

**MEETING NOTICE
MAIZE CITY COUNCIL
REGULAR MEETING**

TIME: 7:00 P.M.
DATE: MONDAY, SEPTEMBER 19, 2016
PLACE: MAIZE CITY HALL
10100 W. GRADY AVENUE

AGENDA

MAYOR CLAIR DONNELLY PRESIDING

- 1) Call to Order
- 2) Roll Call
- 3) Pledge of Allegiance/Moment of Silence
- 4) Approval of Agenda
- 5) Public Comments
- 6) Consent Agenda
 - a. Approval of Minutes – Regular Council Meeting of August 15, 2016.
 - b. Receive and file minutes from the Planning Commission Meeting of August 4, 2016.
 - c. Cash Disbursements from August 1, 2016 thru August 31, 2016 in the amount of \$1,360,186.56 (Check #62959 thru #63158).
- 7) Old Business
 - A. Series 2016A Bond Sale Ordinance and Resolution
- 8) New Business
 - A. KDHE Loan Ordinance
 - B. Zoning Case Z-02-016 111 S. Park
 - C. Zoning Case Z-03-016 Goertz Daycare Maize Road
- 9) Reports
 - Police
 - Public Works
 - City Engineer
 - Planning & Zoning
 - City Clerk
 - Legal
 - Operations
 - Mayor’s Report
 - Council Member’s Reports
- 10) Executive Session
- 11) Adjournment

**MINUTES-REGULAR MEETING
MAIZE CITY COUNCIL
Monday, August 15, 2016**

The Maize City Council met in a regular meeting at 7:00 p.m., Monday, **August 15, 2016** in the Maize City Hall, 10100 Grady Avenue, with **Mayor Clair Donnelly** presiding. Council members present were **Kevin Reid, Karen Fitzmier, Donna Clasen** and **Alex McCreath**. **Pat Stivers** was absent.

Also present were: **Richard LaMunyon**, City Administrator, **Rebecca Bouska**, Deputy City Administrator, **Sue Villarreal**, Deputy City Clerk, **Matt Jensby**, Police Chief, **Ron Smothers**, Public Works Director, **Bill McKinley**, City Engineer, **Kim Edgington**, Planning Administrator, **Tom Powell**, City Attorney, **Larry Kleeman**, Financial Advisor and **Kim Bell**, Bond Counsel.

APPROVAL OF AGENDA:

The Agenda was submitted for approval.

MOTION: **Fitzmier** moved to approve the Agenda as submitted.
Reid seconded. Motion declared carried.

PUBLIC HEARING FOR SPECIAL ASSESSMENTS (EAGLES NEST PHASE 2A & INDUSTRIAL PARK):

Mayor Clair Donnelly opened the Public Hearing at 7:02 pm. Hearing no comments, the Public Hearing was closed.

CONSENT AGENDA:

The Consent Agenda was submitted for approval including:

- a) Approval of minutes – Regular Council Meeting of July 18, 2016 and Special Council Meeting of August 1, 2016.
- b) Receive and file Planning Commission Meeting Minutes of April 7, 2016.
- c) Cash Disbursements from July 1, 2016 through July 31, 2016 in the amount of \$598,543.98 (Check #62755 through #62958).

MOTION: **Fitzmier** moved to approve the Consent Agenda as submitted.
McCreath seconded. Motion declared carried.

City Clerk assigned Ordinance #917 (STO) and #918 (UPOC).

Clasen enters – 7:04 p.m.

SPECIAL ASSESSMENT ORDINANCE:

An ordinance levying special assessments for infrastructure improvements (water, sewer, paving) in the Maize Industrial Addition and in the Eagles Nest Addition was submitted for Council approval.

MOTION: **Reid** moved to adopt the Special Assessment Ordinance for infrastructure improvements (water, sewer, paving) in the Maize Industrial Addition and in the Eagles Nest Addition and authorize the Mayor to sign.
McCreath seconded. Motion declared carried.

City Clerk assigned Ordinance #919.

SALE RESOLUTION FOR SERIES 2016A G O REFUNDING AND IMPROVEMENT BONDS:

A resolution for Series 2016A G O Refunding and Improvement Bonds authorizing the city to receive bids was submitted for Council approval.

MOTION: **Clasen** moved to approve the resolution for Series 2016A G O Refunding and Improvement Bonds to be considered at the city's September 19, 2016 regular meeting.
McCreath seconded. Motion declared carried.

City Clerk assigned Resolution #584-16

EAGLES NEST ADDITION PHASE 2B WATER AND PAVING PETITIONS AND RESOLUTIONS OF ADVISABILITY:
Petitions and resolutions of advisability for improvements in the Eagles Nest Addition Phase 2B were submitted for Council Approval.

MOTION: *Clasen* moved to accept the petitions and adopt the Resolutions of Advisability in the total amount of \$545,000 for the Eagles Nest Addition Phase 2B infrastructure.
Fitzmier seconded. Motion declared carried.

City Clerk assigned Resolution #585-16 (Water) and #586-16 (Paving).

EAGLES NEST PHASE 2B ENGINEERING CONTRACT:

A contract from Baughman Company for Eagles Nest Phase 2B improvements was submitted for Council approval.

MOTION: *Clasen* moved to approve the K.E. Miller Engineering contract in an amount not to exceed \$55,800 for design and construction administration and authorize the Mayor to sign subject to City Attorney approval.
Reid seconded. Motion declared carried.

MINOR STREET PRIVILEGE ORDINANCE:

An ordinance adopting a formal procedure for the use of City-owned property, including street right-of-way, alleys and easements was submitted for Council approval.

MOTION: *Clasen* moved to adopt the Minor Street Privilege Ordinance with the addition of the grandfather clause being added by the city Attorney and authorize the Mayor to sign.
Fitzmier seconded. Motion declared carried.

City Clerk assigned Ordinance #920.

WASTEWATER EXPANSION FEE:

A Wastewater Ordinance amendment to establish a fee as a funding option for the wastewater plant expansion was submitted for Council approval.

MOTION: *Clasen* moved to adopt the amended Wastewater Ordinance establishing a Wastewater Expansion Fee for funding of the wastewater plant expansion and authorize the Mayor to sign subject to City Attorney approval.
McCreath seconded. Motion declared carried.

City Clerk assigned Ordinance #921.

VAN ASDALE CONTRACT FOR PARK RESTROOMS:

A contract from Van Asdale for the construction of the Maize City Park restroom facilities was submitted for Council approval.

MOTION: *Clasen* moved to approve the Van Asdale contract in an amount not to exceed \$143,800 for design and construction and authorize the Mayor to sign subject to City Attorney approval.
Reid seconded. Motion declared carried.

ANDALE PAVING CONTRACT FOR 45TH STREET MUTI-USE PATH:

A contract from Andale Paving for construction of a multi-use path on 45th street was submitted for Council approval.

MOTION: *Clasen* moved to approve the Andale contract in an amount not to exceed \$123,458.20 for construction of a multi-use path on 45th street from Derringer to Maize Road and authorize the Mayor to sign subject to City Attorney approval.
Reid seconded. Motion declared carried.

ADJOURNMENT:

With no further business before the Council,

MOTION: *Clasen* moved to adjourn.
 Fitzmier seconded. Motion declared carried.
 Meeting adjourned.

Respectfully submitted by:

Sue Villarreal, Deputy City Clerk

**MINUTES-REGULAR MEETING
MAIZE CITY PLANNING COMMISSION AND
BOARD OF ZONING APPEALS
THURSDAY, AUGUST 4, 2016**

The Maize City Planning Commission was called to order at 7:00 p.m., on Thursday, August 4, 2016, for a Regular Meeting with **Gary Kirk** presiding. The following Planning Commission members were present: **Mike Burks, Dennis Downes, Gary Kirk, Bryan Aubuchon** and **Jennifer Herington**. Not present were **Bryant Wilks** and **Andy Sciolaro**. Also present were **Sue Villarreal**, Recording Secretary; **Kim Edgington**, Planning Administrator; **Bill McKinley**, City Engineer; **Rebecca Bouska**, Deputy City Administrator; **Roger Perkins**, Applicant; **Dr. Stephen Tymeson**, Citizen.

APPROVAL OF AGENDA

MOTION: **Burks** moved to approve the agenda with the addition of Other Business/Election of Chairman.
Aubuchon seconded the motion.
Motion carried unanimously.

APPROVAL OF MINUTES

MOTION: **Herington** moved to approve the April 7, 2016 minutes as presented.
Downes seconded the motion.
Motion carried unanimously.

NEW BUSINESS – PLANNING COMMISSION

Z-02-016-Zone change request for 0.19 acres from SF-5 Single Family Residential to LC Limited Commercial south of 111 S. Park.

Edgington explained to commissioners that **Perkins** split this parcel from the adjacent parcel to the North. He plans to sell the parcel and the new owner would like to build a garage to store boats, trailers and vehicles with a possible office. Because the parcel was split, a garage would not be an accessory structure to any house or other structure. It would be a stand-alone use. Limited Commercial has different setback requirements and would allow a structure to be built up to the property line unless restrictions were outlined in a protective overlay.

Perkins stated that the lot had not been used in many years and there is commercial property near the area.

Tymeson stated he had mixed emotions. His home is located at 108 S Park. He would like to sell it in the future and is concerned with his property value.

