disputing or affecting in any way: (a) the legal organization of the Issuer or its boundaries; (b) the right or title of any of its officers to their respective offices; (c) the legality of any official act shown to have been done in the Transcript; (d) the constitutionality or validity of the indebtedness represented by the Bonds shown to be authorized in the Transcript; (e) the validity of the Bonds, or any of the proceedings had in relation to the authorization, issuance or sale thereof; (f) the levy and collection of an ad valorem property tax to pay the principal of and interest on the Bonds; or (g) the federal or state tax-exempt status of the interest on the Bonds; wherein any unfavorable decision, ruling or finding would adversely affect the Issuer, the transactions contemplated by the Bond Resolution, or the validity or enforceability of the Bonds.

7. Representations and Warranties Required by the Loan Agreement. The Issuer has duly performed all of its obligations required to be performed at or prior to the date of this Closing Certificate by the Loan Agreement and each of the Issuer's representations and warranties contained in the Loan Agreement are true as of the Issue Date.

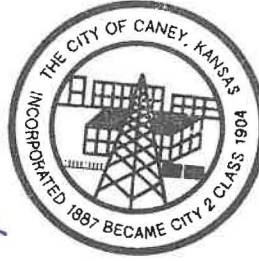
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WITNESS our hands and the seal of the Issuer.

Signature

Official Title

Joshua E. [Signature]



Mayor

(SEAL)

Debbie Morrison

Clerk

FEDERAL TAX CERTIFICATE

Dated as of August 10, 2022

OF

THE CITY OF CANEY, KANSAS

	CITY OF CANEY, KANSAS	
\$668,000		\$577,000
GENERAL OBLIGATION BONDS		GENERAL OBLIGATION BONDS
SERIES 2022-A		SERIES 2022-B
DATED AUGUST 10, 2022		

FEDERAL TAX CERTIFICATE

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- C. RECEIPT AND REPRESENTATION
- D. DESCRIPTION OF PROPERTY COMPRISING THE FINANCED IMPROVEMENTS
- E. SAMPLE ANNUAL COMPLIANCE CHECKLIST

Schedule 1 Debt Service Schedule and Proof of Yield

* * *

FEDERAL TAX CERTIFICATE

THIS FEDERAL TAX CERTIFICATE (the “Tax Certificate”) is executed as of August 10, 2022 (the “Issue Date”), by the City of Caney, Kansas (the “Issuer”).

RECITALS

1. This Tax Certificate is being executed and delivered in connection with the issuance by the Issuer of \$668,000 principal amount of General Obligation Bonds, Series 2022-A and \$577,000 principal amount of General Obligation Bonds, Series 2022-B (the “Bonds”), under the Bond Resolution (as herein defined), for the purposes described in this Tax Certificate and in the Bond Resolution.

2. The Internal Revenue Code of 1986, as amended (the “Code”), and the applicable Regulations and rulings issued by the U.S. Treasury Department (the “Regulations”), impose certain limitations on the uses and investment of the Bond proceeds and of certain other money relating to the Bonds and set forth the conditions under which the interest on the Bonds will be excluded from gross income for federal income tax purposes.

3. The Issuer is executing this Tax Certificate in order to set forth certain facts, covenants, representations, and expectations relating to the use of Bond proceeds and the property financed or refinanced with those proceeds and the investment of the Bond proceeds and of certain other related money, in order to establish and maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes and to provide guidance for complying with the arbitrage rebate provisions of Code § 148(f).

4. The Issuer adopted a Tax Compliance Procedure (as defined below) for the purpose of setting out general procedures for the Issuer to continuously monitor and comply with the federal income tax requirements set out in the Code and the Regulations.

5. This Tax Certificate is entered into as required by the Tax Compliance Procedure to set out specific tax compliance procedures applicable to the Bonds.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, covenants and agreements set forth in this Tax Certificate, the Issuer represents, covenants and agrees as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions of Words and Terms. Except as otherwise provided in this Tax Certificate or unless the context otherwise requires, capitalized words and terms used in this Tax Certificate have the same meanings as set forth in the Bond Resolution, and certain other words and phrases have the meanings assigned in Code §§ 103, 141-150 and the Regulations. The following words and terms used in this Tax Certificate have the following meanings:

“**Annual Compliance Checklist**” means a checklist for each of the Financed Improvements designed to measure compliance with the requirements of this Tax Certificate and the Tax Compliance

Procedure after the Issue Date as further described in *Section 4.02* and substantially in the form attached as *Exhibit E*.

“Bona Fide Debt Service Fund” means a fund, which may include Bond proceeds, that: (a) is used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year; and (b) is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of (1) the earnings on the fund for the immediately preceding Bond Year, or (2) one-twelfth of the principal and interest payments on the Bonds for the immediately preceding Bond Year.

“Bond” or **“Bonds”** means collectively the General Obligation Bonds, Series 2022-A, and General Obligation Bonds, Series 2022-B, described in the recitals, authenticated and delivered under the Bond Resolution.

“Bond Compliance Officer” means the Issuer’s Clerk or other person named in the Tax Compliance Procedure.

“Bond Counsel” means Gilmore & Bell, P.C., or other firm of nationally recognized bond counsel acceptable to the Issuer.

“Bond Resolution” means Ordinance No. 2182 and Resolution No. 1413 of the Issuer duly adopted by the governing body of the Issuer on July 18, 2022, as originally executed by the Issuer, as amended and supplemented in accordance with the provisions of the Bond Resolution.

“Bond Year” means each one-year period (or shorter period for the first Bond Year) ending August 10 or another one-year period selected by the Issuer.

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

“Final Written Allocation” means the Final Written Allocation of expenditures prepared by the Bond Compliance Officer in accordance with the Tax Compliance Procedure and *Section 4.02(b)* of this Tax Certificate.

“Financed Improvements” means the portion of the Improvements financed or refinanced with the proceeds of the Bonds as described in the Bond Resolution and on *Exhibit D*.

“Gross Proceeds” means (a) sale proceeds (any amounts actually or constructively received by the Issuer from the sale of the Bonds, including amounts used to pay underwriting discount or fees, but excluding pre-issuance accrued interest), (b) Investment proceeds (any amounts received from investing sale proceeds or other Investment proceeds), (c) any amounts held in a sinking fund for the Bonds, (d) any amounts held in a pledged fund or reserve fund for the Bonds, and (e) any other replacement proceeds.

Specifically, the term Gross Proceeds includes (but is not limited to) amounts held in the following funds and accounts:

- (1) Improvement Fund.
- (2) Debt Service Account.
- (3) Costs of Issuance Account.

“Guaranteed Investment Contract” is any Investment with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, including any agreement to supply Investments on two or more future dates (*e.g.*, a forward supply contract).

“Improvements” means all of the property acquired, developed, constructed, renovated, and equipped by the Issuer using Bond proceeds and other money contributed by the Issuer, as described on *Exhibit D*.

“Investment” means any security, obligation, annuity contract or other investment-type property that is purchased directly with, or otherwise allocated to, Gross Proceeds. This term does not include a tax-exempt bond, except for “specified private activity bonds” as defined in Code § 57(a)(5)(C), but does include the investment element of most interest rate caps.

“IRS” means the United States Internal Revenue Service.

“Issue Date” means August 10, 2022.

“Issuer” means the City of Caney, Kansas, and its successors and assigns, or any body, agency or instrumentality of the State succeeding to or charged with the powers, duties and functions of the Issuer.

“Management Agreement” means a legal agreement defined in Regulations § 1.141-3(b) as a management, service, or incentive payment contract with an entity that provides services involving all or a portion of any function of the Financed Improvements, such as a contract to manage the entire Financed Improvements or a portion of the Financed Improvements. However, contracts for services that are solely incidental to the primary governmental function of the Financed Improvements (for example, contracts for janitorial, office equipment repair, billing, or similar services) are not treated as Management Agreements.

“Measurement Period” means, with respect to each item of property financed as part of the Financed Improvements, the period beginning on the later of: (a) the Issue Date, or (b) the date the property is placed in service and ending on or the earlier of (1) the final maturity date of the Bonds or (2) the expected economic useful life of the property.

“Minor Portion” means the lesser of \$100,000 or 5% of the sale proceeds of the Bonds.

“Net Proceeds” means, when used in reference to the Bonds, the sale proceeds of the Bonds (excluding pre-issuance accrued interest), less any proceeds deposited in a reasonably required reserve or replacement fund, plus all Investment earnings on such sale proceeds.

“Non-Qualified Use” means use of Bond proceeds or the Financed Improvements in a trade or business carried on by any Non-Qualified User. The rules set out in Regulations § 1.141-3 determine whether Bond proceeds or the Financed Improvements are “used” in a trade or business. Generally, ownership, a lease, or any other use that grants a Non-Qualified User a special legal right or entitlement with respect to the Financed Improvements, will constitute use under Regulations § 1.141-3.

“Non-Qualified User” means any person or entity other than a Qualified User.

“Output Contract” is defined in Regulations § 1.141-7 and generally includes any contract with a Non-Qualified User that provides for the purchase of the output of Financed Improvements. A similar contract with a Qualified User is not an Output Contract.

“Post-Issuance Tax Requirements” means those requirements related to the use of proceeds of the Bonds, the use of the Financed Improvements and the investment of Gross Proceeds after the Issue Date of the Bonds.

“Preliminary Expenditures” means: (a) costs incurred for architectural, engineering, surveying, soil testing, costs of issuance, and similar costs prior to commencement of acquisition, construction, or rehabilitation of the Financed Improvements, other than land acquisition, site preparation, and similar costs incident to commencement of construction of the Financed Improvements up to an amount not in excess of 20 percent of the issue price of the Bonds; and (b) costs incurred in an amount not in excess of the lesser of \$100,000 or 5% of the sale proceeds of the Bonds.

“Purchaser” means United States of America-Department of Agriculture, St. Louis, Missouri, the original purchaser of the Bonds, and any successor and assigns.

“Qualified Use Agreement” means any of the following:

(a) A lease or other short-term use by members of the general public who occupy the Financed Improvements on a short-term basis in the ordinary course of the Issuer’s governmental purposes.

(b) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Improvements for a period up to 200 days in length pursuant to an arrangement whereby (1) the use of the Financed Improvements under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business and (2) the compensation for the use is determined based on generally applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed. Any Qualified User or Non-Qualified User using all or any portion of the Financed Improvements under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(c) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Improvements for a period up to 100 days in length pursuant to arrangements whereby (1) the use of the property by the person would be general public use but for the fact that generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business, (2) the compensation for the use under the arrangement is determined based on applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed, and (3) the Financed Improvements was not constructed for a principal purpose of providing the property for use by that Qualified User or Non-Qualified User. Any Qualified User or Non-Qualified User using all or any portion of the Financed Improvements under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(d) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Improvements for a period up to 50 days in length pursuant to a negotiated arm's-length arrangement at fair market value so long as the Financed Improvements was not constructed for a principal purpose of providing the property for use by that person.

“Qualified User” means a state, territory, possession of the United States, the District of Columbia, or any political subdivision thereof, or any instrumentality of such entity, but it does not include the United States or any agency or instrumentality of the United States.

“**Regulations**” means all Regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to the Bonds.

“**State**” means the State of Kansas.

“**Tax Certificate**” means this Federal Tax Certificate as it may from time to time be amended and supplemented in accordance with its terms.

“**Tax Compliance Procedure**” means the Issuer’s Tax and Securities Compliance Procedures, dated February 19, 2018.

“**Tax-Exempt Bond File**” means documents and records for the Bonds, maintained by the Bond Compliance Officer pursuant to the Tax Compliance Procedure.

“**Transcript**” means the Transcript of Proceedings relating to the authorization and issuance of the Bonds.

“**Yield**” means yield on the Bonds, computed under Regulations § 1.148-4, and yield on an Investment, computed under Regulations § 1.148-5.

ARTICLE II

GENERAL REPRESENTATIONS AND COVENANTS

Section 2.01 Representations and Covenants of the Issuer. The Issuer represents and covenants as follows:

(a) **Organization and Authority.** The Issuer: (1) is a city of the second class, duly created, organized and existing under the Constitution and laws of the State, (2) has lawful power and authority to issue the Bonds for the purposes set forth in the Bond Resolution, to enter into, execute and deliver the Bond Resolution, the Bonds, and this Tax Certificate and to carry out its obligations under this Tax Certificate and under such documents, and (3) by all necessary action has been duly authorized to execute and deliver the Bond Resolution, the Bonds, and this Tax Certificate, acting by and through its duly authorized officials.

(b) **Tax-Exempt Status of Bonds–General Covenant.** The Issuer (to the extent within its power or direction) will not use any money on deposit in any fund or account maintained in connection with the Bonds, whether or not such money was derived from the proceeds of the sale of the Bonds or from any other source, in a manner that would cause the Bonds to be “arbitrage bonds,” within the meaning of Code § 148, and will not (to the extent within its power or direction) otherwise use or permit the use of any Bond proceeds or any other funds of the Issuer, directly or indirectly, in any manner, or take or permit to be taken any other action or actions, that would cause interest on the Bonds to be included in gross income for federal income tax purposes.

(c) **Governmental Obligations–Use of Proceeds.** Throughout the Measurement Period: (1) all of the Financed Improvements are expected to be owned by the Issuer or another Qualified User; (2) no portion of the Financed Improvements are expected to be used in a Non-Qualified Use; and (3) the Issuer will not permit any Non-Qualified Use of the Financed Improvements without first consulting with Bond Counsel. The Issuer will monitor the usage of all portions of the Financed Improvements during

the Measurement Period. If the Non-Qualified Use of the Financed Improvements exceeds 10% of the total use over the Measurement Period, then the Issuer will take “remedial action” in accordance with Regulations § 1.141-12, as specified in advice from Bond Counsel, as necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes. The Issuer understands that remedial action could include redemption or defeasance of all or a portion of the Bonds.

(d) ***Governmental Obligations–Private Security or Payment.*** As of the Issue Date, the Issuer expects that none of the principal and interest on the Bonds will be (under the terms of the Bonds or any underlying arrangement) directly or indirectly:

(1) secured by (i) any interest in property used or to be used for a Non-Qualified Use, or (ii) any interest in payments in respect of such property; or

(2) derived from payments (whether or not such payments are made to the Issuer) in respect of property, or borrowed money, used or to be used for a Non-Qualified Use.

For purposes of the foregoing, taxes of general application, including payments in lieu of taxes, are not treated as private payments or as private security. The Issuer will not permit any private security or payment with respect to the Bonds without first consulting with Bond Counsel.

(e) ***No Private Loan.*** Not more than 5% of the Net Proceeds of the Bonds will be loaned directly or indirectly to any Non-Qualified User.

(f) ***Management Agreements.*** As of the Issue Date, the Issuer has no Management Agreements with Non-Qualified Users. During the Measurement Period, the Issuer will not enter into or renew any Management Agreement with any Non-Qualified User without first consulting with Bond Counsel.

(g) ***Leases.*** As of the Issue Date, the Issuer has not entered into any leases of any portion of the Financed Improvements other than Qualified Use Agreements. During the Measurement Period, the Issuer will not enter into or renew any lease or similar agreement or arrangement other than a Qualified Use Agreement without first consulting with Bond Counsel.

(h) ***Output Contracts.*** As of the Issue Date, the Issuer does not have any Output Contract. During the Measurement Period, the Issuer will not enter into any Output Contract without first consulting with Bond Counsel.

(i) ***Limit on Maturity of Bonds.*** A list of the assets included in the Financed Improvements and a computation of the “average reasonably expected economic life” is attached to this Tax Certificate as ***Exhibit D***. Based on this computation, the “average maturity” of the Bonds as computed by Bond Counsel does not exceed 120% of the average reasonably expected economic life of the Financed Improvements.

(j) ***Expenditure of Bond Proceeds.***

(1) ***Reimbursement of Expenditures; Official Intent.*** The governing body of the Issuer adopted one or more resolutions declaring the intent of the Issuer to finance the Financed Improvements with tax-exempt bonds or other obligations and to reimburse the Issuer for expenditures made for the Financed Improvements prior to the issuance of those bonds. The resolutions are contained in Tab 1 of the Transcript. No portion of the Net Proceeds of the Bonds

will be used to reimburse an expenditure paid by the Issuer more than 60 days prior to the date the respective resolution was adopted, except for Preliminary Expenditures. The Issuer will evidence each allocation of the proceeds of the Bonds to an expenditure in writing. No reimbursement allocation will be made more than 3 years following the later of (A) the date of the expenditure or (B) the date the Financed Improvements were placed in service.

(2) **Final Allocation of Bond Proceeds to Expenditures.** The Issuer understands that, under Regulations § 1.148-6(d), the Issuer is required to account for the allocation of Bond proceeds to Improvement expenditures (including expenditures made before and after the Issue Date) within 18 months after the later of (A) the date the expenditure is made, or (B) the date the Improvements are placed in service, and in any event not later than the date that is 60 days after the fifth anniversary of the Issue Date, or the date the Bonds are retired, if earlier (a “Final Allocation”). The Issuer will maintain accurate records of all expenditures made for the Improvements, including the amount, the date paid, a description of the purpose, and the source of funds (whether Bond proceeds or other money) initially allocated to each Improvement expenditure. Not later than the time limit set forth above, the Issuer will prepare a Final Allocation, showing the allocation of Bond proceeds and other money to all Improvement costs and identifying the Financed Improvement, and will maintain the Final Allocation in its books and records in accordance with **Section 4.02** hereof. The Issuer reserves the right to make modifications to the expected allocation of Bond proceeds and other money for purposes of compliance with the limitations on Non-Qualified Use following completion of the Financed Improvement in accordance with, and within the time limits prescribed in, the Regulations. In the absence of such subsequent allocation, the Bond proceeds will be deemed allocated as shown on **Exhibit D**.

(k) **Registered Bonds.** The Bond Resolution requires that all of the Bonds will be issued and held in registered form within the meaning of Code § 149(a).

(l) **Bonds Not Federally Guaranteed.** The Issuer will not take any action or permit any action to be taken which would cause any Bond to be “federally guaranteed” within the meaning of Code § 149(b); provided, however, that the Purchaser may provide for the Bonds to be sold out of the Agricultural Credit Insurance Fund or the Rural Development Insurance Fund as an insured loan pursuant to the provisions of Section 306(a)(1) [7 U.S.C. 1926(a)(1)] or Section 309A(h) [7 U.S.C. 1929a(h)] of the Consolidated Farm and Rural Development Act, in which event interest on the Bonds will be included in gross income for Federal income tax purposes when paid to an insured holder.

(m) **IRS Form 8038-G.** Bond Counsel will prepare IRS Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) based on the representations and covenants of the Issuer contained in this Tax Certificate or otherwise provided by the Issuer. Bond Counsel will sign the return as a paid preparer following completion and will then deliver copies to the Issuer for execution and for the Issuer’s records. The Issuer agrees to timely execute and return to Bond Counsel the execution copy of Form 8038-G for filing with the IRS. A copy of the IRS Form 8038-G as filed with the IRS with proof of filing will be included in **Exhibit A** of Tax Certificate.

(n) **Hedge Bonds.** At least 85% of the Net Proceeds of the Bonds will be used to carry out the governmental purpose of the Bonds within 3 years after the Issue Date, and not more than 50% of the proceeds of the Bonds will be invested in Investments having a substantially guaranteed Yield for four years or more.

(o) **Single Issue; No Other Issues.** The two series of Bonds being issued on the Issue Date constitute a single “issue” under Regulations § 1.150-1(c). No other debt obligations of the Issuer: (1) are being sold within 15 days of the sale of the Bonds, (2) are being sold under the same plan of financing as the Bonds, and (3) are expected to be paid from substantially the same source of funds as the Bonds (disregarding guarantees from unrelated parties, such as bond insurance).

(p) **Interest Rate Swap.** As of the Issue Date, the Issuer has not entered into an interest rate swap agreement or any other similar arrangement designed to modify its interest rate risk with respect to the Bonds. The Issuer will not enter into any such arrangement in the future without first consulting with Bond Counsel.

(q) **Guaranteed Investment Contract.** As of the Issue Date, the Issuer does not expect to enter into a Guaranteed Investment Contract for any Gross Proceeds of the Bonds. The Issuer will be responsible for complying with **Section 4.04(d)** hereof if it decides to enter into a Guaranteed Investment Contract at a later date.

(r) **Bank Qualified Tax-Exempt Obligation.** The Issuer designates the Bonds as “qualified tax-exempt obligations” under Code § 265(b)(3), and with respect to this designation certifies as follows:

(1) The Issuer reasonably anticipates that the amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) that will be issued by or on behalf of the Issuer (and all subordinate entities of the Issuer) during the calendar year that the Bonds are issued, including the Bonds, will not exceed \$10,000,000; and

(2) the Issuer (including all subordinate entities of the Issuer) will not issue tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) during the calendar year that the Bonds are issued, including the Bonds, in an aggregate principal amount or aggregate issue price in excess of \$10,000,000, without first consulting with Bond Counsel that the designation of the Bonds as “qualified tax-exempt obligations” will not be adversely affected.

(s) **General Allocation and Accounting.** The portion of the Improvements financed by the Bonds may have been financed in part with proceeds of the Bonds and in part with other funds of the Issuer. The portion of the Improvements financed with proceeds of the Bonds is referred to as the Financed Improvements. Attached as **Exhibit D** is a schedule showing the Improvements financed, in whole or in part, with proceeds of the Bonds. For purposes of determining Non-Qualified Use, if any, of the Financed Improvements during the Measurement Period, the Issuer will allocate Non-Qualified Use first to the portion of the applicable Improvements financed with other funds of the Issuer and second to the Financed Improvements. During the Measurement Period, the Issuer will, on an annual basis, determine the extent to which Non-Qualified Use exceeds the portion of the applicable Improvements financed with other funds of the Issuer and determine the extent to which the proceeds of the Bonds and the Financed Improvements are used in a Non-Qualified Use.

(t) **Compliance with Future Tax Requirements.** The Issuer understands that the Code and the Regulations may impose new or different restrictions and requirements on the Issuer in the future. The Issuer will comply with such future restrictions that are necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

Section 2.02 Continuing Application of Representations and Covenants. All representations, covenants and certifications contained in this Tax Certificate or in any certificate or other

instrument delivered by the Issuer under this Tax Certificate, will survive the execution and delivery of such documents and the issuance of the Bonds, as representations of facts existing as of the date of execution and delivery of the instruments containing such representations. The foregoing covenants of this Section will remain in full force and effect notwithstanding the defeasance of the Bonds.

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

Section 3.01 General. The purpose of this Article is to certify, under Regulations § 1.148-2(b), the Issuer's expectations as to the sources, uses and investment of Bond proceeds and other money, in order to support the Issuer's conclusion that the Bonds are not arbitrage bonds. The person executing this Tax Certificate on behalf of the Issuer is an officer of the Issuer responsible for issuing the Bonds.

Section 3.02 Reasonable Expectations. The facts, estimates and expectations set forth in this Article are based upon and in reliance upon the Issuer's understanding of the documents and certificates that comprise the Transcript, and the representations, covenants and certifications of the parties contained therein. To the Issuer's knowledge, the facts and estimates set forth in this Tax Certificate are accurate, and the expectations of the Issuer set forth in this Tax Certificate are reasonable. The Issuer has no knowledge that would cause it to believe that the representations, warranties and certifications described in this Tax Certificate are unreasonable or inaccurate or may not be relied upon.

Section 3.03 Purpose of Financing. The Bonds are being issued for the purpose of providing funds to pay: (a) a portion of the costs of the Financed Improvements; and (b) Costs of Issuance.

Section 3.04 Funds and Accounts. The following funds and accounts have been established under the Bond Resolution:

- (a) Improvement Fund.
- (b) Debt Service Account.
- (c) Costs of Issuance Account.

Section 3.05 Amount and Use of Bond Proceeds and Other Money.

(a) **Amount of Bond Proceeds.** The total proceeds to be received by the Issuer from the sale of the Bonds are as evidenced in *Exhibit B* attached to this Tax Certificate.

(b) **Use of Bond Proceeds.** The Bond proceeds are expected to be allocated to expenditures as follows:

(1) The sum of \$12,000.00 will be deposited in the Costs of Issuance Account and used to pay the Costs of Issuance of the Bonds.

(2) The sum of \$1,233,000.00, together with funds provided by the Issuer in accordance with *section (c)* hereof, will be deposited in the Improvement Fund.

(c) In addition to proceeds of the Bonds, the Issuer will use proceeds of the Grant in the aggregate amount of \$689,000.00 to pay a portion of the costs of the Improvements.

Section 3.06 Multipurpose Issue The Issuer is applying the arbitrage rules to separate financing purposes of the issue as if they constitute separate issues pursuant to Regulations § 1.148-9(h)(2). Under Regulations § 1.148-9(h), each separate capital project (i.e., capital projects that are not integrated or functionally related) financed or refinanced with proceeds of the Bonds will be treated as a separate issue for purposes of applying certain of the arbitrage restrictions under Code § 148. The sale proceeds of the Bonds allocable to each purpose are set forth on *Exhibit D* hereto.

Section 3.07 No Refunding. No proceeds of the Bonds will be used to pay principal or interest on any other debt obligation.

Section 3.08 Completion of Financed Improvements. The Issuer has incurred, or will incur within 6 months after the Issue Date, a substantial binding obligation to a third party to spend at least 5% of the Net Proceeds of the Bonds on the Financed Improvements. The completion of the Financed Improvements and the allocation of the Net Proceeds of the Bonds to expenditures will proceed with due diligence. At least 85% of the Net Proceeds of the Bonds will be allocated to expenditures on the Financed Improvements within 3 years after the Issue Date.