MOTION: **Burks** moved to deny Z-02-016 Zone change request for 0.19 acres from SF-5 Single Family Residential to LC Limited Commercial south of 111 S. Park.
Downes seconded the motion.

Kirk requested a roll call vote to deny Z-02-016 as presented with the following results:

Burks – yes

Kirk – yes

Downes- yes

Aubuchon - yes

Herington – no

Motion carried 4-1. Herington voting no.

Edgington stated that the Council would hear case Z-02-016 on September 19th and it would require a super majority vote of 4 out of 5 to overturn the Planning Commission decision.

OTHER BUSINESS

ELECTION OF CHAIRMAN

Edgington announced that **Kirk** would be moving out of district and has given his resignation. This is his last meeting and a new Chairman must be elected to replace him.

MOTION: **Downes** moved to nominate **Aubuchon** as Chairman.
Burks seconded the motion.
Motion carried unanimously.

Edgington directed commissioners to elect a new Secretary to fill the position previously held by **Aubuchon**.

Aubuchon moved to nominate **Downes** as Secretary.
Herington seconded the motion.
Motion carried unanimously.

ADJOURNMENT:

MOTION: With no further business before the Planning Commission,
Kirk moved to adjourn.
Aubuchon seconded the motion
Motion carried unanimously.

Meeting adjourned at 8:00 PM.

Sue Villarreal
Recording Secretary

Gary Kirk
Chairman

CITY OF MAIZE
Cash and Budget Position
Thru July 31, 2016

FUND	NAME	BEGINNING	MONTH	MONTH	END MONTH	ANNUAL	YTD	YTD	REMAINING	REMAINING
		CASH BALANCE	RECEIPTS	DISBURSEMENTS	CASH BALANCE	EXPENSE BUDGET	REVENUE	EXPENSE	EXPENSE BUDGET	BUDGET PERCENTAGE
01	General Fund	\$ 705,344.70	\$ 115,682.16	\$ 318,576.31	\$ 502,450.55	\$ 3,369,786.00	\$ 2,626,933.85	\$ 2,513,673.39	\$ 856,112.61	25.41%
02	Street Fund	146,285.32	12,500.00	27,663.65	131,121.67	294,100.00	203,747.71	223,615.75	70,484.25	23.97%
04	Capital Improvements Fund	57,122.37	40,920.69	5,016.54	93,026.52	665,000.00	327,389.76	586,814.52	78,185.48	11.76%
05	Long-Term Projects	(917,966.95)	-	19,956.40	(937,923.35)	-	-	656,298.01		
10	Equipment Reserve	56,747.22	19,188.84	5,822.25	70,113.81	230,000.00	156,798.45	201,247.75	28,752.25	12.50%
11	Police Training Fund	1,673.84	348.00	-	2,021.84	2,000.00	2,525.35	1,772.50	227.50	11.38%
12	Municipal Court Fund	20,918.59	3,457.50	600.00	23,776.09	-	18,965.56	12,348.56		
16	Bond & Interest Fund	1,242,284.56	53,634.05	912,533.27	383,385.34	2,552,350.00	1,805,940.62	1,650,250.19	902,099.81	35.34%
19	Wastewater Reserve Fund	143,621.26	3,000.00	-	146,621.26	-	24,000.00	10,764.68		
20	Wastewater Treatment Fund	606,153.22	67,764.72	69,309.16	604,608.78	714,000.00	550,954.95	544,894.60	169,105.40	23.68%
21	Water Fund	435,777.85	99,492.32	62,150.23	473,119.94	769,500.00	580,854.32	541,261.72	228,238.28	29.66%
22	Water Reserve Fund	134,148.81	3,000.00	-	137,148.81	-	24,000.00	-	-	
23	Water Bond Debt Reserve Fund	268,000.00	-	-	268,000.00	-	-	-		
24	Wastewater Bond Debt Reserve Fund	147,800.09	-	-	147,800.09	-	-	-		
32	Drug Tax Distribution Fund	2,404.57	-	-	2,404.57	-	-	-		
38	Cafeteria Plan	5,864.29	1,786.44	3,092.74	4,557.99	-	8,932.20	9,653.92		
98	Maize Cemetery	162,487.47	4,521.73	5,288.43	161,720.77	161,706.00	30,156.01	25,681.09	136,024.91	84.12%
Report Totals		\$ 3,218,667.21	\$ 425,296.45	\$ 1,430,008.98	\$ 2,213,954.68	\$ 8,758,442.00	\$ 6,361,198.78	\$ 6,978,276.68	\$ 2,469,230.49	28.19%

		City of Maize				
		Disbursement Report Totals				
		Dates Covered: 08/01/2016 - 08/31/2016				
Accounts Payable:						
Voucher	Voucher	Check	Check	Check Numbers		
Date	Amt	Date	Amount	Begin	End	
1-Aug	\$ 92,978.61	2-Aug	\$ 92,978.61	62959	63012	
3-Aug	2,903.91	3-Aug	\$ 2,903.91	63013	63016	Utilities
4-Aug	556.86	4-Aug	556.86	63017	63017	Postage
9-Aug	17,341.96	11-Aug	17,341.96	63034	63038	Utilities
11-Aug	104,856.51	16-Aug	104,856.51	63039	63093	
24-Aug	902.40	25-Aug	902.40	63107	63107	Utilities
26-Aug	48,544.61	26-Aug	48,544.61	63110	63148	
26-Aug	914,095.78	31-Aug	914,095.78	63149	63158	Utilities/Sales Tax/Bond Payment
AP Total	\$ 1,182,180.64		\$ 1,182,180.64			
Payroll:						
Run	Earning	Check	Check	Check Numbers		
Date	History	Date	Amount	Begin	End	
13-Sep	\$ 129,102.49	11-Aug	\$ 74,285.78	63018	63033	
		25-Aug	103,720.14	63094	63106	
KPERS Employer Portion	9,820.91					
FICA Employer Portion	9,196.28					
Health/Dental Insurance (Employer Portion)	29,886.24					
PR Total	\$ 178,005.92		\$ 178,005.92			
	AP		\$ 1,182,180.64			
	PR		178,005.92			
	Total Disbursements		\$ 1,360,186.56			
Check Numbers used this period:						
#62959 thru #63158						

Expenditure Report Reconciliation-091316
9/14/2016
J Reid

CITY OF MAIZE
Bank Reconciliation Report
For August 2016

Fund Balances

FUND	NAME	BEGIN PERIOD	RECEIPTS	DISBURSEMENTS	END PERIOD
01	General Fund	\$ 705,344.70	\$ 115,682.16	\$ 318,576.31	\$ 502,450.55
02	Street Fund	146,285.32	12,500.00	27,663.65	131,121.67
04	Capital Improvements Fund	57,122.37	40,920.69	5,016.54	93,026.52
05	Long-Term Projects	(917,966.95)	-	19,956.40	(937,923.35)
10	Equipment Reserve Fund	56,747.22	19,188.84	5,822.25	70,113.81
11	Police Training Fund	1,673.84	348.00	-	2,021.84
12	Municipal Court Fund	20,918.59	3,457.50	600.00	23,776.09
16	Bond & Interest Fund	1,242,284.56	53,634.05	912,533.27	383,385.34
19	Wastewater Reserve Fund	143,621.26	3,000.00	-	146,621.26
20	Wastewater Treatment Fund	606,153.22	67,764.72	69,309.16	604,608.78
21	Water Fund	435,777.85	99,492.32	62,150.23	473,119.94
22	Water Reserve Fund	134,148.81	3,000.00	-	137,148.81
23	Water Bond Debt Reserve Fund	268,000.00	-	-	268,000.00
24	Wastewater Bond Debt Reserve Fund	147,800.09	-	-	147,800.09
32	Drug Tax Distribution Fund	2,404.57	-	-	2,404.57
38	Cafeteria Plan	5,864.29	1,786.44	3,092.74	4,557.99
98	Maize Cemetery	162,487.47	4,521.73	5,288.43	161,720.77
Totals All Fund		\$ 3,218,667.21	\$ 425,296.45	\$ 1,430,008.98	\$ 2,213,954.68

Bank Accounts and Adjustments

Halstead Checking Account	\$ 494,635.69	\$ 1,211,229.52	\$ 1,375,587.66	\$ 330,277.55
Outstanding Items				\$ (131,735.52)
Halstead Bank Money Market Account	2,752,928.28	763.60	900,000.00	1,853,691.88
Maize Cemetery CD 85071	91,071.06	-	-	91,071.06
Maize Cemetery Operations	71,416.41	4,521.73	5,288.43	70,649.71
Totals All Banks	\$ 3,410,051.44	\$ 1,216,514.85	\$ 2,280,876.09	\$ 2,213,954.68

**MAIZE CITY COUNCIL
REGULAR MEETING**

MONDAY, SEPTEMBER 19, 2016

AGENDA ITEM #7A

ITEM: Bond Sale – General Obligation Refunding & Improvement Bonds, Series 2016A

BACKGROUND

On August 15, the City authorized bids to be taken for its General Obligation Refunding & Improvement Bonds, Series 2016A. The bonds would provide permanent financing for infrastructure improvements (water, sewer, paving) in the Maize Industrial Addition and in the Eagles Nest Addition.