Section 3.09 Sinking Funds. The Issuer is required to make periodic payments in amounts sufficient to pay the principal of and interest on the Bonds. Such payments will be deposited into the Debt Service Account. Except for the Debt Service Account, no sinking fund or other similar fund that is expected to be used to pay principal of or interest on the Bonds has been established or is expected to be established. The Debt Service Account is used primarily to achieve a proper matching of revenues with principal and interest payments on the Bonds within each Bond Year, and the Issuer expects that the Debt Service Account will qualify as a Bona Fide Debt Service Fund.

Section 3.10 Reserve, Replacement and Pledged Funds.

(a) **No Reserve Fund.** No reserve fund has been or will be established for the Bonds.

(b) **No Replacement or Pledged Funds.** None of the Bond proceeds will be used as a substitute for other funds that were intended or earmarked to pay costs of the Financed Improvements, and that instead has been or will be used to acquire higher yielding Investments. Except for the Debt Service Account, there are no other funds pledged or committed in a manner that provides a reasonable assurance that such funds would be available for payment of the principal of or interest on the Bonds if the Issuer encounters financial difficulty.

Section 3.11 Purpose Investment Yield. The proceeds of the Bonds will not be used to purchase an Investment for the purpose of carrying out the governmental purpose of the financing.

Section 3.12 Issue Price and Bond Yield.

(a) **Issue Price; Private Placement.** Based on the Purchaser's certifications in *Exhibit C*, for purpose of calculating the Yield on the Bonds the Issuer hereby elects to establish the issue price of the Bonds pursuant to Regulations § 1.148-1(f)(2)(i) (relating to the so-called "private placement rule"). Therefore, the aggregate issue price of the Bonds for such purpose is \$1,245,000.00, without accrued interest.

(b) **Bond Yield.** Based on the aggregate issue prices of the Bonds set forth in (a) hereof, the Yield on the Bonds is 1.4290366%, as computed by Bond Counsel and shown on *Schedule 1* attached to

this Certificate. The Issuer has not entered into an interest rate swap agreement with respect to any portion of the proceeds of the Bonds.

Section 3.13 Miscellaneous Arbitrage Matters.

(a) ***No Abusive Arbitrage Device.*** The Bonds are not and will not be part of a transaction or series of transactions that has the effect of: (1) enabling the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (2) overburdening the tax-exempt bond market.

(b) ***No Over-Issuance.*** The sale proceeds of the Bonds, together with expected Investment earnings thereon and other money contributed by the Issuer, do not exceed the cost of the governmental purpose of the Bonds as described above.

Section 3.14 Conclusion. On the basis of the facts, estimates and circumstances set forth in this Tax Certificate, the Issuer does not expect that the Bond proceeds will be used in a manner that would cause any Bond to be an “arbitrage bond” within the meaning of Code § 148 and the Regulations.

ARTICLE IV

TAX COMPLIANCE POLICIES AND PROCEDURES

Section 4.01 General.

(a) ***Purpose of Article.*** The purpose of this Article is to supplement the Tax Compliance Procedure and to set out specific policies and procedures governing compliance with the federal income tax requirements that apply after the Bonds are issued. The Issuer recognizes that interest on the Bonds will remain excludable from gross income only if the Post-Issuance Tax Requirements are followed after the Issue Date. The Issuer further acknowledges that written evidence substantiating compliance with the Post-Issuance Tax Requirements must be retained in order to permit the Bonds to be refinanced with tax-exempt obligations and substantiate the position that interest on the Bonds is exempt from gross income in the event of an audit of the Bonds by the IRS.

(b) ***Written Policies and Procedures of the Issuer.*** The Issuer intends for the Tax Compliance Procedure, as supplemented by this Tax Certificate, to be its primary written policies and procedures for monitoring compliance with the Post-Issuance Tax Requirements for the Bonds and to supplement any other formal policies and procedures related to the Post-Issuance Tax Requirements that the Issuer has established or establishes in the future. The provisions of this Tax Certificate are intended to be consistent with the Tax Compliance Procedure. In the event of any inconsistency between the Tax Compliance Procedure and this Tax Certificate, the terms of this Tax Certificate will govern.

(c) ***Bond Compliance Officer.*** The Issuer, when necessary to fulfill the Post-Issuance Tax Requirements, will, through its Bond Compliance Officer, sign Form 8038-T in connection with the payment of arbitrage rebate or Yield reduction payments, participate in any federal income tax audit of the Bonds or related proceedings under a voluntary compliance agreement procedures (VCAP) or undertake a remedial action procedure pursuant to Regulations §§ 1.141-12 and 1.145-2. In each case, all costs and expenses incurred by the Issuer shall be treated as a reasonable cost of administering the Bonds and the Issuer shall be entitled to reimbursement and recovery of its costs to the same extent as provided in the Bond Resolution or State law.

Section 4.02 Record Keeping; Use of Bond Proceeds and Use of Financed Improvements.

(a) **Record Keeping.** The Bond Compliance Officer will maintain the Tax-Exempt Bond File for the Bonds in accordance with the Tax Compliance Procedure. Unless otherwise specifically instructed in writing by Bond Counsel or to the extent otherwise provided in this Tax Certificate, the Bond Compliance Officer shall retain records related to the Post-Issuance Tax Requirements until 3 years following the final maturity of (1) the Bonds or (2) any obligation issued to refund the Bonds. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (A) ensure an accurate and complete transfer of the hardcopy records which indexes, stores, preserves, retrieves and reproduces the electronic records, (B) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (C) exhibit a high degree of legibility and readability both electronically and in hardcopy, (D) provide support for other books and records of the Issuer and (5) not be subject to any agreement that would limit the ability of the IRS to access and use the electronic storage system on the Issuer's premises.

(b) **Accounting and Allocation of Bond Proceeds to Expenditures.** The Bond Compliance Officer will account for the investment and expenditure of Bond proceeds in the level of detail required by the Tax Compliance Procedure. The Bond Compliance Officer will supplement the expected allocation of Bond proceeds to expenditures with a Final Written Allocation as required by the Tax Compliance Procedure.

(c) **Annual Compliance Checklist.** Attached as *Exhibit E* is a sample Annual Compliance Checklist for the Bonds. The Bond Compliance Officer will prepare and complete an Annual Compliance Checklist for the Financed Improvements at least annually in accordance with the Tax Compliance Procedure. In the event the Annual Compliance Checklist identifies a deficiency in compliance with the requirements of this Tax Certificate, the Bond Compliance Officer will take the actions identified in advice from Bond Counsel or the Tax Compliance Procedure to correct any deficiency.

(d) **Advice from Bond Counsel.** The Bond Compliance Officer is responsible for obtaining and delivering to the Issuer any advice received from Bond Counsel required under the provisions of this Tax Certificate or the Annual Compliance Checklist.

Section 4.03 Restrictions on Investment Yield. Except as described below, Gross Proceeds must not be invested at a Yield greater than the Yield on the Bonds:

(a) **Improvement Fund and Cost of Issuance Account.** Bond proceeds deposited in the Improvement Fund and the Cost of Issuance Account and Investment earnings on those proceeds may be invested without Yield restriction for up to 3 years following the Issue Date. If any unspent proceeds remain in such fund and account after 3 years, those amounts may continue to be invested without Yield restriction so long as the Issuer pays to the IRS all Yield reduction payments in accordance with Regulations § 1.148-5(c). These payments are required whether or not the Bonds are exempt from the arbitrage rebate requirements of Code § 148.

(b) **Debt Service Account.** To the extent that the Debt Service Account qualifies as a Bona Fide Debt Service Fund, money in such account may be invested without Yield restriction for 13 months after the date of deposit. Earnings on such amounts may be invested without Yield restriction for 1 year after the date of receipt of such earnings.

(c) **Minor Portion.** In addition to the amounts described above, Gross Proceeds not exceeding the Minor Portion may be invested without Yield restriction.

Section 4.04 Procedures for Establishing Fair Market Value of Investments.

(a) **General.** No Investment may be acquired with Gross Proceeds for an amount (including transaction costs) in excess of the fair market value of such Investment, or sold or otherwise disposed of for an amount (including transaction costs) less than the fair market value of the Investment. The fair market value of any Investment is the price a willing buyer would pay to a willing seller to acquire the Investment in a bona fide, arm's-length transaction. Fair market value will be determined in accordance with Regulations § 1.148-5.

(b) **Established Securities Market.** Except for Investments purchased for a yield-restricted defeasance escrow, if an Investment is purchased or sold in an arm's-length transaction on an established securities market (within the meaning of Code § 1273), the purchase or sale price constitutes the fair market value. Where there is no established securities market for an Investment, market value must be established using one of the paragraphs below. The fair market value of Investments purchased for a Yield-restricted defeasance escrow must be determined in a bona fide solicitation for bids that complies with Regulations § 1.148-5.

(c) **Certificates of Deposit.** The purchase price of a certificate of deposit (a "CD") is treated as its fair market value on the purchase date if (1) the CD has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, (2) the Yield on the CD is not less than the Yield on reasonably comparable direct obligations of the United States, and (3) the Yield is not less than the highest Yield published or posted by the CD issuer to be currently available on reasonably comparable CDs offered to the public.

(d) **Guaranteed Investment Contracts.** The Issuer is applying Regulations § 1.148-5(d)(6)(iii)(A) (relating to electronic bidding of Guaranteed Investment Contracts) to the Bonds. The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if all of the following requirements are met:

(1) **Bona Fide Solicitation for Bids.** The Issuer makes a bona fide solicitation for the Guaranteed Investment Contract, using the following procedures:

(A) The bid specifications are in writing and are timely forwarded to potential providers, or are made available on an internet website or other similar electronic media that is regularly used to post bid specifications to potential bidders. A writing includes a hard copy, a fax, or an electronic e-mail copy.

(B) The bid specifications include all "material" terms of the bid. A term is material if it may directly or indirectly affect the yield or the cost of the Guaranteed Investment Contract.

(C) The bid specifications include a statement notifying potential providers that submission of a bid is a representation (i) that the potential provider did not consult with any other potential provider about its bid, (ii) that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer, or any other person (whether or not in connection with the bond issue), and (iii) that the bid is not being submitted solely as a courtesy to the Issuer, or any other person, for purposes of satisfying the requirements of the Regulations.

(D) The terms of the bid specifications are “commercially reasonable.” A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the Guaranteed Investment Contract.

(E) The terms of the solicitation take into account the Issuer’s reasonably expected deposit and draw-down schedule for the amounts to be invested.

(F) All potential providers have an equal opportunity to bid. If the bidding process affords any opportunity for a potential provider to review other bids before providing a bid, then providers have an equal opportunity to bid only if all potential providers have an equal opportunity to review other bids. Thus, no potential provider may be given an opportunity to review other bids that is not equally given to all potential providers (that is no exclusive “last look”).

(G) At least 3 “reasonably competitive providers” are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of investments being purchased.

(2) *Bids Received.* The bids received by the Issuer must meet all of the following requirements:

(A) The Issuer receives at least 3 bids from providers that were solicited as described above and that do not have a “material financial interest” in the issue. For this purpose, (i) a lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the issue date of the issue, (ii) any entity acting as a financial advisor with respect to the purchase of the Guaranteed Investment Contract at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue, and (iii) a provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(B) At least 1 of the 3 bids received is from a reasonably competitive provider, as defined above.

(C) If the Issuer uses an agent or broker to conduct the bidding process, the agent or broker did not bid to provide the Guaranteed Investment Contract.

(3) *Winning Bid.* The winning bid is the highest yielding bona fide bid (determined net of any broker’s fees).

(4) *Fees Paid.* The obligor on the Guaranteed Investment Contract certifies the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the Guaranteed Investment Contract.

(5) *Records.* The Issuer retains the following records with the bond documents until 3 years after the last outstanding Bond is redeemed:

(A) A copy of the Guaranteed Investment Contract.

(B) The receipt or other record of the amount actually paid by the Issuer for the Guaranteed Investment Contract, including a record of any administrative costs paid by the Issuer, and the certification as to fees paid, described in paragraph (d)(4) above.

(C) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results.

(D) The bid solicitation form and, if the terms of the Guaranteed Investment Contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

(e) **Other Investments.** If an Investment is not described above, the fair market value may be established through a competitive bidding process, as follows:

(1) At least 3 bids on the Investment must be received from persons with no financial interest in the Bonds (e.g., as underwriters or brokers); and

(2) the Yield on the Investment must be equal to or greater than the Yield offered under the highest bid.

Section 4.05 Bonds Exempt from the Rebate Requirement.

(a) **The Bonds Qualify as a Rebate-Exempt Small Issue.**

(1) The Issuer is a governmental unit under State law with general taxing powers;

(2) no Bond is a “private activity bond” as defined in Code § 141;

(3) 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and

(4) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) and qualified tax credit bonds as defined in Code § 54A(d)(1) to be issued by the Issuer during the current calendar year is not reasonably expected to exceed \$5,000,000. The Issuer understands that for this purpose: (A) the Issuer and all entities which issue bonds on behalf of the Issuer are treated as one issuer; (B) all bonds issued by an entity subordinate to the Issuer are treated as issued by the Issuer; and (C) bonds issued by the Issuer to currently refund any other bond are not taken into account to the extent that the amount of the refunding bonds does not exceed the outstanding amount of the refunded obligations.

(b) **Conclusion as to Small Issuer Exemption.** Based on these certifications, Bond Counsel has advised the Issuer that the Bonds are exempt from the arbitrage rebate requirements of Code § 148(f), under the small-issuer exception set forth in Code § 148(f)(4)(D).

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.01 Term of Tax Certificate. This Tax Certificate will be effective concurrently with the issuance and delivery of the Bonds and will continue in force and effect until the principal of, redemption premium, if any, and interest on all Bonds have been fully paid and all such Bonds are cancelled; provided that the provisions of *Article IV* of this Tax Certificate regarding payment of arbitrage rebate and all related penalties and interest will remain in effect until all such amounts are paid to the United States and the provisions in *Section 4.02* relating to record keeping shall continue in force for the period described therein for records to be retained.

Section 5.02 Amendments. This Tax Certificate may be amended from time to time by the Issuer without notice to or the consent of any of the Bond Owners, but only if such amendment is in writing and is accompanied by advice from Bond Counsel to the effect that, under then-existing law, assuming compliance with this Tax Certificate as so amended and the Bond Resolution, such amendment will not cause any Bond to be an arbitrage bond under Code § 148 or otherwise cause interest on any Bond to be included in gross income for federal income tax purposes. No amendment will become effective until the Issuer receives advice from Bond Counsel, addressed to the Issuer, that the amendment will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

Section 5.03 Advice from Bond Counsel. The Issuer may deviate from the provisions of this Tax Certificate if furnished with an advice from Bond Counsel to the effect that the proposed deviation will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. The Issuer further agrees to comply with any further or different instructions provided in advice from Bond Counsel to the effect that the further or different instructions need to be complied with in order to maintain the validity of the Bonds or the exclusion from gross income of interest on the Bonds.

Section 5.04 Reliance. In delivering this Tax Certificate the Issuer is making only those certifications, representations and agreements as are specifically attributed to them in this Tax Certificate. The Issuer is not aware of any facts or circumstances which would cause it to question the accuracy of the facts, circumstances, estimates or expectations of any other party providing certifications as part of this Tax Certificate and, to the best of its knowledge, those facts, circumstances, estimates and expectations are reasonable. The Issuer understands that its certifications will be relied upon by Bond Counsel in rendering its opinion as to the validity of the Bonds and the exclusion from federal gross income of the interest on the Bonds.

Section 5.05 Severability. If any provision in this Tax Certificate or in the Bonds is determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not be affected or impaired.

Section 5.06 Benefit of Certificate. This Tax Certificate is binding upon the Issuer, its respective successors and assigns, and inures to the benefit of the Issuer and the owners of the Bonds. Nothing in this Tax Certificate, the Bond Resolution or the Bonds, express or implied, gives to any person, other than the Issuer, its successors and assigns, and the owners of the Bonds, any benefit or any legal or equitable right, remedy or claim under this Tax Certificate.

Section 5.07 Default, Breach and Enforcement. Any misrepresentation of a party contained herein or any breach of a covenant or agreement contained in this Tax Certificate may be pursued by the

Bond Owners pursuant to the terms of the Bond Resolution or any other document which references this Tax Certificate and gives remedies for a misrepresentation or breach thereof.


Section 5.08 Governing Law. This Tax Certificate will be governed by and construed in accordance with the laws of the State.

Section 5.09 Electronic Transactions. The transactions described herein may be conducted, and related documents may be sent, received, executed, and stored, by electronic means. Copies, telecopies, electronic files and other reproductions of original executed documents (or documents executed by electronic means) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

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THE UNDERSIGNED, Mayor and Clerk of the Issuer, by their execution of this Tax Certificate hereby make the foregoing certifications, representations, and agreements contained in this Tax Certificate on behalf of the Issuer, as of the Issue Date.

CITY OF CANEY, KANSAS

By: 
Mayor

By: 
Clerk

EXHIBIT A

IRS FORM 8038-G

GILMORE BELL

One Main Place - 100 North Main, Suite 800
Wichita, Kansas 67202-1311

(316) 267-2091 / (316) 262-6523 FAX / gilmorebell.com

July 29, 2022

Fred Gress, City Administrator
City Hall
100 W. 4th Avenue
P.O. Box 129
Caney, Kansas 67333

Re: \$668,000 General Obligation Bonds, Series 2022-A; and \$577,000 General Obligation Bonds, Series 2022-B, of the City of Caney, Kansas, Dated August 10, 2022 (collectively the "Bonds")

Dear Fred:

As part of the closing process of the Bonds, Gilmore & Bell, P.C. ("Bond Counsel") will file Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) with the Internal Revenue Service (the "IRS"). Attached hereto are two completed original IRS Forms 8038-G, signed by the undersigned on behalf of Bond Counsel, as a paid preparer. Also attached is an "Issuer Copy" of IRS Form 8038-G *to be retained by you for your records.*

Please sign both completed originals of the IRS Form 8038-G and return them to us as soon as possible. A completed copy of the IRS Form 8038-G and evidence of filing will be included in the Bond Transcript distributed after closing of the Bonds, which is scheduled for August 10, 2022. We will file the IRS Form 8038-G in accordance with Federal law on or before November 15, 2022.

When the form is processed by the IRS, a Notice CP152 will be sent to you to acknowledge receipt of the form. This official acknowledgement should be retained for reference in case future correspondence with the IRS concerning this issue is required. In addition, please send a copy of the notice to us for our file.

Should you have any questions, please feel free to contact Ms. Robyn R. Dunlap or the undersigned.

Very truly yours,



Garth J. Herrmann

GJH:rrd

Enclosures

cc Distribution List

GILMORE BELL

One Main Place - 100 North Main, Suite 800
Wichita, Kansas 67202-1311

(316) 267-2091 / (316) 262-6523 FAX / gilmorebell.com

August 11, 2022

FEDERAL EXPRESS TRACKING NO. 7776 3755 4707

Internal Revenue Service
1973 N. Rulon White Blvd
Ogden, UT 84201

Re: \$668,000 General Obligation Bonds, Series 2022-A; and \$577,000 General Obligation Bonds, Series 2022-B, of the City of Caney, Kansas, Dated August 10, 2022 (collectively the "Bonds")

On behalf of the issuer of the above-referenced obligations, the enclosed Form 8038-G is submitted for filing pursuant to Section 149(e) of the Internal Revenue Code of 1986.

Should additional information be required, please contact the undersigned.

Very truly yours,


Garth J. Herrmann

GJH:rrd:rdb

Enclosure

Information Return for Tax-Exempt Governmental Bonds

(Rev. October 2021)

Under Internal Revenue Code section 149(e)

See separate instructions.

OMB No. 1545-0047

Department of the Treasury
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.
Go to www.irs.gov/F8038G for instructions and the latest information.

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>	
1 Issuer's name City of Caney, Kansas		2 Issuer's employer identification number (EIN) 48-6042966	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) Garth J. Herrmann, Gilmore & Bell, P.C., bond counsel		3b Telephone number of other person shown on 3a (316) 267-2091	
4 Number and street (or P.O. box if mail is not delivered to street address) 100 W. 4th Avenue, P.O. Box 129		Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Caney, Kansas 67333		7 Date of issue 08/10/2022	
8 Name of issue City of Caney, Kansas, \$668,000 General Obligation Bonds, Series 2022-A, and \$577,000 General Obligation Bonds, Series 2022-B, Dated August 10, 2022		9 CUSIP number None	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information Fred Gress, City Administrator		10b Telephone number of officer or other employee shown on 10a (620) 879-2772	

Part II Type of Issue (Enter the issue price.) See the instructions and attach schedule.

11	Education	11	
12	Health and hospital	12	
13	Transportation	13	
14	Public safety	14	
15	Environment (including sewage bonds)	15	\$1,245,000.00
16	Housing	16	
17	Utilities	17	
18	Other. Describe	18	
19a	If bonds are TANs or RANs, check only box 19a		<input type="checkbox"/>
19b	If bonds are BANs, check only box 19b		<input type="checkbox"/>
20	If bonds are in the form of a lease or installment sale, check box		<input type="checkbox"/>

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	08/10/2062	\$1,245,000.00	\$1,245,000.00	22.383 years	1.4280 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest	22	\$	0.00
23	Issue price of entire issue (enter amount from line 21, column (b))	23		1,245,000.00
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	\$12,000.00	
25	Proceeds used for credit enhancement	25	0.00	
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0.00	
27	Proceeds used to refund prior tax-exempt bonds. Complete Part V	27	0.00	
28	Proceeds used to refund prior taxable bonds. Complete Part V	28	0.00	
29	Total (add lines 24 through 28)	29		12,000.00
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30		1,233,000.00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31	Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded		years
32	Enter the remaining weighted average maturity of the taxable bonds to be refunded		years
33	Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)		
34	Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)		

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	\$	0.00
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions	36a		0.00
b Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____			
c Enter the name of the GIC provider ▶ _____			
37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37		0.00
38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:			
b Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____			
c Enter the EIN of the issuer of the master pool bond ▶ _____			
d Enter the name of the issuer of the master pool bond ▶ _____			
39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶			<input checked="" type="checkbox"/>
40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶			<input type="checkbox"/>
41a If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
b Name of hedge provider ▶ _____			
c Type of hedge ▶ _____			
d Term of hedge ▶ _____			
42 If the issuer has superintegrated the hedge, check box ▶			<input type="checkbox"/>
43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶			<input checked="" type="checkbox"/>
44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶			<input checked="" type="checkbox"/>
45a If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶			
b Enter the date the official intent was adopted ▶ (MM/DD/YYYY) _____			

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.				
	 Signature of issuer's authorized representative	08/10/2022 Date	Fred Gress, City Administrator Type or print name and title		
Paid Preparer Use Only	Print/Type preparer's name Garth J. Herrmann	Preparer's signature 	Date 07/29/2022	Check <input type="checkbox"/> if self-employed	PTIN P01874338
	Firm's name ▶ Gilmore & Bell, P.C.			Firm's EIN ▶ 43-1611738	
	Firm's address ▶ 2405 Grand Boulevard, Suite 1100, Kansas City, MO 64108			Phone no. 816-221-1000	

Dear Customer,

The following is the proof-of-delivery for tracking number: 777637554707

Delivery Information:

Status:	Delivered	Delivered To:	Shipping/Receiving
Signed for by:	M.MURRAY	Delivery Location:	
Service type:	FedEx 2Day		
Special Handling:	Deliver Weekday		OGDEN, UT,
		Delivery date:	Aug 15, 2022 09:19

Shipping Information:

Tracking number:	777637554707	Ship Date:	Aug 12, 2022
		Weight:	0.5 LB/0.23 KG

Recipient:	Shipper:
OGDEN, UT, US,	Wichita, KS, US,

Reference	601004.20011
Purchase Order	Caney

Signature image is available. In order to view image and detailed information, the shipper or payor account number of the shipment must be provided.

Thank you for choosing FedEx

EXHIBIT B

RECEIPT FOR PURCHASE PRICE

CITY OF CANEY, KANSAS

\$668,000	\$577,000
GENERAL OBLIGATION BONDS	GENERAL OBLIGATION BONDS
SERIES 2022-A	SERIES 2022-B

DATED AUGUST 10, 2022

The undersigned Clerk of the City of Caney, Kansas, this day received from United States of America-Department of Agriculture, St. Louis, Missouri, the original purchaser of the above-described bonds (the "Bonds"), the full purchase price of the Bonds, said purchase price and net amount received by the Issuer being calculated as follows:

Principal Amount of Series 2022-A Bonds	\$668,000.00
Principal Amount of Series 2022-B Bonds	<u>577,000.00</u>
Total Purchase Price	\$1,245,000.00

DATED: August 10, 2022.

CITY OF CANEY, KANSAS

By: 
Clerk

EXHIBIT C

RECEIPT AND REPRESENTATION

CITY OF CANEY, KANSAS

\$668,000	\$577,000
GENERAL OBLIGATION BONDS	GENERAL OBLIGATION BONDS
SERIES 2022-A	SERIES 2022-B

DATED AUGUST 10, 2022

This Receipt and Representation (the "Certificate") is being delivered by United States of America-Department of Agriculture (the "Purchaser") in connection with the issuance of the above-described bonds (collectively the "Bonds"), being issued on the date of this Receipt by the City of Caney, Kansas (the "Issuer"). Based on its records and information available to the undersigned which the undersigned believes to be correct, the Purchaser represents as follows:

1. Authorized Representative. The undersigned is the duly authorized representative of the Purchaser.

2. Receipt for Bonds. The Purchaser acknowledges receipt on the Issue Date of the Bonds consisting of fully registered bonds in Authorized Denominations in a form acceptable to the Purchaser.

3. Issue Price.

(a) **Purchase Price.** On the date of this Certificate, the Purchaser is purchasing the Bonds for the amount of \$1,245,000.00. The Purchaser is not acting as an Underwriter with respect to the Bonds. The Purchaser has no present intention to sell, reoffer, or otherwise dispose of the Bonds (or any portion of the Bonds or any interest in the Bonds). The Purchaser has not contracted with any person pursuant to a written agreement to have such person participate in the initial sale of the Bonds, and the Purchaser has not agreed with the Issuer pursuant to a written agreement to sell the Bonds to persons other than the Purchaser or a related party to the Purchaser.

(b) **Defined Terms.**

(i) The term "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(ii) The term "Related Party" is defined in U.S. Treasury Regulation § 1.150-1(b) which generally provides that the term related party means any two or more persons who have a greater than 50 percent common ownership, directly or indirectly.

(iii) The term "Underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

4. Compliance with Loan Agreement. The Purchaser acknowledges that it has timely received in satisfactory form and manner all proceedings, certificates, opinions, letters and other documents required to be submitted to it pursuant to the Loan Agreement on the date of the delivery of and payment for the Bonds (except to the extent the Purchaser has waived or consented to modification of certain provisions thereof), and that the Issuer has in all respects complied with and satisfied all of its obligations to us which are required under the Loan Agreement to be complied with and satisfied on or before the date hereof.

5. Reliance. The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the certifications contained herein will be relied upon by the Issuer in executing and delivering its Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Gilmore & Bell, P.C., Bond Counsel, in rendering its opinion relating to the exclusion from federal gross income of the interest on the Bonds and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

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Dated: August 10, 2022.

**UNITED STATES OF AMERICA-
DEPARTMENT OF AGRICULTURE**

By: Michael Billings
Title: Area Specialist

EXHIBIT D

DESCRIPTION OF PROPERTY COMPRISING THE FINANCED IMPROVEMENTS

CITY OF CANEY, KANSAS

\$668,000
GENERAL OBLIGATION BONDS
SERIES 2022-A

\$577,000
GENERAL OBLIGATION BONDS
SERIES 2022-B

DATED AUGUST 10, 2022

Description	Date Placed in Service	Estimated Useful Life	Total Cost
Sanitary sewer improvements-Phase 2B	06/2022	40 years	\$1,066,000
Sanitary sewer improvements-Phase 2B supplement	06/2022	40 years	868,000
Total			\$1,934,000
Amount Financed from Bonds			\$1,245,000
Amount Financed from Other Sources			\$689,000

EXHIBIT E

FORM OF ANNUAL COMPLIANCE CHECKLIST

CITY OF CANEY, KANSAS

**\$668,000
GENERAL OBLIGATION BONDS
SERIES 2022-A**

**\$577,000
GENERAL OBLIGATION BONDS
SERIES 2022-B**

DATED AUGUST 10, 2022

The Bond Compliance Officer is the person that the Issuer has identified in the Tax Compliance Procedure who is primarily responsible for working with other Issuer officials, departments and administrators and for consulting with Bond Counsel, other legal counsel and outside experts to the extent necessary to carry out the Post-Issuance Tax Requirements for the Bonds. On the Issue Date, the Issuer identified certain assets financed in whole or in part by the Bonds (the “Financed Improvements”), as evidenced on *Exhibit D* to the Federal Tax Certificate. Please complete this checklist within 90 days after the conclusion of the Issuer’s Fiscal Year. Should you have questions or need assistance in completing the checklist, please contact Bond Counsel at the address below. A completed copy of this annual checklist should be placed in the Tax-Exempt Bond File and retained in the Issuer’s permanent records for at least 3 years after the final maturity of (1) the Bonds or (2) any obligation issued to refund the Bonds.

Bond Compliance Officer Name: [_____]

Bond Compliance Officer Signature: [_____]

Date of Report: [_____]

Annual Period Covered by Report: [_____]

****If the answers to any of the following questions identify any compliance deficiencies, the Bond Compliance Officer should immediately contact Bond Counsel and take actions required in the Tax Compliance Procedure.****

Item	Question	Response
1 Ownership	Were all of the Financed Improvements owned by the Issuer during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “No,” was advice of Bond Counsel obtained prior to the transfer? If Yes, include a description of the advice in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
2 Leases & Other Rights to Possession	During the Annual Period, was any part of the Financed Improvements leased at any time pursuant to a lease or similar agreement for more than 50 days?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “Yes,” was advice of Bond Counsel obtained prior to entering into the lease or other arrangement? If Yes, include a description of the advice in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Item	Question	Response
3 Management or Service Agreements	During the Annual Period, has the management of all or any part of the operations of the Financed Improvements (e.g., cafeteria, gift shop, etc.) been assumed by or transferred to another entity?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was advice of Bond Counsel obtained prior to entering into the management agreement? If Yes, include a description of the advice in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
4 Other Use	Was any other agreement entered into with an individual or entity that grants special legal rights to the Financed Improvements?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was advice from Bond Counsel obtained prior to entering into the agreement? If Yes, include a description of the advice in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
5 Proceeds & Investments	Have any Gross Proceeds of the Bonds been invested in a Guaranteed Investment Contract?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Has the Issuer entered into an Interest Rate Swap Agreement with respect to the Bonds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Has any sinking or reserve fund for the payment of the Bonds been established (other than funds and accounts created in the Bond Resolution)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Have any of the Bonds been redeemed or refunded in advance of their scheduled maturities?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer to any of the above questions was "Yes," notify Bond Counsel with such information and place a copy of documentation in the Tax-Exempt Bond File.	
6 Arbitrage & Yield Restriction	Has the Issuer set aside money in any fund or account in excess of an amount needed to pay debt service on the Bonds within the next 12 months (i.e. is more than one year of debt service pre-funded)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Were any Bond proceeds on deposit in the Improvement Fund more than three years after the Issue Date?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If Yes to either, contact Bond Counsel and incorporate report or include description of resolution in the Tax-Exempt Bond File.	

Bond Counsel:

Gilmore & Bell, P.C.
 100 N. Main, Suite 800
 Wichita, Kansas 67202
 Phone: (316) 267-2091
 Attn: Garth J. Herrmann
 Email: gherrmann@gilmorebell.com

SCHEDULE 1

DEBT SERVICE SCHEDULE AND PROOF OF YIELD

City of Caney, Kansas
General Obligation Bonds, Series 2022-A and Series 2022-B

Schedule of Bond Payments

Payment Date	Payments			Principal Balance	Bond Years
	Interest	Principal	Total		
8/10/2022				\$ 1,245,000.00	-
8/10/2022					
8/10/2023	17,840.00	23,274.00	41,114.00	1,221,726.00	23.274
8/10/2024	17,506.69	23,607.31	41,114.00	1,198,118.69	47.215
8/10/2025	17,168.60	23,945.40	41,114.00	1,174,173.29	71.836
8/10/2026	16,825.65	24,288.35	41,114.00	1,149,884.94	97.153
8/10/2027	16,477.79	24,636.21	41,114.00	1,125,248.73	123.181
8/10/2028	16,124.92	24,989.08	41,114.00	1,100,259.65	149.934
8/10/2029	15,767.01	25,346.99	41,114.00	1,074,912.66	177.429
8/10/2030	15,403.95	25,710.05	41,114.00	1,049,202.61	205.680
8/10/2031	15,035.68	26,078.32	41,114.00	1,023,124.29	234.705
8/10/2032	14,662.13	26,451.87	41,114.00	996,672.42	264.519
8/10/2033	14,283.22	26,830.78	41,114.00	969,841.64	295.139
8/10/2034	13,898.86	27,215.14	41,114.00	942,626.50	326.582
8/10/2035	13,509.00	27,605.00	41,114.00	915,021.50	358.865
8/10/2036	13,113.53	28,000.47	41,114.00	887,021.03	392.007
8/10/2037	12,712.40	28,401.60	41,114.00	858,619.43	426.024
8/10/2038	12,305.50	28,808.50	41,114.00	829,810.93	460.936
8/10/2039	11,892.76	29,221.24	41,114.00	800,589.69	496.761
8/10/2040	11,474.10	29,639.90	41,114.00	770,949.79	533.518
8/10/2041	11,049.43	30,064.57	41,114.00	740,885.22	571.227
8/10/2042	10,618.66	30,495.34	41,114.00	710,389.88	609.907
8/10/2043	10,181.71	30,932.29	41,114.00	679,457.59	649.578
8/10/2044	9,738.49	31,375.51	41,114.00	648,082.08	690.261
8/10/2045	9,288.90	31,825.10	41,114.00	616,256.98	731.977
8/10/2046	8,832.86	32,281.14	41,114.00	583,975.84	774.747
8/10/2047	8,370.27	32,743.73	41,114.00	551,232.11	818.593
8/10/2048	7,901.04	33,212.96	41,114.00	518,019.15	863.537
8/10/2049	7,425.07	33,688.93	41,114.00	484,330.22	909.601
8/10/2050	6,942.27	34,171.73	41,114.00	450,158.49	956.808
8/10/2051	6,452.54	34,661.46	41,114.00	415,497.03	1,005.182
8/10/2052	5,955.78	35,158.22	41,114.00	380,338.81	1,054.747
8/10/2053	5,451.88	35,662.12	41,114.00	344,676.69	1,105.526
8/10/2054	4,940.74	36,173.26	41,114.00	308,503.43	1,157.544
8/10/2055	4,422.27	36,691.73	41,114.00	271,811.70	1,210.827
8/10/2056	3,896.35	37,217.65	41,114.00	234,594.05	1,265.400
8/10/2057	3,362.88	37,751.12	41,114.00	196,842.93	1,321.289
8/10/2058	2,821.75	38,292.25	41,114.00	158,550.68	1,378.521
8/10/2059	2,272.85	38,841.15	41,114.00	119,709.53	1,437.123
8/10/2060	1,716.06	39,397.94	41,114.00	80,311.59	1,497.122
8/10/2061	1,151.28	39,962.72	41,114.00	40,348.87	1,558.546
8/10/2062	578.38	40,348.87	40,927.25	(0.00)	1,613.955
Total	399,373.25	1,245,000.00	1,644,373.25		27,866.777

Schedule of Bond Payments

Payment Date	Payments			Principal Balance	Bond Years
	Interest	Principal	Total		
Bond Statistics					
Principal amount	\$	1,245,000.00	Day-Count Method		Actual/365
Dated date		8/10/2022			
Issue date		8/10/2022	Days of accrued interest		-
First interest payment		8/10/2023	Accrued interest		\$0.00
First principal payment		8/10/2023	Bond years		27,866.777
Last payment		8/10/2062			
No. of principal payments per year		1	Weighted avg. maturity (years)		22.3830
Total no. of principal payments		40	Bond yield		1.428033%
Denomination	0.01		Net interest cost		1.433152%

City of Caney, Kansas
General Obligation Bonds, Series 2022-A and Series 2022-B

Proof of Arbitrage Yield

Payment Date	Days After Closing	Bond Payments	Pres. Val. Factor 1.42803%	Present Value to 8/10/2022
8/10/2022				
8/10/2022	-	-	1.0000000	-
8/10/2023	360	41,114.00	0.9858712	40,533.11
8/10/2024	720	41,114.00	0.9719420	39,960.42
8/10/2025	1,080	41,114.00	0.9582096	39,395.83
8/10/2026	1,440	41,114.00	0.9446712	38,839.21
8/10/2027	1,800	41,114.00	0.9313241	38,290.46
8/10/2028	2,160	41,114.00	0.9181656	37,749.46
8/10/2029	2,520	41,114.00	0.9051930	37,216.11
8/10/2030	2,880	41,114.00	0.8924037	36,690.29
8/10/2031	3,240	41,114.00	0.8797951	36,171.89
8/10/2032	3,600	41,114.00	0.8673646	35,660.83
8/10/2033	3,960	41,114.00	0.8551098	35,156.98
8/10/2034	4,320	41,114.00	0.8430281	34,660.26
8/10/2035	4,680	41,114.00	0.8311171	34,170.55
8/10/2036	5,040	41,114.00	0.8193744	33,687.76
8/10/2037	5,400	41,114.00	0.8077976	33,211.79
8/10/2038	5,760	41,114.00	0.7963843	32,742.55
8/10/2039	6,120	41,114.00	0.7851324	32,279.93
8/10/2040	6,480	41,114.00	0.7740394	31,823.85
8/10/2041	6,840	41,114.00	0.7631031	31,374.22
8/10/2042	7,200	41,114.00	0.7523214	30,930.94
8/10/2043	7,560	41,114.00	0.7416919	30,493.92
8/10/2044	7,920	41,114.00	0.7312127	30,063.08
8/10/2045	8,280	41,114.00	0.7208815	29,638.32
8/10/2046	8,640	41,114.00	0.7106963	29,219.57
8/10/2047	9,000	41,114.00	0.7006550	28,806.73
8/10/2048	9,360	41,114.00	0.6907556	28,399.73
8/10/2049	9,720	41,114.00	0.6809960	27,998.47
8/10/2050	10,080	41,114.00	0.6713744	27,602.89
8/10/2051	10,440	41,114.00	0.6618886	27,212.89
8/10/2052	10,800	41,114.00	0.6525369	26,828.40
8/10/2053	11,160	41,114.00	0.6433173	26,449.35
8/10/2054	11,520	41,114.00	0.6342280	26,075.65
8/10/2055	11,880	41,114.00	0.6252671	25,707.23
8/10/2056	12,240	41,114.00	0.6164328	25,344.02
8/10/2057	12,600	41,114.00	0.6077234	24,985.94
8/10/2058	12,960	41,114.00	0.5991370	24,632.92
8/10/2059	13,320	41,114.00	0.5906719	24,284.88
8/10/2060	13,680	41,114.00	0.5823264	23,941.77
8/10/2061	14,040	41,114.00	0.5740988	23,603.50
8/10/2062	14,400	40,927.25	0.5659874	23,164.31
Total		1,644,373.25		1,245,000.00

Proof of Arbitrage Yield

Payment Date	Days After Closing	Bond Payments	Pres. Val. Factor 1.42803%	Present Value to 8/10/2022
Yield Target Amount:				
Principal			1,245,000.00	
Original issue premium/discount			-	
Sale proceeds			1,245,000.00	
Accrued interest			-	
Total				1,245,000.00
Difference				(0.00)
Bond yield				1.4280326%



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August 10, 2022

Governing Body
City of Caney, Kansas

United States Department of Agriculture
- Rural Development
Iola, Kansas

Re: \$668,000 General Obligation Bonds, Series 2022-A, of the City of Caney, Kansas,
Dated August 10, 2022

We have acted as Bond Counsel in connection with the issuance by the City of Caney, Kansas (the "Issuer"), of the above-captioned bonds (the "Bonds"). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer prescribing the details of the Bonds.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

2. The Bonds are payable as to both principal and interest 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 Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. The interest on the Bonds is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Bonds to be included in gross income

City of Caney, Kansas
General Obligation Bonds
\$668,000 - Series 2022-A
Dated August 10, 2022
Page Two

for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds are “qualified tax-exempt obligations” within the meaning of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding the accuracy, completeness or sufficiency of the any offering material relating to the Bonds (except to the extent, if any, stated in such offering material). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.



GJH:rrd


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August 10, 2022

Governing Body
City of Caney, Kansas

United States Department of Agriculture
- Rural Development
Iola, Kansas

Re: \$577,000 General Obligation Bonds, Series 2022-B, of the City of Caney, Kansas,
Dated August 10, 2022

We have acted as Bond Counsel in connection with the issuance by the City of Caney, Kansas (the "Issuer"), of the above-captioned bonds (the "Bonds"). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer prescribing the details of the Bonds.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

2. The Bonds are payable as to both principal and interest 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 Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. The interest on the Bonds is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Bonds to be included in gross income

City of Caney, Kansas
General Obligation Bonds
\$577,000 - Series 2022-B
Dated August 10, 2022
Page Two

for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds are “qualified tax-exempt obligations” within the meaning of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding the accuracy, completeness or sufficiency of the any offering material relating to the Bonds (except to the extent, if any, stated in such offering material). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.



GJH:rrd

 GILMORE BELL



August 28, 2018

City of Caney
ATTN: Mayor Thomas Burk Jr.
100 W 4th Ave
PO Box 129
Caney, KS 67333

SUBJECT: Recipient Name: Caney, City of
Project Name: Collection System Improvements
Sewer Application

Dear Mayor Burk Jr.:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan in the amount of \$2,741,000 and grant in the amount of \$265,000 will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA Rural Development, both of which are referred to throughout this letter as the Agency. Any changes in project cost, source of funds, scope of project, or any other significant changes in the project or applicant must be reported to and concurred with by the Agency by written amendment to this letter. If significant changes are made without obtaining such concurrence, the Agency may discontinue processing of the application.

All conditions set forth under Section III – Requirements Prior to Advertising for Bids must be met within 280 days of the date of this letter. If you have not met these conditions, the Agency reserves the right to discontinue the processing of your application.

If you agree to meet the conditions set forth in this letter and desire further consideration be given to your application, please complete and return the following forms within 10 days:

- Form RD 1942-46, "Letter of Intent to Meet Conditions"
- Form RD 1940-1, "Request for Obligation of Funds"

Enclosed is a copy of RUS Bulletin 1780-12, "Water and Waste System Grant Agreement" for your review. You will be required to execute a complete form at the time of grant closing.

The loan and grant will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds," is signed by the approving official, and mailed to you. Thus, this letter in itself does not constitute loan and grant approval, nor does it ensure that funds are or will be available for the project.

Rural Development • Kansas
Community Programs

Hays Office
2715 Canterbury Drive
Hays, KS 67601
Phone: (785) 626-3081
Fax: (877) 470-3801

Iola Office
202 W. Miller Road
Iola, KS 66749
Phone: (820) 365-2901
Fax: (877) 470-3801

Newton Office
1405 South Spencer Road
Newton, KS 67114,
Phone (316) 283-0370
Fax: (877) 470-3801

Topeka Office
1303 SW First American Place, Ste 100
Topeka, KS 66604
Phone: (785) 271-2700
Fax: (877) 470-3801

USDA is an equal opportunity provider, employer, and lender.

Extra copies of this letter are being provided for use by your engineer. All parties may access information and regulations referenced in this letter at our website located at www.rd.usda.gov.

The conditions are as follows:

SECTION I - PROJECT DETAIL

1. **Project Description** – Funds will be used to make improvements to the city's sewage collection system. The project will also include repairing or replacing leaking manholes. The city plans to use Cured-in-Place Pipe Liners (CIPP) to rehabilitate sewer collection mains. This technique allows the sewer to be structurally reinforced and sealed without excavation. Rehabilitation of manholes will involve relining the interiors of most manholes using the Cementitious Liner process. Some manholes that are inundated by with inflow of rainwater after a rain event will be replaced in place with a new manhole.

Facilities will be designed and constructed in accordance with sound engineering practices and must meet the requirements of Federal, State, and local agencies. The proposed facility design must be based on the Preliminary Engineering Report (PER) as concurred with by the Agency.

2. **Project Funding** – The Agency is offering the following funding for your project:

Agency Loan	\$ 2,741,000
Agency Grant	\$ 265,000
CDBG	\$ 600,000
Total Project Funding	\$ 3,606,000

This funding is offered based on the amounts stated above. Prior to loan closing, any increase in non-Agency funding will be applied first as a reduction to Agency grant funds, up to the total amount of the grant, and then as a reduction to Agency loan funds.

Any changes in funding sources following obligation of Agency funds must be reported to the processing official. Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. If actual project costs exceed the project cost estimates, an additional contribution by the Owner may be necessary. Prior to advertisement for construction bids, you must provide evidence of applicant contributions and approval of other funding sources. This evidence should include a copy of the commitment letter. Agency funds will not be used to pre-finance funds committed to the project from other sources.

3. **Project Budget** – Funding from all sources has been budgeted for the estimated expenditures as follows:

<u>Project Costs:</u>	<u>Total Budgeted:</u>
Administration - CDBG	\$ 25,000
Construction	\$ 2,872,800
Contingency	\$ 287,200
Engineering Fees	\$ 300,000
Includes:	
Design	\$ 228,000
Construction Administration	\$ 72,000
Interest - Interim	\$ 106,000
Legal Fees	\$ 15,000
Total Project Costs	\$ 3,606,000

Obligated loan or grant funds not needed to complete the proposed project will be deobligated prior to start of construction. Any reduction will be applied to grant funds first. An amended letter of conditions will be issued for any changes to the total project budget.

SECTION II – LOAN AND GRANT TERMS

4. **Repayment** – The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing, unless you request otherwise. Should the interest rate be reduced, the payment will be recalculated to the lower amount.

Your loan will be scheduled for repayment over a period of 40 years. Payments will be equal annual amortized installments, beginning one year after closing. For planning purposes, use a 2.375% interest rate and an amortization factor of 39.01, which provides for an annual payment of 106,927. The precise payment amount will be based on the interest rate at which the loan is closed, and may be different than the one above.

The payment due date will be established as the day that the loan closes. Due dates falling on the 29th, 30th, and 31st day of the month will be avoided.

5. **Security** – The loan will be secured by a General Obligation bond with first lien position in the amount of \$2,741,000. The bond will be fully registered as to both principal and interest in the name of the United States of America, Acting through the United States Department of Agriculture.

The bond and any ordinance or resolution relating thereto must not contain any provision in conflict with the Agency Loan Resolution, applicable regulations, or its authorizing law. In particular, there must be no defeasance or refinancing clause in conflict with the graduation requirements of 7 U.S.C. 1983.

Additional security requirements are contained in RUS Bulletin 1780-12, “Water and Waste System Grant Agreement,” and RUS Bulletin 1780-27, “Loan Resolution (Public Bodies).” A draft of all security instruments, including draft bond resolution, must be reviewed and concurred in by the Agency prior to advertising for bids. The bond resolution and Loan Resolution must be duly adopted and executed prior to loan closing. The Grant Agreement must be fully executed prior to the first disbursement of grant funds.

6. **Construction Completion Timeframe** - All projects should be substantially complete within three years of obligation, and must be completed and all funds disbursed within five years of obligation. If funds are not disbursed within five years of obligation, you must submit to the Agency a written request for extension of time with adequate justification of circumstances beyond your control. Requests for waivers beyond the initial extension will be submitted to the Assistant Administrator for concurrence decision.

7. **Disbursement of Agency Funds** - Agency funds will be disbursed into the borrower’s depository account through an electronic transfer system. SF 3881, “ACH Vendor/Miscellaneous Payment Enrollment Form,” must be completed and submitted to the Agency prior to advertising for bids.

Any applicant contribution will be the first funds expended, followed by other funding sources. Interim financing or Agency loan funds will be expended after all other funding sources unless a written agreement is reached with all other funding sources on how funds are to be disbursed prior to start of construction or loan closing, whichever occurs first. Interim financing funds or Agency loan funds must be used prior to the use of Agency grant funds. The Grant Agreement must not be closed and funds must not be disbursed prior to loan funds except as specified in RUS Instruction 1780.45(d). In the unlikely event the Agency mistakenly disburses grant funds, the grant funds will be remitted back to the Agency electronically.

Grant funds are to be deposited in an interest-bearing account (exception provided below) in accordance with 2 CFR Part 200 and interest in excess of \$500 per year remitted to the Agency. The funds should be disbursed by the recipient immediately upon receipt and there should be little interest accrual on the Federal funds. Recipients shall maintain advances of Federal funds in interest-bearing accounts, unless:

- a. The recipient receives less than \$120,000 in Federal awards per year.
- b. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
- c. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
- d. A foreign government or banking system prohibits or precludes interest-bearing accounts.

SECTION III – REQUIREMENTS PRIOR TO ADVERTISING FOR BIDS

8. **Environmental Requirements** – The project as proposed has been evaluated to be consistent with the National Environmental Policy Act. Other Federal, State, tribal, and local laws, regulations and or permits may apply or be required. If the project or any project element deviates from or is modified from the originally-approved project, additional environmental review may be required.

9. **Engineering Services** – You have been required to complete an Agreement for Engineering Services, which should consist of the Engineers Joint Contract Documents Committee (EJCDC) E-500 (2014 version) as indicated in RUS Bulletin 1780-26, “Guidance for the Use of EJCDC Documents on Water and Waste Projects with RUS Financial Assistance,” or other approved form of agreement. The Agency will provide concurrence prior to advertising for bids, and must approve any modifications to this agreement.

10. **Contract Documents, Final Plans, and Specifications**

- a. Section 746 of Title VII of the Consolidated Appropriation Act of 2017 (Division A-Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference applies a new American Iron and Steel requirement to obligations made after May 5th, 2017:
- (1) No Federal funds made available for this fiscal year for the rural water, waste water, waste disposal, and solid waste management programs authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1926 et seq.) shall be used for a project for the construction, alteration, maintenance, or repair of a public water or wastewater system unless all of the iron and steel products used in the project are produced in the United States.
 - (2) The term “iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clams and restraints, valves, structural steel, reinforced precast concrete and construction materials.
 - (3) The requirements shall not apply in any case or category of cases in which the Secretary of Agriculture (in this section referred to as the “Secretary”) or the designee of the Secretary finds that—
 - (a) applying the requirement would be inconsistent with the public interest;
 - (b) iron and steel products are not produced in the United States in sufficient and reasonably available quantities or a satisfactory quality; or
 - (c) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent
 - (4) “Owners are ultimately responsible for compliance with AIS requirements and will be responsible for the following:
 - (a) **Signing** loan resolutions, grant agreements and letters of intent to meet conditions which include AIS language, accepting AIS requirements in those documents and in the letter of conditions.
 - (b) **Signing** change orders (i.e. C-941 of EJCDC) and partial payment estimates (i.e. C-620 of EJCDC) and thereby **acknowledging** responsibility for compliance with American and Iron Steel requirements.
 - (c) **Obtaining** the certification letters from the consulting engineer upon substantial completion of the project and **maintaining** this documentation for the life of the loan.
 - (d) Where the owner provides their own engineering and/or construction services, **providing** copies of engineers’, contractors’, and manufacturers’ certification letters (*as applicable*) to the Agency to insert into the Agency file. All certification letters must be kept in the engineer’s project file and on site during construction. For Owner Construction (Force Account), all clauses from Section 17 must be included in the Agreement for Engineering Services.