In addition, the city's Series 2011A Bonds (issued for various special assessed infrastructure projects) would also be refunded as part of this issue. Lower anticipated interest rates would provide savings to the city

FINANCIAL CONSIDERATIONS:

To provide "credit enhancement" (i.e., to attract more and better bids), the bonds have been rated by S&P. The rating is expected to be similar to the city's other recent G.O. ratings (i.e., "AA-").

The "new money portion" of this bond (for the industrial park and Eagles Nest) is expected to be paid with special assessments to be levied in the near future. The 2011 refunding portion of this bond issue will continue to be paid from the special assessments levied for that original issue.

The City's Financial Advisor (Larry Kleeman) is soliciting bids for the bonds – with bids due by 11 AM, September 19. A bid sheet summarizing the bids received will be distributed at the meeting on Monday.

LEGAL CONSIDERATIONS:

Bond Counsel (Kim Bell) has prepared the bond documents by which the City authorizes the issuance of the Series 2016A Bonds and approves related documents.

RECOMMENDATION:

MOTION: Move to accept the low bid from _____.

MOTION: Approve the ordinance authorizing and providing for the issuance of the bonds.

MOTION: Approve the resolution No. prescribing the form and details of the bonds.

(PUBLISHED IN THE *CLARION* ON SEPTEMBER __, 2016)

SUMMARY OF ORDINANCE NO. [____]

On September 19, 2016, the governing body of the City of Maize, Kansas passed an ordinance entitled:

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2016A, OF THE CITY OF MAIZE, 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 2016A Bonds approved by the Ordinance are being issued in the principal amount of \$4,815,000*, to finance certain internal improvements and refund previously issued general obligation bonds of 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, 10100 Grady Avenue, Maize, Kansas 67101. A reproduction of the Ordinance is available for not less than 7 days following the publication date of this Summary at www.cityofmaize.org.

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

DATED: September 19, 2016.

City Attorney

RESOLUTION NO. [____]

OF

THE CITY OF MAIZE, KANSAS

ADOPTED

SEPTEMBER 19, 2016

**GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS
SERIES 2016A**

TABLE OF CONTENTS

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms..... 1

ARTICLE II

AUTHORIZATION AND DETAILS OF THE BONDS

Section 201. Authorization of the Bonds 14
Section 202. Description of the Bonds..... 14
Section 203. Designation of Paying Agent and Bond Registrar. 15
Section 204. Method and Place of Payment of the Bonds. 15
Section 205. Payments Due on Saturdays, Sundays and Holidays. 16
Section 206. Registration, Transfer and Exchange of Bonds..... 16
Section 207. Execution, Registration, Authentication and Delivery of Bonds. 17
Section 208. Mutilated, Lost, Stolen or Destroyed Bonds..... 18
Section 209. Cancellation and Destruction of Bonds Upon Payment..... 18
Section 210. Book-Entry Bonds; Securities Depository. 18
Section 211. Nonpresentment of Bonds..... 19
Section 212. Preliminary and Final Official Statement. 20
Section 213. Sale of the Bonds. 20

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption by Issuer..... 20
Section 302. Selection of Bonds to be Redeemed..... 22
Section 303. Notice and Effect of Call for Redemption. 22

ARTICLE IV

SECURITY FOR BONDS

Section 401. Security for the Bonds..... 24
Section 402. Levy and Collection of Annual Tax; Transfer to Debt Service Account..... 24

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS

DEPOSIT AND APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 501. Creation of Funds and Accounts..... 25
Section 502. Deposit of Bond Proceeds and Other Moneys. 25
Section 503. Application of Moneys in the Improvement Fund..... 25

Section 504.	Substitution of Improvements; Reallocation of Proceeds.....	26
Section 505.	Application of Moneys in the Redemption Fund.....	26
Section 506.	Application of Moneys in Debt Service Account.....	26
Section 507.	Application of Moneys in the Rebate Fund.....	27
Section 508.	Deposits and Investment of Moneys.....	27
Section 509.	Application of Moneys in the Costs of Issuance Account.....	27
Section 510.	Redemption of Refunded Bonds.....	28
Section 511.	Application of Moneys in the Compliance Account.....	28

ARTICLE VI

DEFAULT AND REMEDIES

Section 601.	Remedies.....	28
Section 602.	Limitation on Rights of Owners.....	28
Section 603.	Remedies Cumulative.....	29
Section 604.	Control of Remedies Upon an Event of Default and Event of Insolvency.....	29

ARTICLE VII

DEFEASANCE

Section 701.	Defeasance.....	29
---------------------	-----------------	----

ARTICLE VIII

TAX COVENANTS

Section 801.	General Covenants.....	30
Section 802.	Survival of Covenants.....	31

ARTICLE IX

[PROVISIONS RELATING TO THE BOND INSURANCE POLICY

Section 901.	Payment Procedure Pursuant to Bond Insurance Policy.....	31
Section 902.	Consent of the Bond Insurer.....	33
Section 903.	Notices to the Bond Insurer.....	33
Section 904.	Third Party Beneficiary.....	34
Section 905.	Parties Interested Herein.....	34
Section 906.	Suspension of Bond Insurer's Rights.....	34
Section 907.	Payment Procedure Pursuant to Bond Insurance Policy.....	34
Section 908.	Consent of the Bond Insurer.....	36
Section 909.	Notices to the Bond Insurer.....	36
Section 910.	Other Information.....	37
Section 911.	Reimbursement.....	37
Section 912.	The Bond Insurer as a Third-Party Beneficiary.....	38
Section 913.	No Purchase in Lieu of Redemption.....	38
Section 914.	Interest Rate Exchange Agreements.....	38
Section 915.	Payment Procedure Pursuant to Bond Insurance Policy.....	38
Section 916.	Notices to the Bond Insurer.....	39

Section 917.	Suspension of Bond Insurer’s Rights.....	40
---------------------	--	----

ARTICLE X

CONTINUING DISCLOSURE REQUIREMENTS

Section 1001.	Disclosure Requirements.....	40
Section 1002.	Failure to Comply with Continuing Disclosure Requirements.....	40

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 1101.	Annual Audit.....	40
Section 1102.	Amendments.....	41
Section 1103.	Notices, Consents and Other Instruments by Owners.....	42
Section 1104.	Notices.....	42
Section 1105.	Electronic Transactions.....	43
Section 1106.	Further Authority.....	43
Section 1107.	Severability.....	43
Section 1108.	Governing Law.....	43
Section 1109.	Effective Date.....	43

<i>EXHIBIT A</i> – FORM OF BONDS	A-1
--	-----

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

RESOLUTION NO. [____]

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2016A, OF THE CITY OF MAIZE, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. [____] OF THE ISSUER; 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 principal amount of \$4,815,000* to pay the costs of the Improvements and refund the Refunded Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MAIZE, 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. 10-427 *et seq.*, K.S.A. 10-620 *et seq.*, and K.S.A. 12-6a01 *et seq.*, all as amended and supplemented from time to time.

[“**AGM**” means Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company, or any successor thereto.]

[“**Assured Guaranty**” means Assured Guaranty Corp., a Maryland corporation, or any successor thereto.]

“**Authorized Denomination**” means \$5,000 or any integral multiples thereof.

[**“BAM”** means Build America Mutual Assurance Company, a New York domiciled mutual insurance corporation, or any successor thereto.]

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

“Bond and Interest Fund” means the Bond and Interest Fund of the 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.

AGM or BAM **“Bond Insurance Policy”** means the municipal bond insurance policy issued by the Bond Insurer concurrently with the delivery of the Bonds guaranteeing the scheduled payment when due of the principal of and interest on the Bonds.]

ASSURED **“Bond Insurance Policy”** means the financial guaranty insurance policy issued by the Bond Insurer simultaneously with the delivery of the Bonds guaranteeing the scheduled payment when due of the principal of and interest on the Bonds as provided therein.]

“Bond Insurer” means [AGM] [Assured Guaranty] [BAM] with respect to the Bonds.]

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

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

“Bond Registrar” means the State Treasurer and any successors and assigns.

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

“Bonds” means the General Obligation Refunding and Improvement Bonds, Series 2016A, authorized and issued by the Issuer pursuant to the Ordinance and this Bond Resolution.

“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.

“Cede & Co.” means Cede & Co., as nominee of DTC and any successor nominee of DTC.

“City” means the City of Maize, 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.

“Compliance Account” means the Compliance Account created pursuant to **Section 501** hereof.

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

“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 the Costs of Issuance Account for General Obligation Refunding and Improvement Bonds, Series 2016A created pursuant to **Section 501** hereof.

“Dated Date” means September 30, 2016.

“Debt Service Account” means the Debt Service Account for General Obligation Refunding and Improvement Bonds, Series 2016A 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 Interest Payment Date.

“Defeasance Obligations” means any of the following obligations:

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

[AGM/BAM: (b) evidences of ownership of proportionate interests in future interest and principal payments on United States Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying United States Government Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated; or]

[(b)[c]) 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.]

**[ASSURED:

(a) Cash (insured at all times by the Federal Deposit Insurance Corporation); or

(b) United States Government Obligations that are not subject to redemption in advance of their maturity dates.]**

“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.