(e) Where the owner directly procures AIS products, *including* AIS clauses in the procurement contracts and *obtaining* manufacturers' certification letters and *providing* copies to consulting engineers and contractors.

- b. The contract documents must consist of the EJCDC construction contract documents as indicated in RUS Bulletin 1780-26 or other Agency-approved forms of agreement.
- c. The contract documents, final plans, and specifications must comply with RUS Instruction 1780, Subpart C – Planning, Designing, Bidding, Contracting, Constructing and Inspections, and must be submitted to the Agency for concurrence prior to advertising for bids along with an updated cost estimate. The Agency may require another updated cost estimate if a significant amount of time elapses between the original submission and advertising for bids.
- d. The use of any procurement method other than competitive sealed bids must be requested in writing and approved by the Agency.

11. **Legal Services** - You have been required to execute a legal services agreement with your attorney and bond counsel, if applicable, for any legal work needed in connection with this project. The agreement should stipulate an hourly rate for the work, with a "not to exceed" amount for the services, including reimbursable expenses. RUS Bulletin 1780-7, "Legal Services Agreement," or similar format may be used. The Agency will provide concurrence prior to advertising for bids. Any changes to the fees or services spelled out in the original agreement must be reflected in an amendment to the agreement and have prior Agency concurrence.

12. **Property Rights** - Prior to advertising for bids, you and your legal counsel must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights-of-way needed for the project. Acquisitions of necessary land and rights must be accomplished in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Such control over the lands and rights will be evidenced by the following:

- a. **Right-of-Way Map** – Your engineer will provide a map clearly showing the location of all lands and rights-of-way needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
- b. **Form RD 442-20, "Right-of-Way Easement"** – This form may be used to obtain any necessary easements for the proposed project.
- c. **Form RD 442-21, "Right-of-Way Certificate"** – You will provide a certification on this form that all right-of-way requirements have been obtained for the proposed project.
- d. **Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way"** – Your attorney will provide a certification and legal opinion on this form addressing rights-of-way, easements, and title.
- e. **Preliminary Title Work (Title Opinion)** – When applicable, your attorney will provide a preliminary title opinion for any property related to the facility, currently owned and to be acquired, along with copies of deeds, contracts or options for purchasing said property. Form RD 1927-9, "Preliminary Title Opinion," may be used.

The approving official may waive title defects or restrictions, such as utility easements, that do not adversely affect the suitability, successful operation, security value, or transferability of the facility. Any such waivers must be provided by the approving official in writing prior to closing or the start of construction, whichever occurs first.

You are responsible for the acquisition of all property rights necessary for the project and for determining that prices paid are reasonable and fair. The Agency may require an appraisal by an independent appraiser or Agency employee in order to validate the price to be paid.

13. System Policies, Procedures, Contracts, and Agreements – The facility must be operated on a sound business plan. You must adopt policies, procedures, and/or ordinances outlining the conditions of service and use of the proposed system. Mandatory connection policies should be used where enforceable. The policies, procedures, and/or ordinances must contain an effective collection policy for accounts not paid in full within a specified number of days after the date of billing. They should include appropriate late fees, specified timeframes for disconnection of service, and reconnection fees. A draft of these policies, procedures, and/or ordinances must be submitted for Agency review and concurrence, along with the documents below, before closing instructions may be issued unless otherwise stated.

- a. **Conflict of Interest Policy** - Prior to obligation of funds, you must certify in writing that your organization has in place an up-to-date written policy on conflict of interest. The policy will include, at a minimum: (1) a requirement for those with a conflict or potential conflict to disclose the conflict/potential conflict; (2) a clause that prohibits interested members of the applicant's governing body from voting on any matter in which there is a conflict, and (3) a description of the specific process by which the governing body will manage identified or potential conflicts.

Assistance in developing a conflict of interest policy is available through Agency-contracted technical assistance providers if desired.

Fully executed copies of any policies, procedures, ordinances, contracts, or agreements must be submitted prior to loan closing.

14. Closing Instructions - The Agency will prepare closing instructions as soon as the requirements of the previous paragraphs are complete, as well as a draft of the security instrument(s). Closing instructions must be obtained prior to advertising for bids.

15. Interim Financing – For all loans exceeding \$500,000, where loan funds can be borrowed at reasonable interest rates on an interim basis from commercial sources for the construction period, such interim financing will be used to preclude the necessity for multiple advances of Agency loan funds. You must provide the Agency with a copy of the interim loan financing agreement for review prior to advertising for bids. The Agency approving official may make an exception when interim financing is cost prohibitive or unavailable. Grant funds from the Agency will be disbursed by multiple advances through electronic transfer of funds after interim financing or Agency loan funds are expended, in accordance with RUS Instruction 1780.45.

16. Construction Account -- You must establish a construction account for all funds related to the project. Construction funds will be deposited with an acceptable financial institution or depository that meets the requirements of 31 CFR Part 202. A separate account will not be required for Federal funds and other funds; however, the recipient must be able to separately identify, report, and account for all Federal funds, including the receipt, obligation and expenditure of funds. Financial institutions or depositories accepting deposits of public funds and providing other financial agency services to the Federal Government are required to pledge adequate, acceptable securities as collateral, in accordance with 31 CFR Part 202. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the construction account at any one time. Your financial institution can provide additional guidance on collateral pledge requirements.

Agency funds will be disbursed into the borrower's depository account through an electronic transfer system. SF 3881, "ACH Vendor/Miscellaneous Payment Enrollment Form," must be completed and submitted to the Agency prior to advertising for bids.

17. **System Users** – This letter of conditions is based upon your indication at application that there will be at least 812 residential users and 90 non-residential users on the existing system when construction is completed.

Before the Agency can agree to the project being advertised for construction bids, you must certify that the number of users indicated at application are currently using the system or signed up to use the system once it is operational.

If the actual number of existing users that have signed up for service is less than the number indicated at the time of application, you must provide the Agency with a written plan on how you will obtain the necessary revenue to adequately cash flow the expected operation, maintenance, debt service, and reserve requirements of the proposed project (e.g., increase user rates, sign up an adequate number of other users, reduce project scope, etc.). Similar action is required if there is cause to modify the anticipated flows or volumes presented following approval.

If you are relying on mandatory connection requirements, you must provide evidence of the authorizing ordinance or statute along with your user certification.

18. **Other Funding** – Prior to advertising for bids, you must provide evidence of applicant contributions and approval of other funding sources. This evidence should include a copy of the commitment letter from each source.

19. **Proposed Operating Budget** – You must establish and/or maintain a rate schedule that provides adequate income to meet the minimum requirements for operation and maintenance (O&M), debt service, and reserves. Prior to advertising for bids, you must submit a proposed annual operating budget to the Agency which supports the operation, maintenance, debt service, and reserves, as well as your proposed rate schedule. The operating budget should be based on a typical year cash flow after completion of the construction phase and should be signed by the appropriate official of your organization. Form RD 442-7, "Operating Budget," or similar format may be utilized for this purpose. It is expected that O&M will change over each successive year and user rates will need to be adjusted on a regular basis.

Technical assistance is available at no cost to help you evaluate and complete a rate analysis on your system. This assistance is available free to your organization. If you are interested please contact our office for information.

20. **Permits** – The owner or responsible party will be required to obtain all applicable permits for the project, prior to advertising for bids. The consulting engineer must submit written evidence that all applicable permits required prior to construction have been obtained with submission to the Agency of the final plans, specifications, and bid documents.

21. **Vulnerability Assessment/Emergency Response Plan (VA/ERP)** – The Agency requires all financed water and wastewater systems to have a VA/ERP in place. Borrowers with existing systems must provide a certification that a VA/ERP has been completed prior to advertising for bids. Borrowers creating a new water or wastewater system must provide a certification that an ERP is complete prior to the start of operation, and a certification that a VA is complete must be submitted within one year of the start of operation.

The VA/ERP documents themselves are not submitted to the Agency. The VA/ERP must address potential impacts from natural disasters and other emergency events. In particular, it should include plans to address impacts of flash flooding in areas where severe drought or wildfires occur. The documents should be reviewed and updated every three years at a minimum. You will be required to submit a certification to the servicing office every three years that the VA/ERP is current and covers all sites related to the facility. Technical assistance at no cost is available in preparing these documents.

22. **Bid Authorization** - Once all the conditions outlined in Section III of this letter have been met, the Agency will authorize you to advertise the project for construction bids. Such advertisement must be in accordance with applicable State statutes.

SECTION IV - REQUIREMENTS PRIOR TO START OF CONSTRUCTION

23. **Bid Tabulation** – Immediately after bid opening, you must provide the Agency with the bid tabulation and your engineer's evaluation of bids and recommendations for contract awards. If the Agency agrees that the construction bids received are acceptable, adequate funds are available to cover the total project costs, and all the requirements of Section III of this letter have been satisfied, the Agency will authorize you to issue the Notice of Award.

- a. **Cost Overruns**. If bids are higher than expected, or if unexpected construction problems are encountered, you must utilize all options to reduce cost overruns. Negotiations, redesign, use of bidding alternatives, rebidding or other means will be considered prior to commitment of subsequent funding by the Agency. Any requests for subsequent funding to cover cost overruns will be contingent on the availability of funds. Cost overruns exceeding 20% of the development cost at time of loan or grant approval or where the scope of the original purpose has changed will compete for funds with all other applications on hand as of that date.
- b. **Excess Funds**. If bids are lower than anticipated at time of obligation, excess funds must be deobligated prior to start of construction except in the cases addressed in this paragraph. In cases where the original PER for the project included items that were not bid, or were bid as an alternate, the State Office official may modify the project to fully utilize obligated funds for those items. Amendments to the PER, ER, and letter of conditions may be needed for any work not included in the original project scope. In all cases, prior to start of construction, excess funds will be deobligated, with grant funds being deobligated first. Excess funds do not include contingency funds as described in this letter.

24. **Contract Review** - Your attorney will certify that the executed contract documents, including Performance Bond and Statutory Bond, if required, are adequate and that the persons executing these documents have been properly authorized to do so in accordance with RUS Instruction 1780.61(b).

Once your attorney has certified that they are acceptable, the contract documents will be submitted to the Agency for its concurrence. The Notice to Proceed cannot be issued until the Agency has concurred with the construction contracts.

25. **Final Rights-of-Way** – If any of the rights-of-way forms listed previously in this letter contain exceptions that do not adversely affect the suitability, successful operation, security value, or transferability of the facility, the approving official must provide a written waiver prior to the issuance of the Notice to Proceed. For projects involving the acquisition of land, you must provide evidence that you have clear title to the land prior to the issuance of the Notice to Proceed.

Final Title Work - Your attorney must furnish a separate final title opinion on all existing real property related to the facility, now owned and to be acquired for this project, as of the day of loan closing or start of construction, whichever occurs first. Form RD 1927-10, "Final Title Opinion" may be used.

26. **Insurance and Bonding Requirements** - Prior to the start of construction or loan closing, whichever occurs first, you must acquire and submit to the Agency proof of the types of insurance and bond coverage for the borrower shown below. The use of deductibles may be allowed, providing you have the financial resources to cover potential claims requiring payment of the deductible. The Agency strongly recommends that you have your engineer, attorney, and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility and not that of the Agency to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.

- a. **General Liability Insurance** – Include vehicular coverage.
- b. **Workers' Compensation** – In accordance with appropriate State laws.
- c. **Fidelity or Employee Dishonesty Bonds** – Include coverage for all persons who have access to funds, including persons working under a contract or management agreement. Coverage may be provided either for all individual positions or persons, or through blanket coverage providing protection for all appropriate workers. During construction, each position should be bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. The coverage may be increased during construction based on the anticipated monthly advances. After construction and throughout the life of the loan, the amount of coverage must be for at least the total annual debt service of all outstanding Agency loans. The Agency will be identified in the fidelity bond for receipt of notices. Form RD 440-24, "Position Fidelity Schedule Bond," or similar format may be used.
- d. **National Flood Insurance** - If the project involves acquisition or construction in designated special flood or mudslide prone areas, you must purchase a flood insurance policy at the time of loan closing.
- e. **Real Property Insurance** – Fire and extended coverage will normally be maintained on all structures except reservoirs, pipelines and other structures if such structures are not normally insured, and subsurface lift stations except for the value of electrical and pumping equipment. The Agency will be listed as mortgagee on the policy when the Agency has a lien on the property. Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all facilities identified above.

Insurance types described above are required to be continued throughout the life of the loan. See Section VII.

27. **Initial Compliance Review** – The Agency will conduct an initial compliance review of the borrower prior to loan closing or start of construction, whichever occurs first, in accordance with 7 CFR 1901, Subpart E.

SECTION V – REQUIREMENTS PRIOR TO LOAN CLOSING

28. **Interim Financing** – Interim financing is being used. Loan closing will occur near the end of construction when interim funds are about to be completely disbursed. Documents detailed above from Sections II and III regarding security, electronic payments (Form 3550-28), and system policies, procedures, contracts, and agreements must be adopted and/or executed and submitted to the Agency prior to loan closing. In addition, the following items are required prior to closing:

29. **Other Requirements** – All requirements contained in the Agency’s closing instructions, as well as any requirements of your bond counsel and/or attorney, must be met prior to loan closing.

- a. **System for Award Management**. You will be required to maintain a Dun and Bradstreet Data Universal Numbering System (DUNS) number and maintain an active registration in the System for Award Management (SAM) database. Renewal can be done on-line at: <http://sam.gov>. This registration must be renewed and revalidated every twelve (12) months.

To ensure the information is current, accurate and complete, and to prevent the SAM account expiration, the review and updates must be performed within 365 days of the activation date, commonly referred to as the expiration date. The registration process may take up to 10 business days. (See 2 CFR Part 25 and the “Help” section at <http://sam.gov>).

- b. **Litigation**. You are required to notify the Agency within 30 days of receiving notification of being involved in any type of litigation prior to loan closing or start of construction, whichever occurs first. Additional documentation regarding the situation and litigation may be requested by the Agency.
- c. **Certified Operator**. Evidence must be provided that your system has or will have, as defined by applicable State or Federal requirements, a certified operator available prior to the system becoming operational, or that a suitable supervisory agreement with a certified operator is in effect.

SECTION VI – REQUIREMENTS DURING CONSTRUCTION AND POST CONSTRUCTION

30. **Resident Inspector(s)** – Full-time inspection is required unless you request an exception. Such requests must be made in writing and the Agency must concur with the request. Inspection services are to be provided by the consulting engineer unless other arrangements are requested in writing and concurred with by the Agency. A resume of qualifications of any resident inspector(s) will be submitted to the owner and Agency for review and concurrence prior to the pre-construction conference. The resident inspector(s) must attend the pre-construction conference.

31. **Preconstruction Conference** – A preconstruction conference will be held prior to the issuance of the Notice to Proceed. The consulting engineer will review the planned development with the Agency, owner, resident inspector, attorney, contractor, other funders, and other interested parties, and will provide minutes of this meeting to the owner and Agency.

32. **Inspections** - The Agency requires a pre-construction conference, pre-final and final inspections, and a warranty inspection. Your engineer will schedule a warranty inspection with the contractor and the Agency before the end of the one-year warranty period to address and/or resolve any warranty issues. The Agency will conduct an inspection with you of your records management system at the same time, and will continue to inspect the facility and your records system every three years for the life of the loan. See Section VII of this letter.

33. **Change Orders** – Prior Agency concurrence is required for all Change Orders.

34. **Payments** – Prior Agency concurrence is required for all Invoices and Partial Payment Estimates before Agency funds will be released. Requests for payment related to a contract or service agreement will be signed by the owner, project engineer, and contractor or service provider prior to Agency concurrence. Invoices not related to a construction contract or service agreement will include the owner's written concurrence.

35. **Use of Remaining Funds** – Applicant contribution and connection or tap fees will be the first funds expended in the project, followed by non-Agency sources of funds. Remaining funds may be considered in direct proportion to the amounts obtained from each source and handled as follows:

- a. Remaining funds may be used for eligible loan and grant purposes, provided the use will not result in major changes to the original scope of work and the purpose of the loan and grant remains the same.
- b. Grant funds not expended for authorized purposes will be cancelled (de-obligated) within 90 days of final completion of project. Prior to actual cancellation, you and your attorney and engineer will be notified of the Agency's intent to cancel the remaining funds and given appropriate appeal rights.
- c. Loan funds that are not needed will be cancelled (de-obligated) prior to loan closing.

36. **Technical, Managerial and Financial Capacity** - It is required that members of the Board of Directors, City Council members, trustees, commissioners and other governing members possess the necessary technical, managerial, and financial capacity skills to consistently comply with pertinent Federal and State laws and requirements. It is recommended members receive training within one year of appointment or election to the governing board, and a refresher training for all governing members on a routine basis. The content and amount of training should be tailored to the needs of the particular individual and the utility system. Technical assistance providers are available to provide this training for your organization, often at no cost. Contact the Agency for information.

37. **Reporting Requirements Related to Expenditure of Funds**

- a. **Financial Audit**– An annual audit under the Single Audit Act is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law, and must be submitted within 9 months of your fiscal year end.

If an audit is required, you must enter into a written agreement with the auditor and submit a copy to the Agency prior to the advertisement of bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit to be completed, the time frame in which the audit will be completed, and how irregularities will be reported.

- b. **Reporting Subawards and Executive Compensation** – You as a recipient of Federal funds and your first-tier contractors are required by 2 CFR Part 170 to report disbursements to subrecipients in accordance with Appendix B of this letter and www.fsrs.gov. Your Agency processing office can provide more information.

SECTION VII – SERVICING REQUIREMENTS DURING THE TERM OF THE LOAN

38. **Prepayment and Extra Payments** - Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower, with no penalty.

Security instruments, including bonding documents, must contain the following language regarding extra payments, unless prohibited by State statute:

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Agency debt, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of borrower to pay the remaining installments as scheduled in your security instruments.

39. **Graduation** - By accepting this loan, you are also agreeing to refinance (graduate) the unpaid loan balance in whole, or in part, upon request of the Government. If at any time the Agency determines you are able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms, you will be requested to refinance. Your ability to refinance will be assessed every other year for those loans that are five years old or older.

40. **Security/Operational Inspections** – The Agency will inspect the facility and conduct a review of your operations and records management system and conflict of interest policy every three years for the life of the loan. You must participate in these inspections and provide the required information.

41. **Annual Financial Reporting/Audit Requirements** – You are required to submit an annual financial report at the end of each fiscal year. The annual report will be certified by the appropriate organization official, and will consist of financial information and a rate schedule. Financial statements must be prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP), and must include at a minimum a balance sheet and income and expense statement. The annual report will include separate reporting for each water and waste disposal facility, and itemize cash accounts by type (debt service, short-lived assets, etc.) under each facility. All records, books and supporting material are to be retained for three years after the issuance of the annual report. Technical assistance is available at no cost with preparing financial reports.

The type of financial information that must be submitted is specified below:

- a. **Audits** – An annual audit under the Single Audit Act is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. It is not intended that audits required by this part be separate and apart from audits performed in accordance with State and local laws. To the extent feasible, the audit work should be done in conjunction with those audits. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law, and must be submitted within 9 months of your fiscal year end.

If an audit is required, you must enter into a written agreement with the auditor and submit a copy to the Agency prior to the advertisement of bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit or financial statements to be completed, the time frame in which the audit or financial statements will be completed, what type of reports will be generated from the services provided, and how irregularities will be reported.

- b. **Financial Statements** – If you expend less than \$750,000 in Federal financial assistance per fiscal year, you may submit financial statements in lieu of an audit which include at a minimum a balance sheet and an income and expense statement. You may use Form RD 442-2, “Statement of Budget, Income and Equity,” and 442-3, “Balance Sheet,” or similar format to provide the financial information. The financial statements must be signed by the appropriate borrower official and submitted within 60 days of your fiscal year end.

42. **Annual Budget and Projected Cash Flow** - Thirty days prior to the beginning of each fiscal year, you will be required to submit an annual budget and projected cash flow to this office. With the submission of the annual budget, you will be required to provide a current rate schedule, and a current listing of the Board or Council members and their terms. The budget must be signed by the appropriate borrower official. Form RD 442-2 or similar format may be used.

Technical assistance is available at no cost to help you evaluate and complete a rate analysis on your system, as well as completing the annual budget. If you are interested, please contact our office for information.

43. **Insurance**. You will be required to maintain insurance on the facility and employees as previously described in this letter for the life of the loan.

44. **Statutory and National Policy Requirements** – As a recipient of Federal funding, you are required to comply with U.S. statutory and public policy requirements, including but not limited to:

- a. **Section 504 of the Rehabilitation Act of 1973** – Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Agency financial assistance.
- b. **Civil Rights Act of 1964** - All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and 7 CFR 1901, Subpart E, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by Paragraph 1901.202(c) of this Title.
- c. **The Americans with Disabilities Act (ADA) of 1990** - This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications.
- d. **Age Discrimination Act of 1975** – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
- e. **Limited English Proficiency (LEP) under Executive Order 13166** - LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally-assisted and/or conducted programs on the ground of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons. LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge. You must take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to USDA programs, services, and information your organization provides. These protections are pursuant to Executive Order 13166 entitled, “Improving Access to Services by Persons with Limited English Proficiency” and further affirmed in the USDA Departmental Regulation 4330-005, “Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA.”

Agency financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. You must display posters (provided by the Agency) informing users of these requirements, and the Agency will monitor your compliance with these requirements during regular compliance reviews.

45. **Compliance Reviews and Data Collection** - The Agency will conduct regular compliance reviews of the borrower and its operation in accordance with 7 CFR Part 1901, Subpart E, and 36 CFR 1191, Americans with Disabilities Act (ADA) Accessibility Guidelines for Buildings and Facilities; Architectural Barriers Act (ABA) Accessibility Guidelines. Compliance reviews will typically be conducted in conjunction with the security inspections described in this letter. If beneficiaries (users) are required to complete an application or screening for the use of the facility or service that you provide, you must request and collect data by race (American Indian or Alaska Native, Asian, Black or African American, White); ethnicity (Hispanic or Latino, Not Hispanic or Latino); and by sex. The Agency will utilize this data as part of the required compliance review.

SECTION VIII – REMEDIES FOR NON-COMPLIANCE

Non-compliance with the conditions in this letter or requirements of your security documents will be addressed under the provisions of 7 CFR 1782 and other applicable regulations, statutes, and policies.

We look forward to working with you to complete this project. If you have any questions, please contact Michael Billings at 620-380-3109 or by e-mail at mike.billings@ks.usda.gov

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Billings", with a long, sweeping horizontal stroke extending to the right.

Michael Billings
Area Specialist

Attachments

cc: Shane Hastings, Community Programs Director
Eugene Spears, Engineer



United States Department of Agriculture

August 30, 2018

Thomas Burk Jr., Mayor
City of Caney
PO Box 129
Caney, KS 67333-0129

Dear Mayor Burk:

This is to notify you that, as of August 29, 2018, a loan and grant in the amounts of \$2,741,000.00 and \$265,000.00, respectively, were reserved for your sewer project.

Attached for your records is a signed copy of Form RD 1940-1, "Request for Obligation of Funds."

If we may be of further service, contact our office at 785-271-2738.

Sincerely,

SHANE S. HASTINGS
Community Programs Director

Attachment

cc: Mike Billings, Loan Specialist, USDA Rural Development, Iola, KS

Rural Development • Kansas

Hays Office
2715 Canterbury Drive
Hays, KS 67601
Phone: (785) 628-3081, Ext. 4
Fax: (877) 470-3801

Iola Office
202 W. Miller Road
Iola, KS 68749
Phone: (620) 365-2901, Ext. 4
Fax: (877) 470-3801

Newton Office
1405 South Spencer Road
Newton, KS 67114
Phone: (318) 283-0370, Ext. 4
Fax: (877) 470-3801

Topeka Office
1303 SW First American Pl, Ste 100
Topeka, KS 66604
Phone: (785) 271-2700
Fax: (877) 470-3801

USDA is an equal opportunity provider, employer, and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program_intake@usda.gov.



May 18, 2020

City of Caney
ATTN: Mayor Burk Jr.
100 W. 4th Ave
Caney, KS 67333

Phase 2

1-7

SUBJECT: Recipient Name: Caney, City of
Project Name: Collection System Improvements
Amendment to Original Letter of Conditions (Sewer Application)

Dear Mayor Burk Jr.:

This letter reaffirms conditions set out in our previous Letter of Conditions (LOC) dated 8/28/18 and establishes conditions which must be understood and agreed to by you before further consideration may be given to the application and which must be met before the loan can be closed. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA Rural Development, by written amendment to this letter. Any changes not approved by USDA Rural Development shall be cause for discontinuing processing of the application. Unless modified by this amendment any of the original and previously amended letters will remain in effect for this project and change in funding.

This amended letter is not to be considered as a loan approval or as representation as to the availability of funds. The docket may be completed on the basis of an additional loan not to exceed \$693,000 at the poverty rate of interest, which is currently 1.375%. If USDA Rural Development makes the loan you may make a written request that the interest rate be the lower of the rate in effect at the time of loan approval or the time of loan closing. If you do not request the lower of the two interest rates, the interest rate charged will be the rate in effect at the time of loan approval. The loan will be considered approved the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. If you want the lower of the two rates, your written request should be submitted to USDA Rural Development as soon as practical. In order to avoid possible delays in loan closing, such a request should ordinarily be submitted at least 30 calendar days before loan closing.

The docket may be developed on the basis of a supplemental loan of \$693,000 which when added to the previous loan of \$2,741,000 and grant of \$265,000 provides a total loan of \$3,434,000 and grant of \$265,000. The Community Development Block Grant of \$600,000 remains unchanged. The revised total project cost has increased to \$4,299,000.

Rural Development • Kansas
Community Programs

Hays Office
2715 Canterbury Drive
Hays, KS 67601
Phone: (785) 628-3081
Fax: (877) 470-3801

Iola Office
202 W. Miller Road
Iola, KS 66749
Phone: (620) 365-2901
Fax: (877) 470-3801

Newton Office
1405 South Spencer Road
Newton KS 67114
Phone: (316) 283-0370
Fax: (877) 470-3801

Topeka Office
1303 SW First American Place, Ste 100
Topeka, KS 66604
Phone: (785) 271-2700
Fax: (877) 470-3801

USDA is an equal opportunity provider, employer, and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any UECA office, or call (800) 633-6992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov

If you agree to meet the conditions set forth in this letter and desire further consideration be given to your application, please complete and return the following forms within 10 days:

- Form RD 1942-46, "Letter of Intent to Meet Conditions"
- Form RD 1940-1, "Request for Obligation of Funds"

The loan will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds," is signed by the approving official, and mailed to you. Thus, this letter does not constitute loan approval, nor does it ensure that funds are or will be available for the project.

If the conditions set forth in this letter are not met within 280 days from the date hereof, USDA Rural Development reserves the right to discontinue the processing of your application.

The approval of your supplemental loan will be considered, subject to the following conditions:

A. Conditions to be Met Before Start of Construction:

1. You will adopt RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)" for the additional loan.
2. This subsequent loan will be made through the City's issuance of a GO Bond in the amount of \$693,000. Principal payments will not be deferred.

3. <u>Project Costs:</u>	<u>Total Budgeted:</u>
Construction	\$ 3,617,427
Contingencies	\$ 172,773
Engineering Fees	\$ 362,800
Includes:	
Design	\$ 242,800
Construction Administration	\$ 120,000
Interest - Interim	\$ 106,000
CDBG Administration	\$ 25,000
Legal Fees – Attorney & Bond Counsel	<u>\$ 15,000</u>
Total Project Costs	\$ 4,299,000

4. <u>Project Funding Source:</u>	<u>Funding Amount</u>
USDA Rural Development Loan	\$ 2,741,000
USDA Rural Development Grant	\$ 265,000 GRANT
CDBG	\$ 600,000 CDBG
USDA Rural Development Loan-Subsequent	<u>\$ 693,000</u>
Total Project Funding	\$ 4,299,000

Evidence of the availability of the above funds must be provided to USDA Rural Development. Without this participation, viability of the project is questionable.

5. You must have an agreement with your engineer. This agreement must be approved by USDA Rural Development prior to its execution. EJCDC Document E-500 "Standard Form of Agreement Between Owner and Engineer for Professional Services" should be used for this purpose.
6. You must adopt a rate schedule sufficient to produce the required revenue and which must meet the approval of USDA Rural Development. The schedule will be determined prior to award of bid.

B. Conditions to be Met at Closing:

1. You will adopt the necessary ordinances or resolutions for the GO Bond. The attorney will obtain for you and USDA Rural Development a Bond Counsel's Preliminary Opinion that legal requirements have been met and that the revenue bonds will be legally valid when issued according to the Bond Counsel's instructions. Annual principal payments and annual interest payments will be required.
2. You will execute RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)".

C. Conditions to be Met After Closing:

1. You will be required to establish accounts, including reserve, from revenue received as required in the Loan Resolution and Bond Ordinance as described in the original Letter of Conditions. Disbursement of funds from these accounts will be only for the purposes specified.
2. **Audits** – An annual audit under the Single Audit Act is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. It is not intended that audits required by this part be separate and apart from audits performed in accordance with State and local laws. To the extent feasible, the audit work should be done in conjunction with those audits. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law, and must be submitted within 9 months of your fiscal year end.

If an audit is required, you must enter into a written agreement with the auditor and submit a copy to the Agency prior to the advertisement of bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit or financial statements to be completed, the time frame in which the audit or financial statements will be completed, what type of reports will be generated from the services provided, and how irregularities will be reported.

Financial Statements – If you expend less than \$750,000 in Federal financial assistance per fiscal year, you may submit financial statements in lieu of an audit which include at a minimum a balance sheet and an income and expense statement. You may use Form RD 442-2, "Statement of Budget, Income and Equity," and 442-3, "Balance Sheet," or similar format to provide the financial information. The financial statements must be signed by the appropriate borrower official and submitted within 60 days of your fiscal year end.

3. If at any time it shall appear to the Government that you are able to refinance the amount of the debt then outstanding, in whole or in part, by obtaining a loan for such purposes from a responsible cooperative or private credit sources, at reasonable rates and terms for loans of similar purposes and periods of time, you will, upon request of the Government, apply for and accept such loan in a sufficient amount to repay the Government and will take such action as may be required in connection with such loan.

Sincerely,

Michael Billings

Michael Billings
Area Specialist

REQUEST FOR OBLIGATION OF FUNDS

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED ()			
Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.			
1. CASE NUMBER ST CO BORROWER ID 18-063-*****2966		LOAN NUMBER	FISCAL YEAR
2. BORROWER NAME City of Caney		3. NUMBER NAME FIELDS 11, 2, or 3 from Item 2:	
		4. STATE NAME Kansas	
		5. COUNTY NAME Montgomery	
GENERAL BORROWER/LOAN INFORMATION			
6. RACE/ETHNIC CLASSIFICATION 1 - WHITE 2 - BLACK 3 - HISPANIC 4 - HISPANIC 5 - A/P/I	7. TYPE OF APPLICANT 1 - INDIVIDUAL 2 - PARTNERSHIP 3 - CORPORATION 4 - PUBLIC BODY 5 - ASSOC OF FARMERS 6 - ORG OF FARMERS 7 - NONPROFIT-SECULAR 8 - NONPROFIT-FAITH BASED 9 - INDIAN TRIBE 10 - PUBLIC COLLEGE/UNIVERSITY 11 - OTHER	8. COLLATERAL CODE 1 - REAL ESTATE SECURED 2 - REAL ESTATE AND CHATTEL 3 - NOTE ONLY OR CHATTEL ONLY 4 - MACHINERY ONLY 5 - LIVESTOCK ONLY 6 - CROPS ONLY 7 - SECURED BY BONDS 8 - REF ADCT	9. EMPLOYEE RELATIONSHIP CODE 1 - EMPLOYEE 2 - MEMBER OF FAMILY 3 - CLOSE RELATIVE 4 - ASSOC
10. SEX CODE 1 - MALE 2 - FEMALE 3 - FAMILY UNK 4 - DOMAN MALE OWNED 5 - ORGAN FEMALE OWNED 6 - PUBLIC BODY	11. MARITAL STATUS 1 - MARRIED 2 - SEPARATED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	12. VETERAN CODE 1 - YES 2 - NO	13. CREDIT REPORT 1 - YES 2 - NO
14. DIRECT PAYMENT 1 (See FMI)	15. TYPE OF PAYMENT 1 - MONTHLY 2 - ANNUALY 3 - SEMI-ANNUALY 4 - QUARTERLY	16. FEE INSPECTION 1 - YES 2 - NO	
17. COMMUNITY SIZE 1 - 10 OR LESS (FOR SFH AND HPG ONLY) 2 - OVER 10 OR LESS	18. USE OF FUNDS CODE (See FMI)		
COMPLETE FOR OBLIGATION OF FUNDS			
19. TYPE OF ASSISTANCE 062 (See FMI)	20. PURPOSE CODE 0	21. SOURCE OF FUNDS	22. TYPE OF ACTION 1 - OBLIGATION ONLY 2 - OBLIGAT.ON/CHECK REQUEST 3 - CORRECTION OF OBLIGATION
23. TYPE OF SUBMISSION 1 - INITIAL 2 - SUBSEQUENT 2	24. AMOUNT OF LOAN \$693,000.00	25. AMOUNT OF GRANT	
26. AMOUNT OF IMMEDIATE ADVANCE	27. DATE OF APPROVAL MO DAY YR	28. INTEREST RATE 1.3750 %	29. REPAYMENT TERMS 40
COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS			
30. PROFIT TYPE 1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT			
COMPLETE FOR EM LOANS ONLY		COMPLETE FOR CREDIT SALE-ASSUMPTION	
31. DISASTER DESIGNATION NUMBER (See FMI)		32. TYPE OF SALE 1 - CREDIT SALE ONLY 2 - ASSUMPTION ONLY 3 - CREDIT SALE WITH SUBSEQUENT LOAN 4 - ASSUMPTION WITH SUBSEQUENT LOAN	
FINANCE OFFICE USE ONLY		COMPLETE FOR FP LOANS ONLY	
33. OBLIGATION DATE MO DA YR		34. BEGINNING FARMER/RANCHER (See FMI)	

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing at your request, review in lieu of a hearing. Please use the format shown below for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder COPY 1 - Finance Office COPY 2 - Applicant/Lender COPY 3 - State Office

Accession to the Process of Collection of 1992: This agency may not collect or use any information not required to respond to a collection of information unless it displays a valid OMB control number. The total burden time for this information collection is 05 minutes. The time required to copy the information collection is estimated to average 12 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

CERTIFICATION APPROVAL

For All Farmers Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

Subject to Letter of Conditions dated May 18, 2020. WEP loan funds to be used for eligible project costs.

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form. YES NO

WARNING: Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

Date _____, 20 20 _____ Mayor (Signature of Applicant)

Date _____, 20 _____ (Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

(Signature of Approving Official)

Typed or Printed Name: Daniel E. Fischer

Date Approved: _____ Title: CP Director

38. TO THE APPLICANT: As of this date _____, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.

LETTER OF INTENT TO MEET CONDITIONS

Date 05-18-2020

TO: United States Department of Agriculture

Rural Development

(Name of USDA Agency)

202 West Miller Rd
Iola, KS 66749

(USDA Agency Office Address)

We have reviewed and understand the conditions set forth in your letter dated 05-18-2020. It is our intent to meet all of them not later than 02-22-2021.

City of Caney

(Name of Association)

BY _____

Mayor

(Title)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a persons is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0570-0062. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.



May 20, 2020

Thomas Burk, Jr., Mayor
City of Caney
PO Box 129
Caney, KS 67333

Dear Mayor Burk:

This is to notify you that as of May 19, 2020, a loan in the amount of \$693,000.00, has been reserved for your sewer project.

Attached for your records is a signed copy of Form RD 1940-1, "Request for Obligation of Funds."

If we may be of further service, contact our office at (785) 271-2737.

Sincerely,

Daniel E. Fischer

DANIEL E. FISCHER
Community Programs Director

Attachment

cc: Michael Billings, Loan Specialist, USDA Rural Development, Iola, KS

Rural Development • Kansas

Hays Office
2715 Canterbury Drive
Hays, KS 67601
Phone: (785) 628-3081, Ext. 4
Fax: (877) 470-3801

Iola Office
202 W. Miller Road
Iola, KS 66749
Phone: (620) 365-2901, Ext. 4
Fax: (877) 470-3801

Newton Office
1405 South Spencer Road
Newton, KS 67114
Phone: (316) 283-0370, Ext. 4
Fax: (877) 470-3801

Topeka Office
1303 SW First American Pl, Ste 100
Topeka, KS 66604
Phone: (785) 271-2700
Fax: (877) 470-3801

USDA is an equal opportunity provider, employer, and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.



September 20, 2021

City of Caney
ATTN: Mayor Burk Jr.
100 W. 4th Ave
Caney, KS 67333

SUBJECT: Recipient Name: Caney, City of
Project Name: Collection System Improvements
Amendment to Original Letter of Conditions (Sewer Application)

Dear Mayor Burk Jr.:

This letter reaffirms conditions set out in our previous Letters of Conditions (LOC) dated 8/28/18 and 5/18/20 and establishes conditions which must be understood and agreed to by you before further consideration may be given to the application and which must be met before the loan can be closed. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA Rural Development, by written amendment to this letter. Any changes not approved by USDA Rural Development shall be cause for discontinuing processing of the application. Unless modified by this amendment any of the original and previously amended letters will remain in effect for this project and change in funding.

This amended letter is not to be considered as a loan approval or as representation as to the availability of funds. The docket may be completed on the basis of an additional loan not to exceed \$668,000 at the poverty rate of interest, which is currently 1.375% and additional grant not to exceed \$398,000. If USDA Rural Development makes the loan you may make a written request that the interest rate be the lower of the rate in effect at the time of loan approval or the time of loan closing. If you do not request the lower of the two interest rates, the interest rate charged will be the rate in effect at the time of loan approval. The loan will be considered approved the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. If you want the lower of the two rates, your written request should be submitted to USDA Rural Development as soon as practical. In order to avoid possible delays in loan closing, such a request should ordinarily be submitted at least 30 calendar days before loan closing.

The docket may be developed on the basis of a supplemental loan of \$668,000 and a supplemental grant of \$398,000, which when added to the previous loans of \$2,741,000 and \$693,000 and grant of \$265,000 provides a total loan of \$4,102,000 and grant of \$663,000. The Community Development Block Grant of \$600,000 remains unchanged. The revised total project cost has increased to \$5,365,000.

Rural Development • Kansas
Community Programs

Hays Office
2715 Canterbury Drive
Hays, KS 67601
Phone: (785) 628-3081
Fax: (877) 470-3801

Iola Office
202 W. Miller Road
Iola, KS 66749
Phone: (620) 365-2901
Fax: (877) 470-3801

Newton Office
1405 South Spencer Road
Newton, KS 67114,
Phone: (316) 283-0370
Fax: (877) 470-3801

Topeka Office
1303 SW First American Place, Ste 100
Topeka, KS 66604
Phone: (785) 271-2700
Fax: (877) 470-3801

USDA is an equal opportunity provider, employer, and lender.

If you agree to meet the conditions set forth in this letter and desire further consideration be given to your application, please complete and return the following forms within 10 days:

- Form RD 1942-46, "Letter of Intent to Meet Conditions"
- Form RD 1940-1, "Request for Obligation of Funds"

The loan will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds," is signed by the approving official, and mailed to you. Thus, this letter does not constitute loan approval, nor does it ensure that funds are or will be available for the project.

If the conditions set forth in this letter are not met within 280 days from the date hereof, USDA Rural Development reserves the right to discontinue the processing of your application.

The approval of your supplemental loan will be considered, subject to the following conditions:

A. Conditions to be Met Before Start of Construction:

1. You will adopt RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)" for the additional loan.
2. This subsequent loan will be made through the City's issuance of a GO Bond in the amount of \$668,000. Principal payments will not be deferred.

3. <u>Project Costs:</u>	<u>Total Budgeted:</u>
Construction	\$ 4,534,187
Contingencies	\$ 159,013
Engineering Fees	\$ 525,800
Includes:	
Design	\$ 288,800
Construction Administration	\$ 237,000
Interest - Interim	\$ 106,000
CDBG Administration	\$ 25,000
Legal Fees – Attorney & Bond Counsel	<u>\$ 15,000</u>
Total Project Costs	\$ 5,365,000

4. <u>Project Funding Source:</u>	<u>Funding Amount</u>
USDA Rural Development Loan	\$ 2,741,000
USDA Rural Development Grant	\$ 265,000
CDBG	\$ 600,000
USDA Rural Development Loan-Subsequent	\$ 693,000
USDA Rural Development Loan-Subsequent #2	\$ 668,000
USDA Rural Development Grant-Subsequent #2	\$ 398,000
Total Project Funding	\$ 5,365,000

Evidence of the availability of the above funds must be provided to USDA Rural Development. Without this participation, viability of the project is questionable.

5. You must have an agreement with your engineer. This agreement must be approved by USDA Rural Development prior to its execution. EJCDC Document E-500 "Standard Form of Agreement Between Owner and Engineer for Professional Services" should be used for this purpose.

6. You must adopt a rate schedule sufficient to produce the required revenue and which must meet the approval of USDA Rural Development. The schedule will be determined prior to award of bid.

B. Conditions to be Met at Closing:

1. You will adopt the necessary ordinances or resolutions for the GO Bond. The attorney will obtain for you and USDA Rural Development a Bond Counsel's Preliminary Opinion that legal requirements have been met and that the GO bond will be legally valid when issued according to the Bond Counsel's instructions. Annual principal payments and annual interest payments will be required.
2. You will execute RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)".

C. Conditions to be Met After Closing:

1. You will be required to establish accounts, including reserve, from revenue received as required in the Loan Resolution and Bond Ordinance as described in the original Letter of Conditions. Disbursement of funds from these accounts will be only for the purposes specified.
2. **Audits** – An annual audit under the Single Audit Act is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.
All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. It is not intended that audits required by this part be separate and apart from audits performed in accordance with State and local laws. To the extent feasible, the audit work should be done in conjunction with those audits. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law, and must be submitted within 9 months of your fiscal year end.
If an audit is required, you must enter into a written agreement with the auditor and submit a copy to the Agency prior to the advertisement of bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit or financial statements to be completed, the time frame in which the audit or financial statements will be completed, what type of reports will be generated from the services provided, and how irregularities will be reported.
Financial Statements – If you expend less than \$750,000 in Federal financial assistance per fiscal year, you may submit financial statements in lieu of an audit which include at a minimum a balance sheet and an income and expense statement. You may use Form RD 442-2, "Statement of Budget, Income and Equity," and 442-3, "Balance Sheet," or similar format to provide the financial information. The financial statements must be signed by the appropriate borrower official and submitted within 60 days of your fiscal year end.

3. If at any time it shall appear to the Government that you are able to refinance the amount of the debt then outstanding, in whole or in part, by obtaining a loan for such purposes from a responsible cooperative or private credit sources, at reasonable rates and terms for loans of similar purposes and periods of time, you will, upon request of the Government, apply for and accept such loan in a sufficient amount to repay the Government and will take such action as may be required in connection with such loan.

Sincerely,

Michael Billings

Michael Billings
Area Specialist



September 30, 2021

Thomas Burk, Jr., Mayor
City of Caney
PO Box 129
Caney, KS 67333-0129

Dear Mayor Burk:

This is to notify you that as of September 22, 2021, a long and grant in the amounts of \$668,000.00 and \$398,000.00, respectively, have been reserved for your sewer project.

Attached for your records is a signed copy of Form RD 1940-1, "Request for Obligation of Funds."

If we may be of further service, contact our office at (785) 271-2737.

Sincerely,

DANIEL E. FISCHER
Community Programs Director

Attachment

cc: Mike Billings, Loan Specialist, USDA Rural Development, Iola, KS

Rural Development • Kansas

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May 16, 2022

City of Caney
ATTN: Mayor Elliott
100 W. 4th Ave
Caney, KS 67333

SUBJECT: Recipient Name: Caney, City of
Project Name: Collection System Improvements
Amendment to Original Letter of Conditions (Sewer Application)

Dear Mayor Elliott:

This letter reaffirms conditions set out in our previous Letters of Conditions (LOC) dated 8/28/18, 5/18/20, and 9/20/21 and establishes conditions which must be understood and agreed to by you before further consideration may be given to the application and which must be met before the loan can be closed. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA Rural Development, by written amendment to this letter. Any changes not approved by USDA Rural Development shall be cause for discontinuing processing of the application. Unless modified by this amendment any of the original and previously amended letters will remain in effect for this project and change in funding.

This amended letter is not to be considered as a loan approval or as representation as to the availability of funds. The docket may be completed on the basis of an additional loan not to exceed \$577,000 at the poverty rate of interest, which is currently 1.5% and additional grant not to exceed \$291,000. If USDA Rural Development makes the loan you may make a written request that the interest rate be the lower of the rate in effect at the time of loan approval or the time of loan closing. If you do not request the lower of the two interest rates, the interest rate charged will be the rate in effect at the time of loan approval. The loan will be considered approved the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. If you want the lower of the two rates, your written request should be submitted to USDA Rural Development as soon as practical. In order to avoid possible delays in loan closing, such a request should ordinarily be submitted at least 30 calendar days before loan closing.

The docket may be developed on the basis of a supplemental loan of \$626,000 and a supplemental grant of \$342,000, which when added to the previous loans of \$2,741,000, \$693,000, and \$668,000 and grants of \$265,000 and \$398,000 provides a total loan of \$4,679,000 and grant of \$954,000. The Community Development Block Grant of \$600,000 remains unchanged. The revised total project cost has increased to \$6,233,000.

Rural Development • Kansas
Community Programs

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Fax: (877) 470-3801

USDA is an equal opportunity provider, employer, and lender.

5. You must have an agreement with your engineer. This agreement must be approved by USDA Rural Development prior to its execution. EJCDC Document E-500 "Standard Form of Agreement Between Owner and Engineer for Professional Services" should be used for this purpose.
6. You must adopt a rate schedule sufficient to produce the required revenue and which must meet the approval of USDA Rural Development. The schedule will be determined prior to award of bid.

B. Conditions to be Met at Closing:

1. You will adopt the necessary ordinances or resolutions for the GO Bond. The attorney will obtain for you and USDA Rural Development a Bond Counsel's Preliminary Opinion that legal requirements have been met and that the GO bond will be legally valid when issued according to the Bond Counsel's instructions. Annual principal payments and annual interest payments will be required.
2. You will execute RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)".

C. Conditions to be Met After Closing:

1. You will be required to establish accounts, including reserve, from revenue received as required in the Loan Resolution and Bond Ordinance as described in the original Letter of Conditions. Disbursement of funds from these accounts will be only for the purposes specified.
2. **Audits** – An annual audit under the Single Audit Act is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. It is not intended that audits required by this part be separate and apart from audits performed in accordance with State and local laws. To the extent feasible, the audit work should be done in conjunction with those audits. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law, and must be submitted within 9 months of your fiscal year end.

If an audit is required, you must enter into a written agreement with the auditor and submit a copy to the Agency prior to the advertisement of bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit or financial statements to be completed, the time frame in which the audit or financial statements will be completed, what type of reports will be generated from the services provided, and how irregularities will be reported.

Financial Statements – If you expend less than \$750,000 in Federal financial assistance per fiscal year, you may submit financial statements in lieu of an audit which include at a minimum a balance sheet and an income and expense statement. You may use Form RD 442-2, "Statement of Budget, Income and Equity," and 442-3, "Balance Sheet," or similar format to provide the financial information. The financial statements must be signed by the appropriate borrower official and submitted within 60 days of your fiscal year end.

3. If at any time it shall appear to the Government that you are able to refinance the amount of the debt then outstanding, in whole or in part, by obtaining a loan for such purposes from a responsible cooperative or private credit sources, at reasonable rates and terms for loans of similar purposes and periods of time, you will, upon request of the Government, apply for and accept such loan in a sufficient amount to repay the Government and will take such action as may be required in connection with such loan.

Sincerely,

Michael Billings

Michael Billings
Area Specialist



May 24, 2022

Joshua Elliott, Mayor
City of Caney
100 W 4th Street
Caney, KS 67333

Dear Mayor Elliott:

This is to notify you that as of May 17, 2022, a loan and grant in the amounts of \$577,000.00 and \$291,000.00, respectively, have been reserved for your sewer project.

Attached for your records is a signed copy of Form RD 1940-1, "Request for Obligation of Funds."

If we may be of further service, contact our office at (785) 271-2737.

Sincerely,

DANIEL E. FISCHER
Community Programs Director

Attachment

Cc: Mike Billings, Loan Specialist, USDA Rural Development, Iola, KS

Rural Development • Kansas

Hays Office
2715 Canterbury Drive
Hays, KS 67801
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no: 1410
LOAN RESOLUTION
 (Public Bodies)

A RESOLUTION OF THE city council

OF THE City of Caney

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

sanitary sewer

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the City of Caney

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

Six Hundred Sixty-Eight Thousand & 00 100

pursuant to the provisions of K.S.A. 15-101, et seq.; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 398,000.00

under the terms offered by the Government; that the Mayor

and City Clerk of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas 6 Nays 0 Absent 2

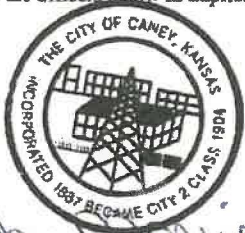
IN WITNESS WHEREOF, the city council of the

City of Caney has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this 20th day of June, 2022

(SEAL)

Attest:




Debbie Morrison
Debbie Morrison
Title City Clerk

By Joshua Elliott
Joshua Elliott
Title Mayor

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as City Clerk of the City of Caney
hereby certify that the city council of such Association is composed of
8 members, of whom, 6 constituting a quorum, were present at a meeting thereof duly called and
held on the 20TH day of JUNE 2022; and that the foregoing resolution was adopted at such meeting
by the vote shown above, I further certify that as of AUGUST 10TH, 2022
the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been
rescinded or amended in any way.