“Disclosure Undertaking” means the Issuer’s Omnibus Continuing Disclosure Undertaking, as may be amended and supplemented, relating to certain obligations contained in the SEC Rule.

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

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

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

(a) Payment of the principal 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 (other than the covenants relating to continuing disclosure requirements contained herein and in the

Disclosure Undertaking) 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.

“Financeable Costs” means the amount of expenditure for an Improvement which has been duly authorized by action of the Governing Body to be financed by general obligation bonds, less: (a) the amount of any temporary notes or general obligation bonds of the Issuer which are currently Outstanding and available to pay such Financeable Costs; and (b) any amount of Financeable Costs which has been previously paid by the Issuer or by any eligible source of funds unless such amounts are entitled to be reimbursed to the Issuer under State or federal law.

“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.

“Improvement Fund” means the Improvement Fund for General Obligation Refunding and Improvement Bonds, Series 2016A 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.

[USE THE FOLLOWING FOR AGM, ASSURED and BAM:

“Insurer's Fiscal Agent” means the agent designated by the Bond Insurer pursuant to the Bond Insurance Policy.]

“Interest Payment Date(s)” means the Stated Maturity of an installment of interest on any Bond which shall be April 1 and October 1 of each year, commencing April 1, 2017.

“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.

“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 [with notice to the Bond Insurer].

"Notice Address" means with respect to the following entities:

(a) To the Issuer at:

City Hall
10100 Grady Avenue
Maize, Kansas 67101
Fax: (316) 722-0346

(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:

[Purchaser]
[Address]
[City, State] [Zip]
Fax: [Fax]

(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

[(e) To the Bond Insurer:

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Telephone: (212) 826-0100; Fax: (212) 339-3529

Assured Guaranty Corp.
1325 Avenue of the Americas
New York, New York 10019
Fax: (212) 581-3266

Build America Mutual Assurance Company
1 World Financial Center, 27th Floor
200 Liberty Street
New York, New York 10281
Telephone: (212) 235-2500; Fax: (212) 962-1710]

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 any Purchaser, the manager of its Municipal Bond Department.
- (d) With respect to any Rating Agency, any Vice President thereof.

[(e) With respect to the Bond Insurer, *[AGM: Attn: Managing Director – Surveillance – Re: Policy No. [____]]* **[ASSURED: its General Counsel with a copy to its Risk Management Department-Public Finance Surveillance]** ***[BAM: Attn: General Counsel – Re: Policy No. [____]]***.]

“Official Statement” means Issuer’s Official Statement relating to the Bonds.

“Ordinance” means Ordinance No. [____] 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[.]; and

*[FOR BOND INSURANCE:

- (d) Bonds, the principal or interest of which has been paid by the Bond Insurer.]*

“Owner” when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register. Whenever consent of the Owners is required pursuant to the terms of this Bond Resolution, and the Owner of the Bonds, as set forth on the Bond Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Bonds.

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

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

*[**“Permitted Investments”** shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the 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); or (m) other investment obligations authorized by the laws of the State and approved in writing by the Bond Insurer], all as may be further restricted or modified by amendments to applicable State law.]*

[USE THE FOLLOWING FOR ASSURED:**

“Permitted Investments” shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative:

- (a) Cash (fully insured by the Federal Deposit Insurance Corporation);
- (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 (other than an obligation subject to variation in principal repayment);
- (d) Evidences of ownership of proportionate interests in future interest and principal payments on obligations described in (c) held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated;
- (e) Federal Housing Administration debentures;
- (f) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
 - (1) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(2) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;

(3) Federal Home Loan Banks (FHL Banks) consolidated debt obligations; and

(4) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(g) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the Issuer is located, which have capital and surplus of at least \$15,000,000, and which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c);

(h) Money market funds rated "Aam" or "AAM-G" by S&P, or better and if rated by Moody's rated "Aa2" or better, the portfolio of which is comprised entirely of securities described in (c), (e) or (f);

(i) 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 and which is rated at least "A3" by Moody's and at least "A-" by S&P, or any obligation fully and unconditionally guaranteed by the State or any subdivision or agency thereof whose unsecured general obligation debt is so rated;

(j) Direct general short-term obligations of the State or any subdivision or agency thereof described in (i) and rated "A-1+" by S&P and "MIG-1" by Moody's;

(k) Bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity, are rated "AAA" by S&P and "Aaa" by Moody's, are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of Defeasance Obligations, and which meet the following requirements:

(1) the bonds are (A) not subject to redemption prior to maturity or (B) the Paying Agent for the bonds has been given irrevocable instructions concerning their call and redemption and the Issuer of the bonds has covenanted not to redeem such bonds other than as set forth in such instructions;

(2) the bonds are secured by cash or United States Government Obligations which may be applied only to payment of the principal of, interest and premium on such bonds;

(3) the principal of and interest on the United States Government Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the bonds;

(4) the cash or United States Government Obligations serving as security for the bonds are held by an escrow agent or trustee in trust for owners of the bonds;

(5) no substitution of a United States Government Obligation shall be permitted except with another United States Government Obligation and upon delivery of a new report as described in (3); and

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

(l) Repurchase agreements with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A-" by S&P and "A3" Moody's; (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A-" by S&P and "A3" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated at least "A-" by S&P and "A3" Moody's and acceptable to the Bond Insurer (each an "Eligible Provider"), provided that:

(4) permitted collateral shall include (A) direct obligations of the United States Government or any agency thereof, or (B) senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers), and (ii) collateral levels must be at least 102% of the total principal when the collateral type is U.S. Government Obligations, 103% of the total principal when the collateral type is GNMA's and 104% of the total principal when the collateral type is FNMA and FHLMC ("Eligible Collateral");

(5) the trustee or a third party acting solely as agent therefore or for the Issuer (the "Custodian") has possession of the collateral or the collateral has been transferred to the Custodian in accordance with applicable state and federal laws (other than by means of entries on the transferor's books) and such collateral shall be marked to market;

(6) the collateral shall be marked to market on a daily basis and the provider or Custodian shall send monthly reports to the trustee, the Issuer and the Bond Insurer setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

(7) the repurchase agreement (or guaranty, if applicable) may not be assigned or amended without the prior written consent of the Bond Insurer;

(8) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof; and

(9) the repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, notify the Issuer, the Paying Agent and the Bond Insurer within five (5) days of receipt of such notice. Within ten (10) days of receipt of such notice, the provider shall either: (i) provide a written guarantee acceptable to the Bond Insurer, (ii) post Eligible Collateral, or (iii) assign the agreement to an Eligible Provider. If the provider does not perform a remedy within ten (10) business days, the provider shall, at the direction of the trustee (who shall give such direction if so directed by the Bond Insurer) repurchase all collateral and terminate the repurchase agreement, with no penalty or premium to the Issuer or the Paying Agent;

(m) Investment agreements: with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA-" by

S&P and “Aa3” by Moody's, and acceptable to the Bond Insurer (each an “Eligible Provider”); provided that:

(1) interest payments are to be made to the Paying Agent at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

(2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven (7) days' prior notice; the Issuer and the Paying Agent hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(3) the provider shall send monthly reports to the Paying Agent, the Issuer and the Bond Insurer setting forth the balance the Issuer or Paying Agent has invested with the provider and the amounts and dates of interest accrued and paid by the provider;

(4) the investment agreement shall state that is an unconditional and general obligation of the provider, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks *pari passu* with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(5) the investment agreement (or guaranty, if applicable) may not be assigned or amended without the prior written consent of the Bond Insurer;

(6) the Issuer, the Paying Agent and the Bond Insurer shall receive an opinion of domestic counsel to the provider that such investment agreement is legal, valid, binding and enforceable against the provider in accordance with its terms;

(7) the Issuer, the Paying Agent and the Bond Insurer shall receive an opinion of foreign counsel to the provider (if applicable) that (i) the investment agreement has been duly authorized, executed and delivered by the provider and constitutes the legal, valid and binding obligation of the provider, enforceable against the provider in accordance with its terms, (b) the choice of law of the state set forth in the investment agreement is valid under that country's laws and a court in such country would uphold such choice of law, and (c) any judgment rendered by a court in the United States would be recognized and enforceable in such country;

(8) the investment agreement shall provide that if during its term:

(A) the provider's rating by either S&P or Moody's falls below “AA-” or “Aa3”, the provider shall, at its option, within ten (10) days of receipt of publication of such downgrade, either (i) provide a written guarantee acceptable to the Bond Insurer, (ii) post Eligible Collateral with the Issuer, the Paying Agent or a third party acting solely as agent therefore (the “Custodian”) free and clear of any third party liens or claims, or (iii) assign the agreement to an Eligible Provider, or (iv) repay the principal of and accrued but unpaid interest on the investment;

(B) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below “A-” or “A3”, the provider must, at the direction of the Issuer or the Paying Agent (who shall give such direction if so directed by the Insurer), within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid

interest on the investment, in either case with no penalty or premium to the Issuer or Paying Agent;

(9) in the event the provider is required to collateralize, permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers) and collateral levels must be 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA's and 104% of the total principal when the collateral type is FNMA and FHLMC ("Eligible Collateral"). In addition, the collateral shall be marked to market on a daily basis and the provider or Custodian shall send monthly reports to the Paying Agent, the Issuer and the Bond Insurer setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

(10) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof; and

(11) the investment agreement must provide that if during its term: (i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer or the Paying Agent (who shall give such direction if so directed by the Bond Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate, and (ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc., the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate.]**

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

"Purchase Price" means the principal amount of the Bonds plus accrued interest to the date of delivery[, plus a premium of \$[_____]], less an underwriting discount of \$[_____]], less an original issue discount of \$[_____]].

"Purchaser" means [Purchaser], [City, State], the original purchaser of the Bonds, and any successor and assigns.

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

"Rebate Fund" means the Rebate Fund for General Obligation Refunding and Improvement Bonds, Series 2016A created pursuant to **Section 501** hereof.

"Record Dates" for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest 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 Fund” means the Redemption Fund for Refunded Bonds created pursuant to *Section 501* hereof.

“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.

“Refunded Bonds” means the Series A, 2011 Bonds maturing in the years 2017 to 2032, inclusive, in the aggregate principal amount of \$3,835,000.

“Refunded Bonds Paying Agent” means the paying agent for the Refunded Bonds as designated in the Refunded Bonds Resolution, and any successor or successors at the time acting as paying agent of the Refunded Bonds.

“Refunded Bonds Redemption Date” means October 1, 2016.

“Refunded Bonds Resolution” means the ordinance and resolution which authorized the Refunded Bonds.

“Replacement Bonds” means Bonds issued to the Beneficial Owners of the Bonds in accordance with *Section 210* hereof.

“SEC Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

“Securities Depository” means, initially, DTC, and its successors and assigns.

“Series A, 2011 Bonds” means the Issuer's General Obligation Bonds, Series A, 2011, dated September 29, 2011.

“Series A, 2011 Principal and Interest Account” means the Principal and Interest Account for the Series A, 2011 Bonds.

“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 [with notice to the Bond Insurer].

“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.

“**Substitute Improvements**” means the substitute or additional improvements of the Issuer described in *Article V* hereof.

[“**Term Bonds**” means the Bonds scheduled to mature in the year 2036.]

[“**___ Term Bonds**” means the Bonds scheduled to mature in the year ____.]

[“**2036 Term Bonds**” means the Bonds scheduled to mature in the year 2036.]

[“**Term Bonds**” means collectively the [____] Term Bonds[, the [____] Term Bonds] and the 2036 Term Bonds.]

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

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

ARTICLE II

AUTHORIZATION AND DETAILS OF THE BONDS

Section 201. Authorization of the Bonds. The Bonds have been heretofore authorized and directed to be issued pursuant to the Ordinance in the principal amount of \$4,815,000*, for the purpose of providing funds to: (a) pay the costs of the Improvements; (b) pay Costs of Issuance; and (c) refund the Refunded Bonds.

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, and shall bear interest at the rates per annum as follows:

[SERIAL BONDS]

<u>Stated Maturity</u> <u>October 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>	<u>Stated Maturity</u> <u>October 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
2017	\$225,000	_____%	2027	\$350,000	_____%
2018	265,000		2028	260,000	

2019	275,000	2029	270,000
2020	280,000	2030	280,000
2021	290,000	2031	290,000
2022	290,000	2032	245,000
2023	300,000	2033	55,000
2024	315,000	2034	55,000
2025	325,000	2035	55,000
2026	330,000	2036	60,000

[TERM BONDS

Stated Maturity	Principal	Annual Rate
<u>October 1</u>	<u>Amount</u>	<u>of Interest</u>
2036	\$ _____	_____ %]

The Bonds shall bear interest at the above specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid on the Interest Payment Dates in the manner set forth in **Section 204** hereof.

Each of the Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be 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 an 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 the Bond Insurer,] 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 the Bond Insurer] has been appointed and has accepted the duties of Paying Agent or Bond Registrar. [Each successor Paying Agent shall be approved in writing by the Bond Insurer 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.

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 [corporate trust] office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest [(a)] by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner[; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 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 therefore 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 Bond Insurer or] 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. Book-Entry Bonds; Securities Depository. The Issuer and Paying Agent have entered into a DTC Representation Letter with DTC. The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Registrar issues Replacement Bonds as provided in this Section. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless

the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraph.

The Issuer may decide, subject to the requirements of the Operational Arrangements of DTC (or a successor Securities Depository), and the following provisions of this section to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository):

(a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds; or

(b) if the Bond Registrar receives written notice from Participants having interests in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, then the Bond Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to Owners requesting the same, and the Bond Registrar shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Bond Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers.

In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Issuer, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository in accordance with the following paragraph, then the Bond Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Bond Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the Issuer.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Bond Registrar receives written evidence satisfactory to the Bond Registrar with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Bond Registrar upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in an Authorized Denominations and form as provided herein.

Section 211. 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 212. Preliminary and Final Official Statement. The Preliminary Official Statement dated [POS Date], is hereby ratified and approved.

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

The Issuer agrees to provide to the Purchaser within seven business days of the date of the sale of Bonds sufficient copies of the Official Statement to enable the Purchaser to comply with the requirements of [he SEC Rule and Rule G-32 of the Municipal Securities Rulemaking Board.

Section 213. Sale of the Bonds. The sale of the Bonds to the Purchaser is hereby ratified and confirmed. The Mayor and Clerk are hereby authorized to execute the official bid form submitted by the Purchaser. 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.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption by Issuer.

Optional Redemption. At the option of the Issuer, Bonds maturing on October 1 in the years 2022, and thereafter, will be subject to redemption and payment prior to their Stated Maturity on October 1, 2021, and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity 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 to the Redemption Date.

[**Mandatory Redemption.** [(a) [] Term Bonds.] The [] Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The taxes levied in **Article IV** hereof which are to be deposited

into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such [] Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	

*

*Final Maturity

(b) [] *Term Bonds*. The [] Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The taxes levied in *Article IV* hereof which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such [] Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	

[]*

*Final Maturity]

(c) *2036 Term Bonds*.] The 2036 Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The taxes levied in *Article IV* hereof which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such 2036 Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	

2036*

*Final Maturity]

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the Issuer may: (1) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the Issuer under this Section for any Term Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection) and cancelled by the Paying Agent and not

theretofore applied as a credit against any redemption obligation under this subsection. Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Issuer to redeem Term Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same Stated Maturity as designated by the Issuer, and the principal amount of Term Bonds to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the Issuer intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the Issuer will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with, with respect to such mandatory redemption payment.]

Section 302. Selection of Bonds to be Redeemed. 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.

In the case of a partial redemption of 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 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 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 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. [The foregoing provisions of this paragraph shall not apply in the case of any mandatory redemption of Term Bonds hereunder, and Term Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the Issuer and whether or not the Paying Agent holds moneys available and sufficient to effect the required 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 Bond Insurer] 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.

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

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, the Issuer shall provide such notices of redemption as are required by the Disclosure Undertaking. 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 City payable as to both principal and interest from special assessments levied upon the property benefited by the construction of the Improvements and the improvements financed by the Refunded Bonds and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 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 and/or assessments upon all of the taxable tangible property within the Issuer in the manner provided by law.

The taxes and/or assessments referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the 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 and/or assessments 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 General Obligation Refunding and Improvement Bonds, Series 2016A.
- (b) Redemption Fund for Refunded Bonds.
- (c) Debt Service Account for General Obligation Refunding and Improvement Bonds, Series 2016A (within the Bond and Interest Fund).
- (d) Rebate Fund for General Obligation Refunding and Improvement Bonds, Series 2016A.
- (e) Costs of Issuance Account for General Obligation Refunding and Improvement Bonds, Series 2016A.
- (f) Compliance Account.

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) Excess proceeds, if any, received from the sale of the Bonds shall be deposited in the Debt Service Account.
- (b) The sum of \$[] shall be deposited in the Costs of Issuance Account.
- (c) The sum of \$[858,766.94] shall be deposited in the Improvement Fund.
- (d) The sum of \$[3,835,000.00] shall be deposited into the Redemption Fund.
- (e) Simultaneously with the issuance of the Bonds, the Issuer shall transfer from the Series A, 2011 Principal and Interest Account the sum of \$[261,572.50] into the Redemption Fund to provide for payment of the Refunded Bonds and the Series A, 2011 Bonds maturing on the Redemption Date.

Section 503. Application of Moneys in the Improvement Fund. Moneys in the Improvement Fund shall be used for the sole purpose of: (a) paying the costs of the Improvements, in accordance with the plans and specifications therefor prepared by the Consulting Engineer heretofore approved by the Governing Body and on file in the office of the Clerk, including any alterations in or amendments to said plans and specifications deemed advisable by the Consulting Engineer and approved

by the Governing Body; (b) paying a portion of the first year's interest on the Bonds; and (c) transferring any amounts to the Rebate Fund required by this *Article V*.

Withdrawals from the Improvement Fund shall be made only when authorized by the Governing Body. 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 shall be deposited in the Debt Service Account.

Section 504. Substitution of Improvements; Reallocation of Proceeds.

(a) The Issuer may elect for any reason to substitute or add other public improvements to be financed with proceeds of the Bonds provided the following conditions are met: (1) the Substitute Improvement and the issuance of general obligation bonds to pay the cost of the Substitute Improvement has been duly authorized by the Governing Body in accordance with the laws of the State; (2) a resolution authorizing the use of the proceeds of the Bonds to pay the Financeable Costs of the Substitute Improvement has been duly adopted by the Governing Body pursuant to this Section, (3) the Attorney General of the State has approved the amendment made by such resolution to the transcript of proceedings for the Bonds to include the Substitute Improvements; and (4) the use of the proceeds of the Bonds to pay the Financeable Cost of the Substitute Improvement will not adversely affect the tax-exempt status of the Bonds under State or federal law.