Dated, this 20TH day of JUNE, 2022


Debbie Morrison
Title City Clerk

MO: 1411
LOAN RESOLUTION
 (Public Bodies)

A RESOLUTION OF THE city council

OF THE City of Caney

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS sanitary sewer

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the City of Caney

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

Five Hundred Seventy-Seven Thousand & 00 100

pursuant to the provisions of K.S.A. 15-101, et seq. and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 291,000.00

under the terms offered by the Government; that the Mayor

and City Clerk of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas 6 Nays 0 Absent 2

IN WITNESS WHEREOF, the city council of the

City of Caney has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this 2022, 20th day of June



(SEAL)

Attest:

Debbie Morrison
Title City Clerk

By Joshua Elliott
Joshua Elliott
Title Mayor

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as City Clerk of the City of Caney

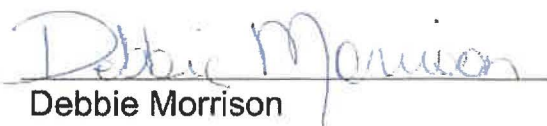
hereby certify that the city council of such Association is composed of

8 members, of whom, 6 constituting a quorum, were present at a meeting thereof duly called and

held on the 20TH day of JUNE, 2022; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of AUGUST 10TH, 2022, the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this 20TH day of JUNE, 2022



Debbie Morrison

Title City Clerk

EVENT NOTICE

August 10, 2022

CITY OF CANEY, KANSAS

\$668,000
GENERAL OBLIGATION BONDS
SERIES 2022-A

\$577,000
GENERAL OBLIGATION BONDS
SERIES 2022-B

DATED AUGUST 10, 2022

Issuer/Obligated Person: City of Caney, Kansas (the "Issuer")

Event Reported: Placement of \$668,000 General Obligation Bonds, Series 2022-A and \$577,000 General Obligation Bonds, Series 2022-B

Authority and Purpose. The Issuer issued its \$668,000 original principal amount of General Obligation Bonds, Series 2022-A, and \$577,000 original principal amount of General Obligation Bonds, Series 2022-B (the "Bonds") on August 10, 2022. The Bonds were purchased by United States of America-Department of Agriculture. The Bonds are being issued pursuant to K.S.A. 12-617 *et seq.*, as amended by Charter Ordinance No. 30 of the City, as amended, Ordinance No. 2182 and Resolution No. 1413 of the Issuer (collectively the "Bond Resolution") for the purpose of paying a portion of the costs of certain sewer improvements.

Redemption by Issuer.

(a) **Optional Redemption.** At the option of the Issuer, the Bonds (including installments of principal set forth on the Amortization Schedule) may be called for redemption and payment prior to the Stated Maturity as a whole or in part (selection of principal installments and amounts to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

(b) **Mandatory Redemption.** The Issuer acknowledges the provisions of 7 U.S.C. 1983(3) and right of USDA to require the redemption of the entire unpaid principal amount of the Bonds in accordance therewith.

Security for the Bonds. The Bonds are general obligations of the Issuer payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are pledged under the Bond Resolution to the payment of the principal of and interest on the Bonds. In the Bond Resolution, the governing body of the Issuer has covenanted to annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, by levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law.

Amortization Schedule. The Bonds shall mature as follows:

AMORTIZATION SCHEDULE – SERIES 2022-A BONDS

Payment Date	Amort. Pmt. No.	Interest Rate	Payments			Principal Balance
			Interest	Principal	Total	
8/10/2022						\$ 668,000.00
8/10/2022	-					
8/10/2023	1	1.375%	9,185.00	12,639.00	21,824.00	655,361.00
8/10/2024	2	1.375%	9,011.21	12,812.79	21,824.00	642,548.21
8/10/2025	3	1.375%	8,835.04	12,988.96	21,824.00	629,559.25
8/10/2026	4	1.375%	8,656.44	13,167.56	21,824.00	616,391.69
8/10/2027	5	1.375%	8,475.39	13,348.61	21,824.00	603,043.08
8/10/2028	6	1.375%	8,291.84	13,532.16	21,824.00	589,510.92
8/10/2029	7	1.375%	8,105.78	13,718.22	21,824.00	575,792.70
8/10/2030	8	1.375%	7,917.15	13,906.85	21,824.00	561,885.85
8/10/2031	9	1.375%	7,725.93	14,098.07	21,824.00	547,787.78
8/10/2032	10	1.375%	7,532.08	14,291.92	21,824.00	533,495.86
8/10/2033	11	1.375%	7,335.57	14,488.43	21,824.00	519,007.43
8/10/2034	12	1.375%	7,136.35	14,687.65	21,824.00	504,319.78
8/10/2035	13	1.375%	6,934.40	14,889.60	21,824.00	489,430.18
8/10/2036	14	1.375%	6,729.66	15,094.34	21,824.00	474,335.84
8/10/2037	15	1.375%	6,522.12	15,301.88	21,824.00	459,033.96
8/10/2038	16	1.375%	6,311.72	15,512.28	21,824.00	443,521.68
8/10/2039	17	1.375%	6,098.42	15,725.58	21,824.00	427,796.10
8/10/2040	18	1.375%	5,882.20	15,941.80	21,824.00	411,854.30
8/10/2041	19	1.375%	5,663.00	16,161.00	21,824.00	395,693.30
8/10/2042	20	1.375%	5,440.78	16,383.22	21,824.00	379,310.08
8/10/2043	21	1.375%	5,215.51	16,608.49	21,824.00	362,701.59
8/10/2044	22	1.375%	4,987.15	16,836.85	21,824.00	345,864.74
8/10/2045	23	1.375%	4,755.64	17,068.36	21,824.00	328,796.38
8/10/2046	24	1.375%	4,520.95	17,303.05	21,824.00	311,493.33
8/10/2047	25	1.375%	4,283.03	17,540.97	21,824.00	293,952.36
8/10/2048	26	1.375%	4,041.84	17,782.16	21,824.00	276,170.20
8/10/2049	27	1.375%	3,797.34	18,026.66	21,824.00	258,143.54
8/10/2050	28	1.375%	3,549.47	18,274.53	21,824.00	239,869.01
8/10/2051	29	1.375%	3,298.20	18,525.80	21,824.00	221,343.21
8/10/2052	30	1.375%	3,043.47	18,780.53	21,824.00	202,562.68
8/10/2053	31	1.375%	2,785.24	19,038.76	21,824.00	183,523.92
8/10/2054	32	1.375%	2,523.45	19,300.55	21,824.00	164,223.37
8/10/2055	33	1.375%	2,258.07	19,565.93	21,824.00	144,657.44
8/10/2056	34	1.375%	1,989.04	19,834.96	21,824.00	124,822.48
8/10/2057	35	1.375%	1,716.31	20,107.69	21,824.00	104,714.79
8/10/2058	36	1.375%	1,439.83	20,384.17	21,824.00	84,330.62
8/10/2059	37	1.375%	1,159.55	20,664.45	21,824.00	63,666.17
8/10/2060	38	1.375%	875.41	20,948.59	21,824.00	42,717.58
8/10/2061	39	1.375%	587.37	21,236.63	21,824.00	21,480.95
8/10/2062	40	1.375%	295.36	21,480.95	21,776.31	-
Total			204,912.31	668,000.00	872,912.31	

AMORTIZATION SCHEDULE – SERIES 2022-B BONDS

Payment Date	Amort. Pmt. No.	Interest Rate	Payments			Principal Balance
			Interest	Principal	Total	
8/10/2022						\$ 577,000.00
8/10/2022	-					
8/10/2023	1	1.500%	8,655.00	10,635.00	19,290.00	566,365.00
8/10/2024	2	1.500%	8,495.48	10,794.52	19,290.00	555,570.48
8/10/2025	3	1.500%	8,333.56	10,956.44	19,290.00	544,614.04
8/10/2026	4	1.500%	8,169.21	11,120.79	19,290.00	533,493.25
8/10/2027	5	1.500%	8,002.40	11,287.60	19,290.00	522,205.65
8/10/2028	6	1.500%	7,833.08	11,456.92	19,290.00	510,748.73
8/10/2029	7	1.500%	7,661.23	11,628.77	19,290.00	499,119.96
8/10/2030	8	1.500%	7,486.80	11,803.20	19,290.00	487,316.76
8/10/2031	9	1.500%	7,309.75	11,980.25	19,290.00	475,336.51
8/10/2032	10	1.500%	7,130.05	12,159.95	19,290.00	463,176.56
8/10/2033	11	1.500%	6,947.65	12,342.35	19,290.00	450,834.21
8/10/2034	12	1.500%	6,762.51	12,527.49	19,290.00	438,306.72
8/10/2035	13	1.500%	6,574.60	12,715.40	19,290.00	425,591.32
8/10/2036	14	1.500%	6,383.87	12,906.13	19,290.00	412,685.19
8/10/2037	15	1.500%	6,190.28	13,099.72	19,290.00	399,585.47
8/10/2038	16	1.500%	5,993.78	13,296.22	19,290.00	386,289.25
8/10/2039	17	1.500%	5,794.34	13,495.66	19,290.00	372,793.59
8/10/2040	18	1.500%	5,591.90	13,698.10	19,290.00	359,095.49
8/10/2041	19	1.500%	5,386.43	13,903.57	19,290.00	345,191.92
8/10/2042	20	1.500%	5,177.88	14,112.12	19,290.00	331,079.80
8/10/2043	21	1.500%	4,966.20	14,323.80	19,290.00	316,756.00
8/10/2044	22	1.500%	4,751.34	14,538.66	19,290.00	302,217.34
8/10/2045	23	1.500%	4,533.26	14,756.74	19,290.00	287,460.60
8/10/2046	24	1.500%	4,311.91	14,978.09	19,290.00	272,482.51
8/10/2047	25	1.500%	4,087.24	15,202.76	19,290.00	257,279.75
8/10/2048	26	1.500%	3,859.20	15,430.80	19,290.00	241,848.95
8/10/2049	27	1.500%	3,627.73	15,662.27	19,290.00	226,186.68
8/10/2050	28	1.500%	3,392.80	15,897.20	19,290.00	210,289.48
8/10/2051	29	1.500%	3,154.34	16,135.66	19,290.00	194,153.82
8/10/2052	30	1.500%	2,912.31	16,377.69	19,290.00	177,776.13
8/10/2053	31	1.500%	2,666.64	16,623.36	19,290.00	161,152.77
8/10/2054	32	1.500%	2,417.29	16,872.71	19,290.00	144,280.06
8/10/2055	33	1.500%	2,164.20	17,125.80	19,290.00	127,154.26
8/10/2056	34	1.500%	1,907.31	17,382.69	19,290.00	109,771.57
8/10/2057	35	1.500%	1,646.57	17,643.43	19,290.00	92,128.14
8/10/2058	36	1.500%	1,381.92	17,908.08	19,290.00	74,220.06
8/10/2059	37	1.500%	1,113.30	18,176.70	19,290.00	56,043.36
8/10/2060	38	1.500%	840.65	18,449.35	19,290.00	37,594.01
8/10/2061	39	1.500%	563.91	18,726.09	19,290.00	18,867.92
8/10/2062	40	1.500%	283.02	18,867.92	19,150.94	-
Total			194,460.94	577,000.00	771,460.94	

Bond Resolution. A copy of the Bond Resolution is attached as *Exhibit A*.

No official statement or other offering document has been prepared in connection with the sale of the Bonds pursuant to an exception in Rule 15c2-12 of the SEC (the “Rule”). The Issuer has not entered into a disclosure undertaking under the Rule with regards to the Bonds.

The information provided herein is accurate as of its date. Nothing contained in this notice is, or should be construed as, a representation by the Issuer that the information included in this

notice constitutes any or all information that may be material to a decision to invest in, hold or dispose of any of the securities described above, or any other securities of the Issuer. In addition, nothing contained in this notice, nor the furnishing of this notice with EMMA in and of itself, shall obligate the Issuer to provide additional or updated information to holders of any securities.

For additional information, contact:

CITY OF CANEY, KANSAS

City Hall
100 W. 4th Avenue
Caney, Kansas 67333
Attn: Clerk
Phone No.: (620) 879-2772
Email: cityclerk@caney.kscoxmail.com

EXHIBIT A

CITY OF CANEY, KANSAS

\$668,000
GENERAL OBLIGATION BONDS
SERIES 2022-A

\$577,000
GENERAL OBLIGATION BONDS
SERIES 2022-B

DATED AUGUST 10, 2022

COPY OF THE BOND RESOLUTION

RESOLUTION NO. 1413

OF

THE CITY OF CANEY, KANSAS

ADOPTED

JULY 18, 2022

**GENERAL OBLIGATION BONDS, SERIES 2022-A
AND
GENERAL OBLIGATION BONDS, SERIES 2022-B**

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RESOLUTION NO. 1413

A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION BONDS, SERIES 2022-A, AND GENERAL OBLIGATION BONDS, SERIES 2022-B, OF THE CITY OF CANEY, KANSAS; 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; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

WHEREAS, the Issuer has heretofore passed the Ordinance authorizing the issuance of the Bonds;
and

WHEREAS, the Ordinance authorized the City Council of the Issuer (the “Governing Body”) 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 Governing Body hereby finds and determines that it is necessary for the Issuer to authorize the issuance and delivery of the Bonds in the aggregate principal amount of \$1,245,000 to pay a portion of the costs of the Improvements.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CANEY, KANSAS, AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms as used in this Bond Resolution shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

“Act” means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, and K.S.A. 12-617 *et seq.*, as amended by Charter Ordinance No. 30 of the City, all as amended and supplemented from time to time.

“Amortization Schedule” means the schedules that set forth the principal and interest payments on the Bonds, and which is attached hereto as *Schedule I* which shall also be printed on each Bond.

“Authorized Denomination” means \$5,000 or any integral multiples thereof, or any amount of principal stated to be paid pursuant to the Amortization Schedule.

“Bond and Interest Fund” means the Bond and Interest Fund of the Issuer for its general obligation bonds.

“Bond Counsel” means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

“Bond Payment Date” means each anniversary of the Dated Date of the Bond, commencing on the anniversary of the Dated Date in 2023.

“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 State Treasurer and any successors and assigns.

“Bond Resolution” means this resolution relating to the Bonds.

“Bonds” or **“Bond”** means collectively the Series 2022-A Bonds and the Series 2022-B Bonds.

“Business Day” means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

“City” means the City of Caney, Kansas.

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

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder by the United States Department of the Treasury.

“Costs of Issuance” means all costs of issuing the Bonds, including but not limited to all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, all expenses incurred in connection with receiving ratings on the Bonds, and any premiums or expenses incurred in obtaining municipal bond insurance on the Bonds.

“Costs of Issuance Account” means collectively the Costs of Issuance Account for the General Obligation Bonds, Series 2022-A, and General Obligation Bonds, Series 2022-B, created pursuant to *Section 501* hereof.

“Dated Date” means August 10, 2022.

“Debt Service Account” means collectively the Debt Service Accounts for the General Obligation Bonds, Series 2022-A, and General Obligation Bonds, Series 2022-B, created within the Bond and Interest Fund pursuant to *Section 501* hereof.

“Debt Service Requirements” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise

set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Bond Payment Date.

“Defeasance Obligations” means any of the following obligations:

- (a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or
- (b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:
 - (1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;
 - (2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;
 - (3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;
 - (4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;
 - (5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and
 - (6) such obligations are rated in a rating category by Moody's or Standard & Poor's that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

“Derivative” means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

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

- (a) Payment of the principal and of the redemption premium, if any, of any of the Bonds shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise;
- (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 Issuer 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 Bond Resolution on the part of the

Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Bonds then Outstanding.

“Federal Tax Certificate” means the Issuer's Federal Tax Certificate dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.

“Fiscal Year” means the twelve month period ending on December 31.

“Funds and Accounts” means funds and accounts created pursuant to or referred to in *Section 501* hereof.

“Governing Body” means the City Council of the Issuer.

“Grant” means the federal grants in the aggregate amount of \$689,000.

“Improvement Fund” means collectively the Improvement Fund for the General Obligation Bonds, Series 2022-A, and General Obligation Bonds, Series 2022-B, created pursuant to *Section 501* hereof.

“Improvements” means the improvements referred to in the preamble to the Ordinance.

“Independent Accountant” means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by this Bond Resolution.

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

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

“Loan Resolution” means the Loan Resolution (Form RUS Bulletin 1780-27), between the Issuer and the RD/USDA, dated as of July 18, 2022.

“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 call for redemption or otherwise.

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

“Moody's” means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody's” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

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

(a) To the Issuer at:

City Hall
100 W. 4th Avenue
Caney, Kansas 67333
Fax: (620) 879-9808

(b) To the Paying Agent at:

State Treasurer of the State of Kansas
Landon Office Building
900 Southwest Jackson, Suite 201
Topeka, Kansas 66612-1235
Fax: (785) 296-6976

(c) To the Purchaser:

United States of America
Department of Agriculture
4300 Goodfellow Blvd., Bldg. 104
St. Louis, Missouri 63120-1703

(d) To the Rating Agency(ies):

Moody's Municipal Rating Desk
7 World Trade Center
250 Greenwich Street
23rd Floor
New York, New York 10007

S&P Global Ratings, a division of S&P Global Inc.
55 Water Street, 38th Floor
New York, New York 10004

or such other address as is furnished in writing to the other parties referenced herein.

“Notice Representative” means:

- (a) With respect to the Issuer, the Clerk.
- (b) With respect to the Bond Registrar and Paying Agent, the Director of Bond Services.
- (c) With respect to the Purchaser, any director or manager of the Finance Office.
- (d) With respect to any Rating Agency, any Vice President thereof.

“Ordinance” means Ordinance No. 2182 of the Issuer authorizing the issuance of the Bonds, as amended from time to time.

“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 *Article VII* 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.

“Paying Agent” means the State Treasurer, and any successors and assigns, appointed in accordance with *Section 203* hereof.

“Permitted Investments” shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the Issuer is located which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

“Person” means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“Purchase Price” means 100% of the principal amount of the Bonds.

“Purchaser” means USDA, or if and to the extent any rights, privileges or duties of USDA hereunder are assigned by USDA pursuant to an assignment of the Loan Resolution, the assignee of USDA.

“Rating Agency” means any company, agency or entity that provides, pursuant to request of the Issuer, financial ratings for the Bonds.

“RD/USDA” means Rural Development, United States Department of Agriculture.

“Record Dates” means the fifteenth day (whether or not a Business Day) next preceding each Bond Payment Date.

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

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

“Series 2022-A Bonds” means the General Obligation Bonds, Series 2022-A, authorized and issued by the Issuer pursuant to the Ordinance and this Bond Resolution.

“Series 2022-B Bonds” means the General Obligation Bonds, Series 2022-B, authorized and issued by the Issuer pursuant to the Ordinance and this Bond Resolution.

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

“Standard & Poor's” or “S&P” means S&P Global Ratings, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“State” means the state of Kansas.

“State Treasurer” means the duly elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

“Stated Maturity” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and this Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable as set forth in the Amortization Schedule.

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

“United States Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

“USDA” means the United States of America, acting through the United States Department of Agriculture.

ARTICLE II

AUTHORIZATION AND DETAILS OF THE BONDS

Section 201. Authorization of the Bonds. The Ordinance authorized and directed to be issued the Issuer's General Obligation Bonds, Series 2022-A, in the principal amount of \$668,000, and General Obligation Bonds, Series 2022-B, in the principal amount of \$577,000, all for the purpose of providing funds to: (a) pay a portion of the costs of the Improvements; and (b) pay Costs of Issuance.

Section 202. Description of the Bonds. The Bonds shall consist of fully registered bonds in an Authorized Denomination, and shall be numbered in such manner as the Bond Registrar shall determine. All of the Bonds shall be dated as of the Dated Date, shall become due in the amounts, on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities as provided in *Article III* hereof. The Series 2022-A Bonds shall bear interest at the rate of 1.375% per annum (computed on the basis of a 365-day year) from the later of the Dated Date or the most recent Bond Payment Date on which interest has been paid in the manner set forth in *Section 204* hereof. The Series 2022-B Bonds shall bear interest at the rate of 1.500% per annum (computed on the basis of a 365-day year) from the later of the Dated Date or the most recent Bond Payment Date on which interest has been paid in the manner set forth in *Section 204* hereof.

At the option of the Purchaser, each series of the Bonds may be issued as single certificates in the denomination of \$668,000 with respect to the Series 2022-A Bonds and \$577,000 with respect to the Series 2022-B Bonds, or the respective Outstanding declining principal balances thereof. The principal on each Bond shall be payable on the dates and in the amounts set forth on the Amortization Schedule, provided that the entire remaining principal payments shall become due and payable on the Bond Payment Date in 2062. Interest on each Bond shall be payable on the Bond Payment Date. If issued as other than as a single certificate with an Amortization Schedule, the Stated Maturities and principal amounts of each Bond shall be on the dates and in the amounts as set forth in the Amortization Schedule.

Each of the Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be printed in accordance with the format required by the Attorney General of the State and shall be substantially in the form attached hereto as *EXHIBIT A* or as may be required by the Attorney General pursuant to the Notice of Systems of Registration for Kansas Municipal Bonds, 2 Kan. Reg. 921 (1983), in accordance with the Kansas Bond Registration Law, K.S.A. 10-620 *et seq.*

Section 203. Designation of Paying Agent and Bond Registrar. The State Treasurer 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 of the Issuer is hereby authorized and empowered to execute on behalf of the Issuer and agreement with the Bond Registrar and Paying Agent for the Bonds.

The Issuer will at all times maintain a Paying Agent and Bond Registrar meeting the qualifications herein described for the performance of the duties hereunder. The Issuer reserves the right to appoint a successor Paying Agent or Bond Registrar, and shall appoint a successor Paying Agent at the request of USDA, by (a) 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 (b) 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 acceptable to USDA has been appointed and has

accepted the duties of Paying Agent or Bond Registrar. Each successor Paying Agent shall be approved in writing by USDA before the appointment of such successor Paying Agent shall become effective.

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. As long as the USDA is the Owner of the Bonds, payments of principal and interest, or the Redemption Price shall be by preauthorized debit or similar banking means or such other manner as is specified by the USDA from time to time.

The principal or Redemption Price 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, upon presentation and surrender of such Bond at the principal office of the Paying Agent. Notwithstanding the foregoing, if a single certificate with an Amortization Schedule 1s issued, principal will be paid in the same manner as interest is paid and presentation and surrender of the Bond to the Paying Agent shall not be necessary until the final payment of the entire obligation evidenced by such Bond.

The interest payable on each Bond on any Bond 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 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 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 Owner 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 Issuer 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 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice at the address of such Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Bonds and at least annually shall forward a copy or summary of such records to the Issuer.

Section 205. Payments Due on Saturdays, Sundays and Holidays. In any case where a 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 Issuer 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 Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds provided for by this Bond 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 Code § 3406, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Owner hereunder or under the Bonds.

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to *Article III* hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to this *Article II*.

The Issuer 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 or Redemption Price of 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 Issuer 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 (or a designated representative thereof) of 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 Issuer by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Clerk, and the seal of the Issuer shall be affixed thereto or imprinted thereon. The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and to cause the Bonds to be registered in the office of the Clerk, which registration shall be evidenced by the manual or facsimile signature of the Clerk with the seal of the Issuer affixed thereto or imprinted thereon. The 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 Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds as herein specified, and when duly executed, to deliver the Bonds to the Bond Registrar for authentication.

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 an authorized officer or employee of the Bond Registrar, but it shall not be necessary that the same officer or employee 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 Bond 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 Bond Resolution. Upon authentication, the Bond Registrar shall deliver the Bonds to the Purchaser upon instructions of the Issuer 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 Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, 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 Issuer, in its discretion, may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this Section, the Issuer and the Paying Agent 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 Issuer, and shall be entitled to all the benefits of this Bond 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 cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and destroyed and shall file an executed counterpart of such certificate with the Issuer.

Section 210. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the Issuer 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 Bond Resolution or on, or with respect to, said Bond. If any 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, without liability for interest thereon, to the Issuer the funds 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 Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 211. Sale of the Bonds. The sale of the Bonds to the Purchaser is hereby ratified and confirmed. Delivery of the Bonds shall be made to the Purchaser on the Issue Date (which shall be as soon as practicable after the adoption of this Bond Resolution), upon payment of the Purchase Price.

Section 212. Loan Resolution. So long as USDA is the Owner of any of the Bonds, the Issuer shall be subject to the separate Loan Resolution executed and entered into by it at closing of the issuance of the Bonds in accordance with the Loan Resolution. The provisions of the Loan Resolution and the provisions of this Bond Resolution are to be construed wherever possible so that they will not be in conflict. In the event such a construction is not possible, the provisions of the Loan Resolution shall prevail.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption by Issuer.

(a) **Optional Redemption.** At the option of the Issuer, the Bonds (including installments of principal set forth on the Amortization Schedule) may be called for redemption and payment prior to the Stated Maturity as a whole or in part (selection of principal installments and amounts to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

(b) **Mandatory Redemption.** The Issuer acknowledges the provisions of 7 U.S.C. 1983(3) and right of USDA to require the redemption of the entire unpaid principal amount of the Bonds in accordance therewith.

Section 302. Selection of Bonds to be Redeemed.

(a) In the event the Issuer 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 45 days prior to the Redemption Date. 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 45 days prior to the Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in *Section 303* are met.

(b) Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Bonds are to be redeemed and paid prior to their Stated Maturity, such Bonds shall be redeemed in such manner as the Issuer shall determine. Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in a minimum Authorized Denomination of principal amount in such equitable manner as the Bond Registrar may determine.

(c) In the case of a partial redemption of Bonds, the Owner of a single certificate with Amortization Schedule need not submit such certificate for re-registration. In the case of a partial redemption of any other Bonds by lot when Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each a minimum Authorized Denomination of face value shall be treated as though it were a separate Bond of the denomination of a minimum Authorized Denomination. If it is determined that one or more, but not all, of a minimum Authorized Denomination of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem such a minimum Authorized Denomination, 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 a minimum Authorized Denomination 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 a minimum Authorized Denomination of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption. In the event the Issuer 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 45 days prior to the Redemption Date. 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 45 days prior to the Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption.

Unless waived by any Owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar, the State Treasurer and the Purchaser. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

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 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.

The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the Issuer 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 Issuer 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 cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

In addition to the foregoing notice, further notice may be given by the Issuer or the Bond Registrar on behalf of the Issuer as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed:

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) the CUSIP numbers of all Bonds being redeemed; (2) the date of issue of the Bonds as originally issued; (3) the rate of interest borne by each Bond being redeemed; (4) the maturity date of each Bond being redeemed; and (5) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least one day before the mailing of notice to Owners by first class, registered or certified mail or overnight delivery, as determined by the Bond Registrar, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(c) Each check or other transfer of funds issued for the payment of the Redemption Price of Bonds being redeemed shall bear or have enclosed the CUSIP number of the Bonds being redeemed with the proceeds of such check or other transfer.