(b) The Issuer may reallocate expenditure of Bond proceeds among all Improvements financed by the Bonds; provided the following conditions are met: (1) the reallocation is approved by the Governing Body; (2) the reallocation shall not cause the proceeds of the Bonds allocated to any Improvement to exceed the Financeable Costs of the Improvement; and (3) the reallocation will not adversely affect the tax-exempt status of the Bonds under State or federal law.

Section 505. Application of Moneys in the Redemption Fund. Moneys in the Redemption Fund shall be paid and transferred to the Refunded Bonds Paying Agent, with irrevocable instructions to apply such amount to the payment of the Refunded Bonds on the Refunded Bonds Redemption Date and payment of the Series A, 2011 Bonds maturing on the Redemption Date. The Clerk is authorized and instructed to provide appropriate notice of redemption in accordance with the Refunded Bonds Resolution authorizing the issuance of such Refunded Bonds. Any moneys remaining in the Redemption Fund not needed to retire the Refunded Bonds shall be transferred to the Debt Service Account.

Section 506. 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 507. Application of Moneys in the Rebate Fund.

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the Issuer nor the Owner of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and the Federal Tax Certificate.

(b) The Issuer shall periodically determine the arbitrage rebate, if any, under Code § 148(f) in accordance with the Federal Tax Certificate, and the Issuer shall make payments to the United States of America at the times and in the amounts determined under the Federal Tax Certificate. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor, shall be deposited into the Bond and Interest Fund.

(c) Notwithstanding any other provision of this Bond Resolution, including in particular *Article VII* hereof, the obligation to pay arbitrage rebate to the United States of America and to comply with all other requirements of this Section and the Federal Tax Certificate shall survive the defeasance or payment in full of the Bonds.

Section 508. 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 509. 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 Compliance Account.

Section 510. Redemption of Refunded Bonds. The Outstanding Series A, 2011 Bonds, becoming due on October 1, 2017 and thereafter, in the aggregate the principal amount of \$3,835,000, are hereby called for redemption and payment prior to maturity on the Refunded Bonds Redemption Date. Said Series A, 2011 Bonds shall be redeemed in accordance with the Refunded Bonds Resolution by the payment of the principal thereof, together with the redemption premium and accrued interest thereon to such Refunded Bonds Redemption Date. The Clerk is hereby directed to cause notice of the call for redemption and payment of said Series A, 2011 Bonds to be given in the manner provided in the Refunded Bonds Resolution. The officers of the Issuer and the Refunded Bonds Paying Agent are hereby authorized and directed to take such other action as may be necessary in order to effect the redemption and payment of said Series A, 2011 Bonds as herein provided.

Section 511. Application of Moneys in the Compliance Account. Moneys in the Compliance Account shall be used by the Issuer to pay fees and expenses relating to compliance with federal arbitrage law and state or federal securities laws. Any funds remaining in the Compliance Account on the sixth anniversary of the Issue Date shall be transferred 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% [Assured: 50%] 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.

[USE THE FOLLOWING SECTION WITH BOND INSURANCE:

Section 604. Control of Remedies Upon an Event of Default and Event of Insolvency. Notwithstanding anything herein to the contrary, upon the occurrence and continuance of an Event of Default, the Bond Insurer, provided the Bond Insurance Policy is in full force and effect and the Bond Insurer shall not be in default thereunder, shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners under this Bond Resolution. Any reorganization or liquidation plan with respect to the Issuer must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Owners who hold the Bonds insured by the Bond Insurer absent a default by the Bond Insurer under the applicable Bond Insurance Policy insuring such Bonds.]

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 *Article III* hereof. 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. [The Issuer shall notify the Bond Insurer of any defeasance under this Section.]

[USE THE FOLLOWING FOR BOND INSURANCE:

Notwithstanding anything in this Bond Resolution to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer and the covenants, agreements and other obligations of the Issuer to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.]

[USE THE FOLLOWING FOR ASSURED:

The provisions of this Section shall not be operative unless the Issuer shall cause to be delivered: (a) a report of an Independent Accountant acceptable to the Bond Insurer verifying the sufficiency of the escrow established to pay the Bonds in full on the Stated Maturity or Redemption Date; (b) an escrow agreement acceptable in form and substance to the Bond Insurer together with an opinion of counsel regarding the validity and enforceability of such escrow agreement; and (c) an opinion of Bond Counsel to the effect that the Bonds are no longer Outstanding under this Bond Resolution and that the defeasance will not adversely impact the exclusion from gross income for federal income tax purposes of interest on the Bonds to be defeased; each report and opinion shall be acceptable in form and substance, and addressed, to the Issuer and the Bond Insurer.

Any escrow agreement entered into in accordance with the provisions of this Section shall also meet the following requirements: (a) the Issuer shall not amend such escrow agreement or enter into a forward purchase agreement or other similar agreement with respect to rights in such escrow without the prior written consent of the Bond Insurer; (b) any substitution of Defeasance Obligations in such escrow shall require a verification report of an Independent Accountant acceptable to the Bond Insurer verifying the sufficiency of the escrow after such substitution and the prior written consent of the Bond Insurer; (c) the Issuer will not exercise any optional redemption of Bonds secured by such escrow or any other redemption, other than mandatory sinking fund redemption unless: (1) the right to make such redemption has been expressly reserved in such escrow agreement, and (2) there shall be presented to the Bond Insurer a report of an Independent Accountant acceptable to the Bond Insurer verifying the sufficiency of the escrow established to pay the Bonds in full, without reinvestment, on the Redemption Date.]

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

[PROVISIONS RELATING TO THE BOND INSURANCE POLICY

*[USE THE FOLLOWING FOR AGM:

Section 901. Payment Procedure Pursuant to Bond Insurance Policy. As long as the Bond Insurance Policy shall be in full force and effect, the Issuer and the Paying Agent agree to comply with the following provisions:

(a) If, on the Business Day prior to the related Stated Maturity there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Bond Resolution, moneys sufficient to pay the principal of and interest on the Bonds due on such Stated Maturity, the Paying Agent shall give notice to the Bond Insurer and to the Insurer's Fiscal Agent by telephone or telecopy of the amount of such deficiency by 1:00 p.m., New York City time, on such Business Day. If, on the related Stated Maturity, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Stated Maturity, the Paying Agent shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal on the Bonds, confirmed in writing to the Bond Insurer and the Insurer's Fiscal Agent by 1:00 p.m., New York City time, on such Stated Maturity by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

(b) In the event the claim to be made is for a mandatory sinking fund redemption installment, upon receipt of the moneys due, the Paying Agent shall authenticate and deliver to affected Owners who surrender their Bonds a new Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered. The Paying Agent shall designate any portion of payment of principal on Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Bond Insurer, registered in the name of the Bond Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Bond Insurer.

The Paying Agent shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (as hereinafter defined) and the allocation of such funds to

payment of interest on and principal paid in respect of any Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

Upon payment of a claim under the Bond Insurance Policy the Paying Agent shall establish a separate special purpose trust account for the benefit of Owners referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Owners and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Owners in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent.

Any funds remaining in the Policy Payments Account following a Stated Maturity date shall promptly be remitted to the Bond Insurer.

(c) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy.

(d) The Issuer agrees to pay or reimburse the Bond Insurer any and all charges, fees, costs and expenses which the Bond Insurer may reasonably pay or incur in connection with (1) the administration, enforcement, defense or preservation of any rights or security in respect of the Bond Resolution, (2) the pursuit of any remedies under the Bond Resolution or otherwise afforded by law or equity, (3) any amendment, waiver or other action with respect to, or related to, the Bond Resolution whether or not executed or completed, (4) the violation by the Issuer of any law, rule or regulation, or any judgment, order or decree applicable to it or (5) any litigation or other dispute in connection with the Bond Resolution or the transactions contemplated thereby, other than amounts resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Bond Resolution.

(e) Payments required to be made to the Bond Insurer shall be payable solely from the taxes levied pursuant to *Article IV* hereof and shall be paid (1) prior to an Event of Default, to the extent not paid from the Debt Service Account, and (2) after an Event of Default, with respect to amounts other than principal and interest on the Bonds, on the same priority as payments to the Paying Agent for expenses. The obligations to the Bond Insurer shall survive discharge or termination of the Bond Resolution.

(f) The Bond Insurer shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with this Bond Resolution, whether or not the Bond Insurer has received a Notice (as defined in the Bond Insurance Policy) of Nonpayment or a claim upon the Bond Insurance Policy.

Section 902. Consent of the Bond Insurer. Any provision of this Bond Resolution expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner which affects the rights of the Bond Insurer hereunder without the prior written consent of the Bond Insurer.

The Bond Insurer's consent shall be required in addition to Owner consent, when required, for the execution and delivery of any supplemental resolution, or any amendment, supplement or change to or modification of other documents relating to the security for the Bonds; removal or substitution of the Paying Agent; or approval of any action or document requiring approval of the Owners.