The Paying Agent is also directed to comply with any mandatory 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.

ARTICLE IV

SECURITY FOR BONDS

Section 401. Security for the Bonds. The Bonds shall be general obligations of the Issuer payable as to both principal and interest 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 Issuer. The full faith, credit and resources of the Issuer are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 402. Levy and Collection of Annual Tax; Transfer to Debt Service Account. The Governing Body shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law.

The taxes 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 Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be transferred to the Debt Service Account 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 Paying Agent.

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

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS DEPOSIT AND APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 501. Creation of Funds and Accounts. Simultaneously with the issuance of the Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

- (a) Improvement Fund for the General Obligation Bonds, Series 2022-A, and General Obligation Bonds, Series 2022-B.

- (b) Debt Service Accounts for General Obligation Bonds, Series 2022-A, and General Obligation Bonds, Series 2022-B (within the Bond and Interest Fund).
- (c) Costs of Issuance Account for General Obligation Bonds, Series 2022-A, and General Obligation Bonds, Series 2022-B.

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 502. Deposit of Bond Proceeds and Other Moneys. The net proceeds received from the sale of the Bonds and certain other funds shall be deposited simultaneously with the delivery of the Bonds as follows:

- (a) An amount to pay the Costs of Issuance shall be deposited in the Costs of Issuance Account.
- (b) The remaining proceeds of the Bonds shall be deposited in the Improvement Fund.
- (c) In addition to proceeds of the Bonds, the Issuer will use proceeds of the Grant in the aggregate amount of \$689,000 and available funds of the City, if necessary, to pay a portion of the costs of the Improvements.

Section 503. Application of Moneys in the Improvement Fund. Moneys in the Improvement Fund shall be used for paying the costs of the Improvements in accordance with the plans and specifications therefor approved by the governing body of the Issuer and on file in the office of the Clerk, including any alterations in or amendments to said plans and specifications deemed advisable and approved by the governing body of the Issuer.

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

Upon completion of the Improvements, any surplus remaining in the Improvement Fund: (a) consisting of proceeds of the Grant shall be returned to the grantor thereof; and (b) consisting of proceeds of the Bonds shall be deposited in the Debt Service Account.

Section 504. Application of Moneys in Debt Service Account. All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the 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 Debt Service Account sums sufficient to pay both principal or Redemption Price 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 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 Issuer. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Bond Resolution and shall be held in trust 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 Debt Service Account after the retirement of the Bonds shall be transferred and paid into the Bond and Interest Fund.

Section 505. Deposits and Investment of Moneys. Moneys in each of the Funds and Accounts shall be deposited in accordance with laws of the State, in a bank, savings and loan association or savings bank organized under the laws of the State, any other state or the United States: (a) which has a main or branch office located in the Issuer; or (b) if no such entity has a main or branch office located in the Issuer, with such an entity that has a main or branch office located in the county or counties in which the Issuer is located. All such depositories shall be members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law. All such deposits shall be invested in Permitted Investments as set forth in this Article or shall be adequately secured as provided by the laws of the State. All moneys held in the Funds and Accounts shall be kept separate and apart from all other funds of the Issuer so that there shall be no commingling with any other funds of the Issuer.

Moneys held in any Fund or Account other than the Redemption Fund may be invested in accordance with this Bond Resolution and the Federal Tax Certificate 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; provided that, during the period of construction of the Improvements, earnings on the investment of such funds may, at the discretion of the Issuer, be credited to the Debt Service Account.

Section 506. Application of Moneys in the Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of 30 days prior to the first Stated Maturity of principal or one year after the date of issuance of the Bonds, shall be transferred to the Improvement Fund until completion of the Improvements and thereafter to the Debt Service Account.

ARTICLE VI

DEFAULT AND REMEDIES

Section 601. Remedies. The provisions of the Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 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 Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Bond 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 Issuer, 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 602. Limitation on Rights of Owners. The covenants and agreements of the Issuer 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 Bond 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 603. Remedies Cumulative. No remedy conferred herein upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Owner of any 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 Bond Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. If action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the Issuer and the Owners of the 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 VII

DEFEASANCE

Section 701. Defeasance. When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Bond Resolution and the pledge of the Issuer'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 Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said 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 to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall

occur until (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer 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 302(a)* of this Bond Resolution. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the Issuer, 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 other 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 Bond Resolution.

Notwithstanding anything in this Bond Resolution to the contrary, so long as any of the Bonds are owned or insured by USDA, the Issuer will not issue any additional bonds or other obligations for the purpose of providing funds to refund all or a part of the Bonds unless either: (a) all of the Bonds are paid, retired and cancelled concurrently with the issuance of such refunding bonds or obligations or at the next occurring Stated Maturity; or (b) written consent to the issuance of such refunding bonds or obligations is given by USDA.

ARTICLE VIII

TAX COVENANTS

Section 801. General Covenants. The Issuer covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Mayor and the Clerk are hereby authorized and directed to execute the Federal Tax Certificate in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the Issuer. The Issuer will, in addition, adopt such other ordinances or 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 Issuer.

Section 802. Survival of Covenants. The covenants contained in this Article and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to *Article VII* hereof or any other provision of this Bond Resolution until such time as is set forth in the Federal Tax Certificate.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 901. Insurance; Fidelity Bond Coverage. The Issuer will carry and maintain such reasonable amount of all-risk insurance on all properties constituting the Improvements insofar as they are of an insurable nature as would be carried by a municipality with similar property and performing similar functions; and in the event of loss or damage, the Issuer will use the proceeds of such insurance to reconstruct or replace the damaged or destroyed property, or if such reconstruction or replacement be unnecessary, then such proceeds shall be used in redeeming or paying off Outstanding Bonds. The Issuer also will carry general

liability insurance in amounts not less than the then maximum liability of a governmental entity for claims arising out of a single occurrence, as provided by the Kansas tort claims act or other similar future law (currently \$500,000 per occurrence).

So long as the Bonds are owned or insured by USDA, all officers and employees of the Issuer handling the Funds and Accounts shall be bonded in each Fiscal Year in an amount not less than the total Debt Service Requirements on the Outstanding Bonds, until the final maturity date of the Outstanding Bonds or such other amount as is agreed to by USDA.

As long as any of the Bonds owned or insured by USDA remain Outstanding, the Issuer will annually submit a report of its insurance and fidelity bond coverage to USDA for review and approval.

Section 902. Annual Audit. Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of its Funds and Accounts for the preceding Fiscal Year by an Independent Accountant. As long as any of the Bonds owned or insured by USDA remain Outstanding, such audit to be performed in accordance with RUS Staff Instruction 1780-4 and in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400.

Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the Clerk and a duplicate copy of the audit shall be mailed to USDA. Such audit shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer or Owner. Upon payment of the reasonable cost of preparing and mailing the same, a copy of any annual audit will, upon request, be sent to any Owner or prospective Owner.

As soon as possible after the completion of the annual audit, the governing body of the Issuer shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Bond Resolution, the Issuer shall promptly cure such deficiency.

Section 903. USDA Deemed to be Owner. So long as any of the Bonds are owned or insured by USDA remain Outstanding, USDA shall be deemed to be an Owner of such Bond.

Section 904. Sale, Disposition or Use of the Improvements. So long as any of the Bonds are owned or insured by USDA remain Outstanding, the Issuer will not sell, lease or otherwise dispose of the Improvements to any nongovernmental person or entity without the prior written consent of USDA.

Section 905. Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of this Bond Resolution, may be amended or modified at any time in any respect by ordinance or resolution of the Issuer 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 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 Issuer 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 Bond Resolution.

Any provision of the Bonds or of this Bond Resolution may, however, be amended or modified by ordinance or resolution duly adopted by the Governing Body 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 Issuer may amend or supplement this Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity herein, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Improvements, to reallocate proceeds of the Bonds among Improvements, to conform this Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Every amendment or modification of the provisions of the Bonds or of this Bond Resolution, to which the written consent of the Owners is given, as above provided, shall be expressed in a resolution or ordinance adopted by the Governing Body amending or supplementing the provisions of this Bond Resolution and shall be deemed to be a part of this Bond Resolution. A certified copy of every such amendatory or supplemental ordinance or resolution, if any, and a certified copy of this Bond Resolution shall always be kept on file in the office of the Clerk, and shall be made available for inspection by the Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Bond Resolution, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental ordinance or resolution or of this Bond Resolution will be sent by the Clerk to any such Owner or prospective Owner.

Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the Clerk a copy of the ordinance or resolution of the Issuer hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

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

Section 906. 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 Bond Resolution, and shall be conclusive in favor of the Issuer and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of 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 Bond Resolution, Bonds owned by the Issuer shall be disregarded and deemed not to be Outstanding under this Bond 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 Issuer.

Section 907. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Bond Resolution shall be in writing, given to the Notice Representative at the Notice Address and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

Section 908. Electronic Transactions. The transactions described in this Bond Resolution may be conducted, and documents related to the Bonds may be sent, received, executed, and stored, by electronic means or transmissions. Copies, teletypes, electronic files and other reproductions of original executed documents (or documents executed by electronic means or transmissions) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 909. Further Authority. The officers and officials of the Issuer, including the Mayor and Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Bond 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 910. Severability. If any section or other part of this Bond 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 Bond Resolution.

Section 911. Governing Law. This Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 912. Effective Date. This Bond Resolution shall take effect and be in full force from and after its adoption by the Governing Body.

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ADOPTED by the City Council on July 18, 2022.

(SEAL)

Mayor

ATTEST:

Clerk

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of the Bond Resolution of the Issuer adopted by the Governing Body on July 18, 2022, as the same appears of record in my office.

DATED: July 18, 2022.

Clerk

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SCHEDULE 1

AMORTIZATION SCHEDULE - COMBINED

Payment Date	Payments			Principal Balance
	Interest	Principal	Total	
8/10/2022				\$ 1,245,000.00
8/10/2023	17,840.00	23,274.00	41,114.00	1,221,726.00
8/10/2024	17,506.69	23,607.31	41,114.00	1,198,118.69
8/10/2025	17,168.60	23,945.40	41,114.00	1,174,173.29
8/10/2026	16,825.65	24,288.35	41,114.00	1,149,884.94
8/10/2027	16,477.79	24,636.21	41,114.00	1,125,248.73
8/10/2028	16,124.92	24,989.08	41,114.00	1,100,259.65
8/10/2029	15,767.01	25,346.99	41,114.00	1,074,912.66
8/10/2030	15,403.95	25,710.05	41,114.00	1,049,202.61
8/10/2031	15,035.68	26,078.32	41,114.00	1,023,124.29
8/10/2032	14,662.13	26,451.87	41,114.00	996,672.42
8/10/2033	14,283.22	26,830.78	41,114.00	969,841.64
8/10/2034	13,898.86	27,215.14	41,114.00	942,626.50
8/10/2035	13,509.00	27,605.00	41,114.00	915,021.50
8/10/2036	13,113.53	28,000.47	41,114.00	887,021.03
8/10/2037	12,712.40	28,401.60	41,114.00	858,619.43
8/10/2038	12,305.50	28,808.50	41,114.00	829,810.93
8/10/2039	11,892.76	29,221.24	41,114.00	800,589.69
8/10/2040	11,474.10	29,639.90	41,114.00	770,949.79
8/10/2041	11,049.43	30,064.57	41,114.00	740,885.22
8/10/2042	10,618.66	30,495.34	41,114.00	710,389.88
8/10/2043	10,181.71	30,932.29	41,114.00	679,457.59
8/10/2044	9,738.49	31,375.51	41,114.00	648,082.08
8/10/2045	9,288.90	31,825.10	41,114.00	616,256.98
8/10/2046	8,832.86	32,281.14	41,114.00	583,975.84
8/10/2047	8,370.27	32,743.73	41,114.00	551,232.11
8/10/2048	7,901.04	33,212.96	41,114.00	518,019.15
8/10/2049	7,425.07	33,688.93	41,114.00	484,330.22
8/10/2050	6,942.27	34,171.73	41,114.00	450,158.49
8/10/2051	6,452.54	34,661.46	41,114.00	415,497.03
8/10/2052	5,955.78	35,158.22	41,114.00	380,338.81
8/10/2053	5,451.88	35,662.12	41,114.00	344,676.69
8/10/2054	4,940.74	36,173.26	41,114.00	308,503.43
8/10/2055	4,422.27	36,691.73	41,114.00	271,811.70
8/10/2056	3,896.35	37,217.65	41,114.00	234,594.05
8/10/2057	3,362.88	37,751.12	41,114.00	196,842.93
8/10/2058	2,821.75	38,292.25	41,114.00	158,550.68
8/10/2059	2,272.85	38,841.15	41,114.00	119,709.53
8/10/2060	1,716.06	39,397.94	41,114.00	80,311.59
8/10/2061	1,151.28	39,962.72	41,114.00	40,348.87
8/10/2062	578.38	40,348.87	40,927.25	(0.00)
Total	399,373.25	1,245,000.00	1,644,373.25	

AMORTIZATION SCHEDULE – SERIES 2022-A BONDS

Payment Date	Amort. Pmt. No.	Interest Rate	Payments			Principal Balance
			Interest	Principal	Total	
8/10/2022						\$ 668,000.00
8/10/2022	-					
8/10/2023	1	1.375%	9,185.00	12,639.00	21,824.00	655,361.00
8/10/2024	2	1.375%	9,011.21	12,812.79	21,824.00	642,548.21
8/10/2025	3	1.375%	8,835.04	12,988.96	21,824.00	629,559.25
8/10/2026	4	1.375%	8,656.44	13,167.56	21,824.00	616,391.69
8/10/2027	5	1.375%	8,475.39	13,348.61	21,824.00	603,043.08
8/10/2028	6	1.375%	8,291.84	13,532.16	21,824.00	589,510.92
8/10/2029	7	1.375%	8,105.78	13,718.22	21,824.00	575,792.70
8/10/2030	8	1.375%	7,917.15	13,906.85	21,824.00	561,885.85
8/10/2031	9	1.375%	7,725.93	14,098.07	21,824.00	547,787.78
8/10/2032	10	1.375%	7,532.08	14,291.92	21,824.00	533,495.86
8/10/2033	11	1.375%	7,335.57	14,488.43	21,824.00	519,007.43
8/10/2034	12	1.375%	7,136.35	14,687.65	21,824.00	504,319.78
8/10/2035	13	1.375%	6,934.40	14,889.60	21,824.00	489,430.18
8/10/2036	14	1.375%	6,729.66	15,094.34	21,824.00	474,335.84
8/10/2037	15	1.375%	6,522.12	15,301.88	21,824.00	459,033.96
8/10/2038	16	1.375%	6,311.72	15,512.28	21,824.00	443,521.68
8/10/2039	17	1.375%	6,098.42	15,725.58	21,824.00	427,796.10
8/10/2040	18	1.375%	5,882.20	15,941.80	21,824.00	411,854.30
8/10/2041	19	1.375%	5,663.00	16,161.00	21,824.00	395,693.30
8/10/2042	20	1.375%	5,440.78	16,383.22	21,824.00	379,310.08
8/10/2043	21	1.375%	5,215.51	16,608.49	21,824.00	362,701.59
8/10/2044	22	1.375%	4,987.15	16,836.85	21,824.00	345,864.74
8/10/2045	23	1.375%	4,755.64	17,068.36	21,824.00	328,796.38
8/10/2046	24	1.375%	4,520.95	17,303.05	21,824.00	311,493.33
8/10/2047	25	1.375%	4,283.03	17,540.97	21,824.00	293,952.36
8/10/2048	26	1.375%	4,041.84	17,782.16	21,824.00	276,170.20
8/10/2049	27	1.375%	3,797.34	18,026.66	21,824.00	258,143.54
8/10/2050	28	1.375%	3,549.47	18,274.53	21,824.00	239,869.01
8/10/2051	29	1.375%	3,298.20	18,525.80	21,824.00	221,343.21
8/10/2052	30	1.375%	3,043.47	18,780.53	21,824.00	202,562.68
8/10/2053	31	1.375%	2,785.24	19,038.76	21,824.00	183,523.92
8/10/2054	32	1.375%	2,523.45	19,300.55	21,824.00	164,223.37
8/10/2055	33	1.375%	2,258.07	19,565.93	21,824.00	144,657.44
8/10/2056	34	1.375%	1,989.04	19,834.96	21,824.00	124,822.48
8/10/2057	35	1.375%	1,716.31	20,107.69	21,824.00	104,714.79
8/10/2058	36	1.375%	1,439.83	20,384.17	21,824.00	84,330.62
8/10/2059	37	1.375%	1,159.55	20,664.45	21,824.00	63,666.17
8/10/2060	38	1.375%	875.41	20,948.59	21,824.00	42,717.58
8/10/2061	39	1.375%	587.37	21,236.63	21,824.00	21,480.95
8/10/2062	40	1.375%	295.36	21,480.95	21,776.31	-
Total			204,912.31	668,000.00	872,912.31	

AMORTIZATION SCHEDULE – SERIES 2022-B BONDS

Payment Date	Amort. Pmt. No.	Interest Rate	Payments			Principal Balance
			Interest	Principal	Total	
8/10/2022	-					\$ 577,000.00
8/10/2023	1	1.500%	8,655.00	10,635.00	19,290.00	566,365.00
8/10/2024	2	1.500%	8,495.48	10,794.52	19,290.00	555,570.48
8/10/2025	3	1.500%	8,333.56	10,956.44	19,290.00	544,614.04
8/10/2026	4	1.500%	8,169.21	11,120.79	19,290.00	533,493.25
8/10/2027	5	1.500%	8,002.40	11,287.60	19,290.00	522,205.65
8/10/2028	6	1.500%	7,833.08	11,456.92	19,290.00	510,748.73
8/10/2029	7	1.500%	7,661.23	11,628.77	19,290.00	499,119.96
8/10/2030	8	1.500%	7,486.80	11,803.20	19,290.00	487,316.76
8/10/2031	9	1.500%	7,309.75	11,980.25	19,290.00	475,336.51
8/10/2032	10	1.500%	7,130.05	12,159.95	19,290.00	463,176.56
8/10/2033	11	1.500%	6,947.65	12,342.35	19,290.00	450,834.21
8/10/2034	12	1.500%	6,762.51	12,527.49	19,290.00	438,306.72
8/10/2035	13	1.500%	6,574.60	12,715.40	19,290.00	425,591.32
8/10/2036	14	1.500%	6,383.87	12,906.13	19,290.00	412,685.19
8/10/2037	15	1.500%	6,190.28	13,099.72	19,290.00	399,585.47
8/10/2038	16	1.500%	5,993.78	13,296.22	19,290.00	386,289.25
8/10/2039	17	1.500%	5,794.34	13,495.66	19,290.00	372,793.59
8/10/2040	18	1.500%	5,591.90	13,698.10	19,290.00	359,095.49
8/10/2041	19	1.500%	5,386.43	13,903.57	19,290.00	345,191.92
8/10/2042	20	1.500%	5,177.88	14,112.12	19,290.00	331,079.80
8/10/2043	21	1.500%	4,966.20	14,323.80	19,290.00	316,756.00
8/10/2044	22	1.500%	4,751.34	14,538.66	19,290.00	302,217.34
8/10/2045	23	1.500%	4,533.26	14,756.74	19,290.00	287,460.60
8/10/2046	24	1.500%	4,311.91	14,978.09	19,290.00	272,482.51
8/10/2047	25	1.500%	4,087.24	15,202.76	19,290.00	257,279.75
8/10/2048	26	1.500%	3,859.20	15,430.80	19,290.00	241,848.95
8/10/2049	27	1.500%	3,627.73	15,662.27	19,290.00	226,186.68
8/10/2050	28	1.500%	3,392.80	15,897.20	19,290.00	210,289.48
8/10/2051	29	1.500%	3,154.34	16,135.66	19,290.00	194,153.82
8/10/2052	30	1.500%	2,912.31	16,377.69	19,290.00	177,776.13
8/10/2053	31	1.500%	2,666.64	16,623.36	19,290.00	161,152.77
8/10/2054	32	1.500%	2,417.29	16,872.71	19,290.00	144,280.06
8/10/2055	33	1.500%	2,164.20	17,125.80	19,290.00	127,154.26
8/10/2056	34	1.500%	1,907.31	17,382.69	19,290.00	109,771.57
8/10/2057	35	1.500%	1,646.57	17,643.43	19,290.00	92,128.14
8/10/2058	36	1.500%	1,381.92	17,908.08	19,290.00	74,220.06
8/10/2059	37	1.500%	1,113.30	18,176.70	19,290.00	56,043.36
8/10/2060	38	1.500%	840.65	18,449.35	19,290.00	37,594.01
8/10/2061	39	1.500%	563.91	18,726.09	19,290.00	18,867.92
8/10/2062	40	1.500%	283.02	18,867.92	19,150.94	-
Total			194,460.94	577,000.00	771,460.94	

EXHIBIT A
(FORM OF SERIES 2022-A BONDS)

**REGISTERED
NUMBER** __

**REGISTERED
\$**

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF MONTGOMERY
CITY OF CANEY
GENERAL OBLIGATION BOND
SERIES 2022-A**

**Interest
Rate:**

**Maturity
Date:**

**Dated
Date: August 10, 2022**

**Identification
Number:
Principal Paydown Certificate**

REGISTERED OWNER: United States of America
Department of Agriculture
4300 Goodfellow Blvd., Bldg. 104
St. Louis, Missouri 63120-1703
Tax I.D. No. 43-1757115

PRINCIPAL AMOUNT: SIX HUNDRED SIXTY-EIGHT THOUSAND DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Caney, in the County of Montgomery, State of Kansas (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Stated Maturities set forth on the Amortization Schedule printed hereon, unless called for redemption prior to the Maturity Date shown above, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 365-day year), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable annually on the anniversary of the Dated Date of each year (the "Bond Payment Date"), commencing on the anniversary of the Dated Date in 2023 until the entire Principal Amount has been paid in full.

Method and Place of Payment. The installments of principal and interest payable on this Bond shall be paid on any Bond Payment Date by the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent" and "Bond Registrar") to the person in whose name this Bond is registered on the registration books maintained by the Bond Registrar at the close of business on the Record Date(s), which shall be the 15th day (whether or not a business day) next preceding each Bond Payment Date. As long as the USDA is the Owner of the Bonds, payments of principal and interest, or the Redemption Price shall be by preauthorized debit or similar banking means or such other manner as is specified by the USDA from time to time. Such principal of and/or interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner, or (b) in the case of an interest payment to 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 Registered Owner, not less than 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 Registered Owner wishes to have such transfer directed. The final payment of principal of this Bond, whether at the Maturity Date set forth above or upon earlier redemption shall be made upon presentation and surrender of this Bond at the principal office of the

(FORM OF REVERSE SIDE OF BOND)

ADDITIONAL PROVISIONS

Authorization of Bonds. This Bond is one of an authorized series of Bonds of the Issuer designated "General Obligation Bonds, Series 2022-A," aggregating the principal amount of \$668,000 (the "Bonds") issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Bonds and the Resolution of the Issuer prescribing the form and details 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, including K.S.A. 12-617 *et seq.*, as amended by Charter Ordinance No. 30 of the City, all as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

General Obligations. The Bonds constitute general obligations of the Issuer payable as to both principal and interest 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 Issuer. The full faith, credit and resources of the Issuer 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 become due.

Redemption Prior to Maturity. The Bonds are subject to redemption prior to maturity as follows:

Optional Redemption. At the option of the Issuer, this Bond (including installments of principal set forth on the Amortization Schedule) may be called for redemption and payment prior to the Stated Maturity as a whole or in part (selection of principal installments and amounts to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

Mandatory Redemption. The Issuer acknowledges the provisions of 7 U.S.C. 1983(3) and right of USDA to require the redemption of the entire unpaid principal amount of this Bond in accordance therewith.

Redemption Denominations. Whenever the Bond Registrar is to select Bonds for the purpose of redemption, it shall, in the case of Bonds in denominations greater than a minimum Authorized Denomination, if less than all of the Bonds then Outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such Bond as though it were a separate Bond in the denomination of a minimum Authorized Denomination.

Notice of Redemption. Notice of redemption, unless waived, shall be given by the Issuer to the State Treasurer of Kansas, the Purchaser of the Bonds and to the Bond Registrar in accordance with the Bond Resolution. The Issuer shall cause the Bond Registrar to notify each Registered Owner at the address maintained on the Bond Register, such notice to be given by mailing an official notice of redemption by first class mail at least 30 days prior to the redemption date.

Effect of Redemption. Notice of redemption having been given as aforesaid, this Bond or portions of principal 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 Issuer defaults in the payment of the redemption price), this Bond or principal portions hereof so redeemed shall cease to bear interest. Redemption of less than all of the principal amount of this Bond shall not reduce the annual installments of principal not redeemed which shall remain due and payable in accordance with the Amortization Schedule.

Transfer and Exchange. 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.

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of such Bonds:

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

(PRINTED LEGAL OPINION)

BOND ASSIGNMENT

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

(Name and Address)

(Social Security or Taxpayer Identification 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 Bond Registrar. The undersigned do(es) hereby irrevocably constitute and appoint _____ as agent 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 Identification No.

Signature (Sign here exactly as name(s)
appear on the face of Certificate)

AMORTIZATION SCHEDULE

Payment Date	Amort. Pmt. No.	Interest Rate	Payments			Principal Balance
			Interest	Principal	Total	
8/10/2022						
8/10/2022	-					\$ 668,000.00
8/10/2023	1	1.375%	9,185.00	12,639.00	21,824.00	655,361.00
8/10/2024	2	1.375%	9,011.21	12,812.79	21,824.00	642,548.21
8/10/2025	3	1.375%	8,835.04	12,988.96	21,824.00	629,559.25
8/10/2026	4	1.375%	8,656.44	13,167.56	21,824.00	616,391.69
8/10/2027	5	1.375%	8,475.39	13,348.61	21,824.00	603,043.08
8/10/2028	6	1.375%	8,291.84	13,532.16	21,824.00	589,510.92
8/10/2029	7	1.375%	8,105.78	13,718.22	21,824.00	575,792.70
8/10/2030	8	1.375%	7,917.15	13,906.85	21,824.00	561,885.85
8/10/2031	9	1.375%	7,725.93	14,098.07	21,824.00	547,787.78
8/10/2032	10	1.375%	7,532.08	14,291.92	21,824.00	533,495.86
8/10/2033	11	1.375%	7,335.57	14,488.43	21,824.00	519,007.43
8/10/2034	12	1.375%	7,136.35	14,687.65	21,824.00	504,319.78
8/10/2035	13	1.375%	6,934.40	14,889.60	21,824.00	489,430.18
8/10/2036	14	1.375%	6,729.66	15,094.34	21,824.00	474,335.84
8/10/2037	15	1.375%	6,522.12	15,301.88	21,824.00	459,033.96
8/10/2038	16	1.375%	6,311.72	15,512.28	21,824.00	443,521.68
8/10/2039	17	1.375%	6,098.42	15,725.58	21,824.00	427,796.10
8/10/2040	18	1.375%	5,882.20	15,941.80	21,824.00	411,854.30
8/10/2041	19	1.375%	5,663.00	16,161.00	21,824.00	395,693.30
8/10/2042	20	1.375%	5,440.78	16,383.22	21,824.00	379,310.08
8/10/2043	21	1.375%	5,215.51	16,608.49	21,824.00	362,701.59
8/10/2044	22	1.375%	4,987.15	16,836.85	21,824.00	345,864.74
8/10/2045	23	1.375%	4,755.64	17,068.36	21,824.00	328,796.38
8/10/2046	24	1.375%	4,520.95	17,303.05	21,824.00	311,493.33
8/10/2047	25	1.375%	4,283.03	17,540.97	21,824.00	293,952.36
8/10/2048	26	1.375%	4,041.84	17,782.16	21,824.00	276,170.20
8/10/2049	27	1.375%	3,797.34	18,026.66	21,824.00	258,143.54
8/10/2050	28	1.375%	3,549.47	18,274.53	21,824.00	239,869.01
8/10/2051	29	1.375%	3,298.20	18,525.80	21,824.00	221,343.21
8/10/2052	30	1.375%	3,043.47	18,780.53	21,824.00	202,562.68
8/10/2053	31	1.375%	2,785.24	19,038.76	21,824.00	183,523.92
8/10/2054	32	1.375%	2,523.45	19,300.55	21,824.00	164,223.37
8/10/2055	33	1.375%	2,258.07	19,565.93	21,824.00	144,657.44
8/10/2056	34	1.375%	1,989.04	19,834.96	21,824.00	124,822.48
8/10/2057	35	1.375%	1,716.31	20,107.69	21,824.00	104,714.79
8/10/2058	36	1.375%	1,439.83	20,384.17	21,824.00	84,330.62
8/10/2059	37	1.375%	1,159.55	20,664.45	21,824.00	63,666.17
8/10/2060	38	1.375%	875.41	20,948.59	21,824.00	42,717.58
8/10/2061	39	1.375%	587.37	21,236.63	21,824.00	21,480.95
8/10/2062	40	1.375%	295.36	21,480.95	21,776.31	-
Total			204,912.31	668,000.00	872,912.31	

EXHIBIT B
(FORM OF SERIES 2022-B BONDS)

**REGISTERED
NUMBER** ___

**REGISTERED
\$**

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF MONTGOMERY
CITY OF CANEY
GENERAL OBLIGATION BOND
SERIES 2022-B**

**Interest
Rate:**

**Maturity
Date:**

**Dated
Date: August 10, 2022**

**Identification
Number:**
Principal Paydown Certificate

REGISTERED OWNER: United States of America
Department of Agriculture
4300 Goodfellow Blvd., Bldg. 104
St. Louis, Missouri 63120-1703
Tax I.D. No. 43-1757115

PRINCIPAL AMOUNT: FIVE HUNDRED SEVENTY-SEVEN THOUSAND DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Caney, in the County of Montgomery, State of Kansas (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Stated Maturities set forth on the Amortization Schedule printed hereon, unless called for redemption prior to the Maturity Date shown above, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 365-day year), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable annually on the anniversary of the Dated Date of each year (the "Bond Payment Date"), commencing on the anniversary of the Dated Date in 2023 until the entire Principal Amount has been paid in full.

Method and Place of Payment. The installments of principal and interest payable on this Bond shall be paid on any Bond Payment Date by the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent" and "Bond Registrar") to the person in whose name this Bond is registered on the registration books maintained by the Bond Registrar at the close of business on the Record Date(s), which shall be the 15th day (whether or not a business day) next preceding each Bond Payment Date. As long as the USDA is the Owner of the Bonds, payments of principal and interest, or the Redemption Price shall be by preauthorized debit or similar banking means or such other manner as is specified by the USDA from time to time. Such principal of and/or interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner, or (b) in the case of an interest payment to 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 Registered Owner, not less than 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 Registered Owner wishes to have such transfer directed. The final payment of principal of this Bond, whether at the Maturity Date set forth above or upon earlier redemption shall be made upon presentation and surrender of this Bond at the principal office of the

Paying Agent. The principal or redemption price of and interest on this Bond shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. 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.

ADDITIONAL PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter defined Bond Resolution until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Bond Registrar.

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 the Issuer, including this series of bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Issuer 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 Clerk, and its seal to be affixed hereto or imprinted hereon.

CITY OF CANEY, KANSAS

(Facsimile Seal)

By: _____ (facsimile)
Mayor

ATTEST:

By: _____ (facsimile)
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of a series of General Obligation Bonds, Series 2022-B, of the City of Caney, Kansas, described in the within-mentioned Bond Resolution.

Registration Date: _____

Office of the State Treasurer,
Topeka, Kansas,
as Bond Registrar and Paying Agent

By _____

Registration Number: 0117-063-081022-573

(FORM OF REVERSE SIDE OF BOND)

ADDITIONAL PROVISIONS

Authorization of Bonds. This Bond is one of an authorized series of Bonds of the Issuer designated “General Obligation Bonds, Series 2022-B,” aggregating the principal amount of \$577,000 (the “Bonds”) issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Bonds and the Resolution of the Issuer prescribing the form and details 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, including K.S.A. 12-617 *et seq.*, as amended by Charter Ordinance No. 30 of the City, all as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

General Obligations. The Bonds constitute general obligations of the Issuer payable as to both principal and interest 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 Issuer. The full faith, credit and resources of the Issuer 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 become due.

Redemption Prior to Maturity. The Bonds are subject to redemption prior to maturity as follows:

Optional Redemption. At the option of the Issuer, this Bond (including installments of principal set forth on the Amortization Schedule) may be called for redemption and payment prior to the Stated Maturity as a whole or in part (selection of principal installments and amounts to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

Mandatory Redemption. The Issuer acknowledges the provisions of 7 U.S.C. 1983(3) and right of USDA to require the redemption of the entire unpaid principal amount of this Bond in accordance therewith.

Redemption Denominations. Whenever the Bond Registrar is to select Bonds for the purpose of redemption, it shall, in the case of Bonds in denominations greater than a minimum Authorized Denomination, if less than all of the Bonds then Outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such Bond as though it were a separate Bond in the denomination of a minimum Authorized Denomination.

Notice of Redemption. Notice of redemption, unless waived, shall be given by the Issuer to the State Treasurer of Kansas, the Purchaser of the Bonds and to the Bond Registrar in accordance with the Bond Resolution. The Issuer shall cause the Bond Registrar to notify each Registered Owner at the address maintained on the Bond Register, such notice to be given by mailing an official notice of redemption by first class mail at least 30 days prior to the redemption date.

Effect of Redemption. Notice of redemption having been given as aforesaid, this Bond or portions of principal 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 Issuer defaults in the payment of the redemption price), this Bond or principal portions hereof so redeemed shall cease to bear interest. Redemption of less than all of the principal amount of this Bond shall not reduce the annual installments of principal not redeemed which shall remain due and payable in accordance with the Amortization Schedule.

Transfer and Exchange. 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.

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of such Bonds:

GILMORE & BELL, P.C.

Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

(PRINTED LEGAL OPINION)

BOND ASSIGNMENT

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

(Name and Address)

(Social Security or Taxpayer Identification 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 Bond Registrar. The undersigned do(es) hereby irrevocably constitute and appoint _____ as agent 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 Identification No.

Signature (Sign here exactly as name(s)
appear on the face of Certificate)

AMORTIZATION SCHEDULE

Payment Date	Amort. Pmt. No.	Interest Rate	Payments			Principal Balance
			Interest	Principal	Total	
8/10/2022						\$ 577,000.00
8/10/2022	-					
8/10/2023	1	1.500%	8,655.00	10,635.00	19,290.00	566,365.00
8/10/2024	2	1.500%	8,495.48	10,794.52	19,290.00	555,570.48
8/10/2025	3	1.500%	8,333.56	10,956.44	19,290.00	544,614.04
8/10/2026	4	1.500%	8,169.21	11,120.79	19,290.00	533,493.25
8/10/2027	5	1.500%	8,002.40	11,287.60	19,290.00	522,205.65
8/10/2028	6	1.500%	7,833.08	11,456.92	19,290.00	510,748.73
8/10/2029	7	1.500%	7,661.23	11,628.77	19,290.00	499,119.96
8/10/2030	8	1.500%	7,486.80	11,803.20	19,290.00	487,316.76
8/10/2031	9	1.500%	7,309.75	11,980.25	19,290.00	475,336.51
8/10/2032	10	1.500%	7,130.05	12,159.95	19,290.00	463,176.56
8/10/2033	11	1.500%	6,947.65	12,342.35	19,290.00	450,834.21
8/10/2034	12	1.500%	6,762.51	12,527.49	19,290.00	438,306.72
8/10/2035	13	1.500%	6,574.60	12,715.40	19,290.00	425,591.32
8/10/2036	14	1.500%	6,383.87	12,906.13	19,290.00	412,685.19
8/10/2037	15	1.500%	6,190.28	13,099.72	19,290.00	399,585.47
8/10/2038	16	1.500%	5,993.78	13,296.22	19,290.00	386,289.25
8/10/2039	17	1.500%	5,794.34	13,495.66	19,290.00	372,793.59
8/10/2040	18	1.500%	5,591.90	13,698.10	19,290.00	359,095.49
8/10/2041	19	1.500%	5,386.43	13,903.57	19,290.00	345,191.92
8/10/2042	20	1.500%	5,177.88	14,112.12	19,290.00	331,079.80
8/10/2043	21	1.500%	4,966.20	14,323.80	19,290.00	316,756.00
8/10/2044	22	1.500%	4,751.34	14,538.66	19,290.00	302,217.34
8/10/2045	23	1.500%	4,533.26	14,756.74	19,290.00	287,460.60
8/10/2046	24	1.500%	4,311.91	14,978.09	19,290.00	272,482.51
8/10/2047	25	1.500%	4,087.24	15,202.76	19,290.00	257,279.75
8/10/2048	26	1.500%	3,859.20	15,430.80	19,290.00	241,848.95
8/10/2049	27	1.500%	3,627.73	15,662.27	19,290.00	226,186.68
8/10/2050	28	1.500%	3,392.80	15,897.20	19,290.00	210,289.48
8/10/2051	29	1.500%	3,154.34	16,135.66	19,290.00	194,153.82
8/10/2052	30	1.500%	2,912.31	16,377.69	19,290.00	177,776.13
8/10/2053	31	1.500%	2,666.64	16,623.36	19,290.00	161,152.77
8/10/2054	32	1.500%	2,417.29	16,872.71	19,290.00	144,280.06
8/10/2055	33	1.500%	2,164.20	17,125.80	19,290.00	127,154.26
8/10/2056	34	1.500%	1,907.31	17,382.69	19,290.00	109,771.57
8/10/2057	35	1.500%	1,646.57	17,643.43	19,290.00	92,128.14
8/10/2058	36	1.500%	1,381.92	17,908.08	19,290.00	74,220.06
8/10/2059	37	1.500%	1,113.30	18,176.70	19,290.00	56,043.36
8/10/2060	38	1.500%	840.65	18,449.35	19,290.00	37,594.01
8/10/2061	39	1.500%	563.91	18,726.09	19,290.00	18,867.92
8/10/2062	40	1.500%	283.02	18,867.92	19,150.94	-
Total			194,460.94	577,000.00	771,460.94	



Submission ID: P21216351

Submission Date: 8/10/2022 12:18 PM

Status: PUBLISHED

Disclosure Categories

Rule 15c2-12 Disclosure

Financial Obligation - Incurrence or Agreement: Event Notice-Placement of Series 2022-A and 2022-B Bonds Debt Obligation as of 08/10/2022

Document

File	Period Date
EVENT NOTICE 4861-8741-1245 v.1.pdf	08/10/2022

Associated Securities

The following are associated with this continuing disclosure submission.

CUSIP-6	Issuer Name
13752N	CITY OF CANEY, KANSAS

Total CUSIPs associated with this submission: 60

The disclosure will be published for the following securities.

CUSIP-9	Issue Description	Dated Date	Maturity Date	Coupon (%)
13752NCM2	GENERAL OBLIGATION TEMPORARY NOTES, SERIES 2022-1	01/06/2022	02/15/2024	0.55
13752NBR2	GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2020-D	09/01/2020	12/01/2021	2
13752NBS0	GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2020-D	09/01/2020	12/01/2022	2
13752NBT8	GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2020-D	09/01/2020	12/01/2023	2
13752NBU5	GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2020-D	09/01/2020	12/01/2024	2
13752NBV3	GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2020-D	09/01/2020	12/01/2025	2
13752NBW1	GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2020-D	09/01/2020	12/01/2026	2
13752NBX9	GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2020-D	09/01/2020	12/01/2027	2
13752NBY7	GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2020-D	09/01/2020	12/01/2028	2
13752NCB6	GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2020-D	09/01/2020	12/01/2031	1.1
13752NCE0	GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2020-D	09/01/2020	12/01/2034	1.35
13752NCH3	GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2020-D	09/01/2020	12/01/2037	2
13752NCL4	GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2020-D	09/01/2020	12/01/2040	2
13752NBZ4	GO REF AND IMPT BDS 2020 D	09/01/2020	12/01/2029	
13752NCA8	GO REF AND IMPT BDS 2020 D	09/01/2020	12/01/2030	

CUSIP-9	Issue Description	Dated Date	Maturity Date	Coupon (%)
13752NCC4	GO REF AND IMPT BDS 2020 D	09/01/2020	12/01/2032	
13752NCD2	GO REF AND IMPT BDS 2020 D	09/01/2020	12/01/2033	
13752NCF7	GO REF AND IMPT BDS 2020 D	09/01/2020	12/01/2035	
13752NCG5	GO REF AND IMPT BDS 2020 D	09/01/2020	12/01/2036	
13752NCJ9	GO REF AND IMPT BDS 2020 D	09/01/2020	12/01/2038	
13752NCK6	GO REF AND IMPT BDS 2020 D	09/01/2020	12/01/2039	
13752NBK7	GENERAL OBLIGATION REFUNDING BONDS SERIES 2012	03/27/2012	03/15/2013	0.5
13752NBL5	GENERAL OBLIGATION REFUNDING BONDS SERIES 2012	03/27/2012	03/15/2014	0.75
13752NBM3	GENERAL OBLIGATION REFUNDING BONDS SERIES 2012	03/27/2012	03/15/2015	1
13752NBN1	GENERAL OBLIGATION REFUNDING BONDS SERIES 2012	03/27/2012	03/15/2016	1.25
13752NBP6	GENERAL OBLIGATION REFUNDING BONDS SERIES 2012	03/27/2012	03/15/2017	1.5
13752NBQ4	GENERAL OBLIGATION REFUNDING BONDS SERIES 2012	03/27/2012	03/15/2018	1.75
13752NAY8	GENERAL OBLIGATION REFUNDING BONDS SERIES 2011	12/20/2011	12/01/2012	0.75
13752NAZ5	GENERAL OBLIGATION REFUNDING BONDS SERIES 2011	12/20/2011	12/01/2013	1
13752NBA9	GENERAL OBLIGATION REFUNDING BONDS SERIES 2011	12/20/2011	12/01/2014	1.5
13752NBB7	GENERAL OBLIGATION REFUNDING BONDS SERIES 2011	12/20/2011	12/01/2015	2
13752NBC5	GENERAL OBLIGATION REFUNDING BONDS SERIES 2011	12/20/2011	12/01/2016	2.2
13752NBD3	GENERAL OBLIGATION REFUNDING BONDS SERIES 2011	12/20/2011	12/01/2017	2.4
13752NBE1	GENERAL OBLIGATION REFUNDING BONDS SERIES 2011	12/20/2011	12/01/2018	2.6
13752NBF8	GENERAL OBLIGATION REFUNDING BONDS SERIES 2011	12/20/2011	12/01/2019	2.8
13752NBG6	GENERAL OBLIGATION REFUNDING BONDS SERIES 2011	12/20/2011	12/01/2020	3
13752NBH4	GENERAL OBLIGATION REFUNDING BONDS SERIES 2011	12/20/2011	12/01/2021	3.2
13752NBJO	GENERAL OBLIGATION REFUNDING BONDS SERIES 2011	12/20/2011	12/01/2024	3.6
13752NAX0	TEMP NTS-SER A	03/01/2004	03/01/2005	2.25
13752NAA0	WTR & SWR REF BDS 2002	12/01/2002	12/01/2003	1.6
13752NAB8	WTR & SWR REF BDS 2002	12/01/2002	12/01/2004	1.8
13752NAC6	WTR & SWR REF BDS 2002	12/01/2002	12/01/2005	2.15
13752NAD4	WTR & SWR REF BDS 2002	12/01/2002	12/01/2006	2.5
13752NAE2	WTR & SWR REF BDS 2002	12/01/2002	12/01/2007	2.8
13752NAF9	WTR & SWR REF BDS 2002	12/01/2002	12/01/2008	3.15
13752NAG7	WTR & SWR REF BDS 2002	12/01/2002	12/01/2009	3.45
13752NAH5	WTR & SWR REF BDS 2002	12/01/2002	12/01/2010	3.7
13752NAJ1	WTR & SWR REF BDS 2002	12/01/2002	12/01/2011	3.85
13752NAK8	WTR & SWR REF BDS 2002	12/01/2002	12/01/2012	3.95

CUSIP-9	Issue Description	Dated Date	Maturity Date	Coupon (%)
13752NAL6	WTR & SWR REF BDS 2002	12/01/2002	12/01/2013	4.1
13752NAM4	WTR & SWR REF BDS 2002	12/01/2002	12/01/2014	4.2
13752NAN2	WTR & SWR REF BDS 2002	12/01/2002	12/01/2015	4.3
13752NAP7	WTR & SWR REF BDS 2002	12/01/2002	12/01/2016	4.4
13752NAQ5	WTR & SWR REF BDS 2002	12/01/2002	12/01/2017	4.5
13752NAR3	WTR & SWR REF BDS 2002	12/01/2002	12/01/2018	4.6
13752NAS1	WTR & SWR REF BDS 2002	12/01/2002	12/01/2019	4.7
13752NAT9	WTR & SWR REF BDS 2002	12/01/2002	12/01/2020	4.8
13752NAU6	WTR & SWR REF BDS 2002	12/01/2002	12/01/2021	4.9
13752NAV4	WTR & SWR REF BDS 2002	12/01/2002	12/01/2022	4.95
13752NAW2	WTR & SWR REF BDS 2002	12/01/2002	12/01/2025	5

Submitter's Contact Information

GILMORE & BELL, P.C.
Name: GARTH HERRMANN
Address: 100 N. MAIN
City, State Zip: WICHITA, KS 67202
Phone Number: 3162672091
Email: gherrmann@gilmorebell.com

Issuer's Contact Information

Obligated Person's Contact Information



One Main Place - 100 North Main, Suite 800
Wichita, Kansas 67202-1311

(316) 267-2091 / (316) 262-6523 FAX / gilmorebell.com

CLOSING MEMORANDUM

July 29, 2022

To the Attached Distribution List:

ISSUER: City of Caney, Kansas (the "Issuer")

DESCRIPTION OF ISSUE: General Obligation Bonds, Series 2022-A, and General Obligation Bonds, Series 2022-B, Dated August 10, 2022 (collectively the "Bonds")

CLOSING DATE: August 10, 2022

CLOSING TIME: 10:00 A.M., Central Time

CLOSING LOCATION: Via Conference Telephone

**PURCHASE PRICE
CALCULATION:**

Principal Amount of Series 2022-A Bonds	\$ 668,000.00
Principal Amount of Series 2022-B Bonds	577,000.00
<i>Aggregate Purchase Price</i>	<i>\$1,245,000.00</i>

**FUNDS TRANSFER
INSTRUCTIONS:**

Bond Purchase: On or before the Closing Time on August 10, 2022, the United States Department of Agriculture – Rural Development (the "Purchaser") will transfer the ***Aggregate Purchase Price*** set forth above to the bank account previously designated by the Issuer to the Purchaser.

**BOND DELIVERY
INSTRUCTIONS:**

The Bonds will be shipped on or before August 2, 2022, via overnight delivery, by the State Treasurer to the Purchaser (Attn: **Beverly Howard, Loan Technician, 1303 SW First American Place, Suite 100, Topeka, Kansas 66604-4040**) for safekeeping pending closing.

**LEGAL OPINIONS AND
TRANSCRIPTS:**

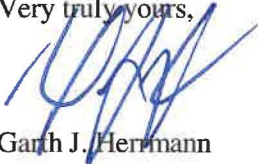
Upon confirmation of the funds transfer set forth above, Gilmore & Bell, P.C., Wichita, Kansas ("Bond Counsel") will: (a) provide signed approving legal opinions; and (b) notify the Purchaser that the Bonds may be released. Subsequent to closing, Bond Counsel will provide a copy of the transcript of proceedings to the parties indicated on the Closing List.

DISPOSITION OF FUNDS: Upon closing of the Bond issue, the proceeds of the Bonds shall be deposited as follows:

Deposit to Improvement Fund	\$1,233,000.00
Costs of Issuance Account	12,000.00
<i>Total</i>	<i>\$1,245,000.00</i>

Costs of Issuance: Funds in the Costs of Issuance Account shall be disbursed by the Issuer for payment of Costs of Issuance upon submission of statements. Any funds remaining in the Costs of Issuance Account after payment of all Costs of Issuance shall be deposited into the Debt Service Account.

If anyone has any questions or corrections regarding this matter, please contact Ms. Robyn R. Dunlap or the undersigned immediately.

Very truly yours,

Garth J. Herrmann

GJH:rrd

**CITY OF CANEY, KANSAS
GENERAL OBLIGATION BONDS, SERIES 2022-A AND 2022-B**

DISTRIBUTION LIST

ISSUER	BOND COUNSEL
<p>CITY OF CANEY, KANSAS 100 W. 4th Avenue P.O. Box 129 Caney, Kansas 67333 Telephone: (620) 879-2772 Fax: (620) 879-9808</p> <p>Fred Gress, City Administrator E-mail: fgress@caney.kscoxmail.com</p> <p>Debbie Morrison, City Clerk E-mail: cityclerk@caney.kscoxmail.com</p>	<p>GILMORE & BELL, P.C. 100 N. Main, Suite 800 Wichita, Kansas 67202 Telephone: (316) 267-2091 Fax: (316) 262-6523</p> <p>Garth J. Herrmann, Esq. E-mail: gherrmann@gilmorebell.com</p> <p>Robyn R. Dunlap, Legal Practice Coordinator E-mail: rdunlap@gilmorebell.com</p> <p>Riley D. Babbidge, Legal Administrative Assistant E-mail: rbabbidge@gilmorebell.com</p>
ISSUER'S COUNSEL	
<p>HALL, LEVY, DEVORE, BELL, OTT & KRITZ, P.A. 815 Union, Box 9 Coffeyville, Kansas 67337-0009 Telephone: (620) 251-1300 Fax: (620) 251-9411</p> <p>Paul M. Kritz, Esq. E-mail: pmkritz@sbcglobal.net</p>	
PAYING AGENT	PURCHASER
<p>TREASURER OF THE STATE OF KANSAS Landon State Office Building 900 Southwest Jackson, Suite 201 Topeka, Kansas 66612-1235 Telephone: (785) 296-4148 Fax: (785) 296-7950</p> <p>Shauna Wake, Director of Fiscal Services Telephone: (785) 296-4160 E-mail: bond.newissues@treasurer.ks.gov</p>	<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT 202 W. Miller Road Iola, Kansas 66749 Telephone: (620) 365-2901 Fax: (855) 533-5073</p> <p>Michael Billings, Area Specialist E-mail: Michael.Billings@ks.usda.gov</p> <p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT 1303 SW First American Place, Suite 100 Topeka, Kansas 66604</p> <p>Beverly Howard, Technician E-mail: beverly.howard@ks.usda.gov</p>
MUNICIPAL ADVISOR	
<p>RANSON FINANCIAL GROUP, L.L.C. 200 West Douglas, Suite 600 Wichita, Kansas 67202 Telephone: (316) 264-3400 Fax: (316) 265-5403</p> <p>Larry Kleeman, President/Municipal Advisor E-mail: larry@citycode.com</p> <p>Beth Warren, Municipal Advisor E-mail: ewarren@ransonfinancial.com</p>	