The Bond Insurer shall be deemed to be the sole Owner of the Bonds insured by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Bonds insured by it are entitled to take pursuant to this Bond Resolution.

Section 903. Notices to the Bond Insurer.

(a) While the Bond Insurance Policy is in effect, the Issuer shall, in addition to the other notice requirements contained in this Bond Resolution, furnish to the Bond Insurer:

(1) As soon as practicable after the filing thereof, a copy of any financial statement, audit and/or annual report of the Issuer;

(2) A copy of any notice to be given to the Owners, including, without limitation, notice of any redemption of or defeasance of Bonds, and any certificate rendered pursuant to this Bond Resolution relating to the security for the Bonds;

(3) Notice of an Event of Default within five business days after the occurrence of such event; and

(4) such additional information as the Bond Insurer may reasonably request.

(b) The Issuer shall notify the Bond Insurer of any failure of the Issuer to provide relevant notices, certificates, etc.

(c) The Issuer will permit the Bond Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Issuer. The Issuer will permit the Bond Insurer to have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

(d) The Bond Insurer shall have the right to direct an accounting at the Issuer's expense, and the Issuer's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Bond Insurer shall be deemed an Event of Default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any Owner.

(e) Notwithstanding any other provision of this Bond Resolution, the Issuer shall immediately notify the Bond Insurer if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any Event of Default hereunder.

(f) In each case in which notice or other communication to the Bond Insurer refers to an Event of Default or with respect to which failure on the part of the Bond Insurer to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication shall also be sent to the attention of General Counsel and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

Section 904. Third Party Beneficiary. To the extent that this Bond Resolution confers upon or gives or grants to the Bond Insurer any right, remedy, or claim under or by reason of this Bond Resolution, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Section 905. Parties Interested Herein. Nothing in this Bond Resolution, expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Issuer, the Bond Insurer, the Paying Agent and the Owners, any right, remedy or claim under or by reason of this Bond Resolution, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Bond Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Paying Agent, the Bond Insurer and the Owners of the Bonds.

Section 906. Suspension of Bond Insurer's Rights. Rights of the Bond Insurer to direct or consent to actions granted under this Bond Resolution shall be suspended during any period in which the Bond Insurer is in default in its payment obligations under the Bond Insurance Policy (except to the extent of amounts previously paid by the Bond Insurer and due and owing to the Bond Insurer) and shall be of no force or effect in the event the Bond Insurance Policy is no longer in effect or the Bond Insurer asserts that the Bond Insurance Policy is not in effect or the Bond Insurer shall have provided written notice that it waives such rights.]*

**[USE THE FOLLOWING FOR ASSURED:

Section 907. Payment Procedure Pursuant to Bond Insurance Policy. As long as the Bond Insurance Policy shall be in full force and effect, the Issuer and the Paying Agent agree to comply with the following provisions:

(a) At least two (2) Business Days prior to each Bond Payment Date, the Paying Agent will determine whether there will be sufficient funds in the Funds and Accounts to pay all Debt Service Requirements on the Bonds due on such Bond Payment Date and shall immediately notify the Bond Insurer or the Insurer's Fiscal Agent on the same Business Day by telephone or electronic mail, confirmed in writing by registered or certified mail, of the amount of any deficiency. Such notice shall specify the amount of the anticipated deficiency, the Bonds to which such deficiency is applicable and whether such Bonds will be deficient as to principal or interest or both. If the deficiency is made up in whole or in part prior to or on the Bond Payment Date, the Paying Agent shall so notify the Bond Insurer or the Insurer's Fiscal Agent.

(b) The Paying Agent, shall after giving notice to the Bond Insurer as provided above, make available to the Bond Insurer and, at the Bond Insurer's direction, to the Insurer's Fiscal Agent, the Bond Register and all records relating to the Funds and Accounts maintained under this Bond Resolution.

(c) The Paying Agent shall provide the Bond Insurer and the Insurer's Fiscal Agent with a list of Owners entitled to receive payments of Debt Service Requirements from the Bond Insurer under the terms of the Bond Insurance Policy, and shall make arrangements with the Bond Insurer, the Insurer's Fiscal Agent or another designee of the Bond Insurer to (1) mail checks or drafts to the Owners entitled to receive full or partial interest payments from the Bond Insurer and (2) pay principal upon Bonds

surrendered to the Bond Insurer, the Insurer's Fiscal Agent or another designee of the Bond Insurer by the Owners entitled to receive full or partial principal payments from the Bond Insurer.

(d) The Paying Agent shall, at the time it provides notice to the Bond Insurer of any deficiency pursuant to (a) above, notify Owners entitled to receive the payment of Debt Service Requirements from the Bond Insurer (1) as to such deficiency and its entitlement to receive payment of principal or interest, as applicable, (2) that the Bond Insurer will remit to them all or a part of the interest payments due on the relevant Interest Payment Date upon proof of the Owner's entitlement thereto and delivery to the Bond Insurer or the Insurer's Fiscal Agent, in form satisfactory to the Bond Insurer, of an appropriate assignment of the Owner's right to payment, (3) that, if they are entitled to receive partial payment of principal from the Bond Insurer, they must surrender the related Bonds for payment first to the Paying Agent, which will note on such Bonds the portion of the principal paid by the Paying Agent and second to the Bond Insurer or its designee, together with the an appropriate assignment, in form satisfactory to the Bond Insurer, to permit ownership of such Bonds to be registered in the name of the Bond Insurer, which will then pay the unpaid portion of principal, and (4) that, if they are entitled to receive full payment of principal from the Bond Insurer, they must surrender the related Bonds for payment to the Bond Insurer or its designee, rather than the Paying Agent, together with an appropriate assignment, in form satisfactory to the Bond Insurer, to permit ownership of such Bonds to be registered in the name of the Bond Insurer.

(e) In the event that the Paying Agent has notice that any Owner of an Bond has been required to disgorge payment of Debt Service Requirements on a Bond which has become Due for Payment (as defined in the Bond Insurance Policy) pursuant to a final non-appealable order of a court of competent jurisdiction that such payment constitutes an avoidable preference to such Owner within the meaning of any applicable bankruptcy laws, then the Paying shall notify the Bond Insurer or the Insurer's Fiscal Agent of such fact by telephone or electronic notice, confirmed in writing by registered or certified mail.

(f) The Paying Agent is hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for the Owners of the Bonds as follows: (a) if and to the extent there is a deficiency in amounts required to pay interest on the Bonds, the Paying Agent shall: (1) execute and deliver to the Bond Insurer, in a form satisfactory to the Bond Insurer, an instrument appointing the Bond Insurer as agent for such Owner in any legal proceeding related to the payment of such interest and an assignment to the Bond Insurer of the claims for interest to which such deficiency relates and which are paid by the Bond Insurer, (2) receive as designee of the respective Owner (and not as trustee) in accordance with the tenor of the Bond Insurance Policy payment from the Bond Insurer with respect to the claims for interest so assigned, and (3) disburse the same to such respective Owner; and (b) (a) if and to the extent there is a deficiency in amounts required to pay principal of the Bonds, the Paying Agent shall: (1) execute and deliver to the Bond Insurer, in a form satisfactory to the Bond Insurer, an instrument appointing the Bond Insurer as agent for such Owner in any legal proceeding related to the payment of such principal and an assignment to the Bond Insurer of the claims for principal to which such deficiency relates and which are paid by the Bond Insurer, (2) receive as designee of the respective Owner (and not as trustee) in accordance with the tenor of the Bond Insurance Policy payment from the Bond Insurer with respect to the claims for principal so assigned, and (3) disburse the same to such respective Owner.

(g) Payments with respect to claims for Debt Service Requirements on the Bonds disbursed by the Paying Agent from proceeds of the Bond Insurance Policy shall not be considered to discharge the obligation of the Issuer with respect to such Bonds and the Bond Insurer shall become the owner of such unpaid Bond and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this Section or otherwise.

(h) Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent agree for the benefit of the Bond Insurer that: (a) they recognize that to the extent the Bond Insurer makes payments directly or indirectly (e.g. paying through the Paying Agent) on account of Debt Service Requirements on the Bonds, the Bond Insurer shall be subrogated to the rights of such Owners to receive the amount of Debt Service Requirements from the Issuer, as provided and solely from the sources stated in this Bond Resolution; and (b) they will accordingly pay to the Bond Insurer the amount of such Debt Service Requirements as provided in this Bond Resolution and the Bonds but only from the sources and in the manner provided in this Bond Resolution for the payment of Debt Service Requirements on the Bonds and will otherwise treat the Bond Insurer as the owner of such rights to the amount of such Debt Service Requirements.

(i) The Bond Insurer shall be entitled to pay the Debt Service Requirements on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment (as defined in the Bond Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the Stated Maturity thereof in accordance with this Bond Resolution, whether or not the Bond Insurer has received a Notice (as defined in the Bond Insurance Policy) of Nonpayment or a claim upon the Bond Insurance Policy.

(j) In addition to those rights granted to the Bond Insurer under this Bond Resolution, the Bond Insurer shall, to the extent it makes any payment of Debt Service Requirements on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy, and to evidence such subrogation (1) in the case of claims for interest, the Paying Agent shall note the Bond Insurer's rights as subrogee on the Bond Register upon receipt from the Bond Insurer of proof of payment of interest thereon to the Owners of the Bonds, and (2) in the case of claims for principal, the Paying Agent shall note the Bond Insurer's rights as subrogee on the Bond Register upon surrender of the Bonds together with receipt of proof of payment of principal thereof.

Section 908. Consent of the Bond Insurer. Any provision of this Bond Resolution expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner which affects the rights of the Bond Insurer hereunder without the prior written consent of the Bond Insurer. The Bond Insurer reserves the right to charge the Issuer a fee for any consent or amendment to this Bond Resolution while the Bond Insurance Policy is in effect.

The Bond Insurer's consent shall be required in addition to Owner consent, when required, for the execution and delivery of any supplemental resolution, or any amendment, supplement or change to or modification of other documents relating to the security for the Bonds; removal or substitution of the Paying Agent; or approval of any action or document requiring approval of the Owners. Any reorganization or liquidation plan with respect to the Issuer must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Owners absent a default by the Bond Insurer under the Bond Insurance Policy. Anything in this Bond Resolution to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, the Bond Insurer shall have the right, concurrent with the Owners, to enforce all rights and remedies granted to the Owners under this Bond Resolution.

Section 909. Notices to the Bond Insurer. While the Bond Insurance Policy is in effect, the Issuer shall furnish to the Bond Insurer, upon request:

- (a) The annual budget prior to the beginning of each Fiscal Year,
- (b) As soon as available, copies of any annual financial statements, audits and/or annual reports of the Issuer,

- (c) Such additional information it may reasonably request,
- (d) A copy of any notice to be given to the Owners, including, without limitation, notice of any redemption of or defeasance of Bonds, and
- (e) Any certificate rendered pursuant to this Bond Resolution relating to the security for the Bonds.

The Issuer shall notify the Bond Insurer within thirty days following any litigation or investigation that may have material adverse affect on the financial position of the Issuer or the Bonds.

The Bond Insurer shall be included as party to be notified in the event the Issuer provides any notices pursuant to the SEC Rule, as authorized by this Bond Resolution. Such information shall be delivered at the Issuer's expense. In addition, the Issuer shall furnish to the Bond Insurer (a) any failure of the Issuer to provide relevant notices, certificates, etc., and (b) if at any time there are insufficient moneys to make any payments of Debt Service Requirements as required under this Bond Resolution and immediately upon the occurrence of an Event of Default.

Section 910. Other Information. The Issuer will permit the Bond Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Issuer. The Issuer will permit the Bond Insurer to have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

Section 911. Reimbursement. To the extent permitted by law, the Issuer hereby agrees to pay or reimburse the Bond Insurer (a) for all amounts paid by the Bond Insurer under the terms of the Bond Insurance Policy, and (b) any and all charges, fees, costs and expenses which the Bond Insurer may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (1) any accounts established to facilitate payments under the Bond Insurance Policy, (2) the administration, enforcement, defense or preservation of any rights in respect of this Bond Resolution including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Issuer) relating this Bond Resolution, any party to this Bond Resolution or the transaction contemplated by this Bond Resolution, or (3) any amendment, waiver or other action with respect to, or related to, this Bond Resolution whether or not executed or completed; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of the Bond Insurer spent in connection with the actions described in (2) or (3). In addition, the Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Bond Resolution. The Issuer will pay interest on the amounts owed in this Section from the date of any payment due or paid, at the per annum rate of interest publicly announced from time to time by JP Morgan Chase Bank, National Association, at its principal office in New York, New York, as its prime lending rate (any change in such prime rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank, National Association) plus three percent (3%) per annum (the "Reimbursement Rate"). The Reimbursement Rate shall be calculated on the basis of the actual number of days elapsed over a 360-day year. In the event JPMorgan Chase Bank ceases to announce its prime rate publicly, the prime rate shall be the publicly announced prime rate or base lending rate of such national bank as the Bond Insurer shall specify.

Section 912. The Bond Insurer as a Third-Party Beneficiary. The Bond Insurer is hereby explicitly recognized as being a third-party beneficiary under this Bond Resolution and may enforce any such right, remedy or claim conferred, given or granted to the Owners under this Bond Resolution.

Section 913. No Purchase in Lieu of Redemption. Without the prior written consent of the Bond Insurer, no Bonds shall be purchased by the Issuer or any of its affiliates in lieu of redemption, unless such Bonds are redeemed, defeased or cancelled.

Section 914. Interest Rate Exchange Agreements. The Issuer will not enter into any interest exchange or similar agreement with respect to the Bonds without the prior written consent of the Bond Insurer.]**

***[**USE THE FOLLOWING FOR BAM:**

Section 915. Payment Procedure Pursuant to Bond Insurance Policy. As long as the Bond Insurance Policy shall be in full force and effect, the Issuer and the Paying Agent agree to comply with the following provisions:

(a) In the event that principal and/or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Bonds.

(b) In the event that on the second (2nd) business day prior to the payment date on the Bonds, the Paying Agent has not received sufficient moneys to pay all principal of and interest on the Bonds due on the second (2nd) following business day, the Paying Agent shall immediately notify the Bond Insurer or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency.

(c) If any deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent or Trustee shall so notify the Bond Insurer or its designee.

(d) In addition, if the Paying Agent has notice that any Bondholder has been required to disgorge payments of principal of or interest on the Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Bondholder within the meaning of any applicable bankruptcy law, then the Paying Agent shall notify the Bond Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of the Bond Insurer.

(e) The Paying Agent shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Bonds as follows:

(1) If there is a deficiency in amounts required to pay interest and/or principal on the Bonds, the Paying Agent or Trustee shall (i) execute and deliver to the Bond Insurer, in form satisfactory to the Bond Insurer, an instrument appointing the Bond Insurer as agent for such holders of the Bonds in any legal proceeding related to the payment of and an assignment to the Bond Insurer of the claims for interest on the Bonds, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Bond Insurance Policy

payment from the Bond Insurer with respect to the claims for interest so assigned, and (iii) disburse the same to such respective holders; and

(2) If there is a deficiency in amounts required to pay principal of the Bonds, the Paying Agent shall (i) execute and deliver to the Bond Insurer, in form satisfactory to the Bond Insurer, an instrument appointing the Bond Insurer as agent for such holder of the Bonds in any legal proceeding related to the payment of such principal and an assignment to the Bond Insurer of the Bond surrendered to the Bond Insurer (but such assignment shall be delivered only if payment from the Bond Insurer is received), (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment therefore from the Bond Insurer, and (iii) disburse the same to such holders.

(f) Payments with respect to claims for interest on and principal of Bonds disbursed by the Paying Agent from proceeds of the Bond Insurance Policy shall not be considered to discharge the obligation of the Issuer with respect to such Bonds, and the Bond Insurer shall become the owner of such unpaid Bond and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraph (e) or otherwise.

(g) Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent shall agree for the benefit of the Bond Insurer that:

(1) They recognize that to the extent the Bond Insurer makes payments directly or indirectly (*e.g.*, by paying through the Paying Agent), on account of principal of or interest on the Bonds, the Bond Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon, as provided and solely from the sources stated in the transaction documents and the Bonds; and

(2) They will accordingly pay to the Bond Insurer the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Bonds, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Bonds to holders, and will otherwise treat the Bond Insurer as the owner of such rights to the amount of such principal and interest.

Section 916. Notices to the Bond Insurer.

(a) While the Bond Insurance Policy is in effect, the Issuer shall, in addition to the other notice requirements contained in this Bond Resolution, furnish to the Bond Insurer:

(1) As soon as practicable after the filing thereof, a copy of any financial statement, audit and/or annual report of the Issuer;

(2) A copy of any notice to be given to the Owners, including, without limitation, notice of any redemption of or defeasance of Bonds, and any certificate rendered pursuant to this Bond Resolution relating to the security for the Bonds;

(3) Copies of any filings or notices required to be given by the Issuer pursuant to the Disclosure Undertaking;

(4) Notice of an Event of Default within five business days after the occurrence of such event; and

(5) Such additional information as the Bond Insurer may reasonably request.

(b) The Issuer shall notify the Bond Insurer of any failure of the Issuer to provide relevant notices, certificates, etc.

(c) Notwithstanding any other provision of this Bond Resolution, the Issuer shall immediately notify the Bond Insurer if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any Event of Default hereunder.

Section 917. Suspension of Bond Insurer's Rights. Rights of the Bond Insurer to direct or consent to actions granted under this Bond Resolution shall be suspended during any period in which the Bond Insurer is in default in its payment obligations under the Bond Insurance Policy (except to the extent of amounts previously paid by the Bond Insurer and due and owing to the Bond Insurer) and shall be of no force or effect in the event the Bond Insurance Policy is no longer in effect or the Bond Insurer asserts that the Bond Insurance Policy is not in effect or the Bond Insurer shall have provided written notice that it waives such rights.]***

ARTICLE X

CONTINUING DISCLOSURE REQUIREMENTS

Section 1001. Disclosure Requirements. The Issuer hereby covenants with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking, the provisions of which are incorporated herein by reference. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

Section 1002. Failure to Comply with Continuing Disclosure Requirements. In the event the Issuer fails to comply in a timely manner with its covenants contained in the preceding section, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement contained in the preceding section or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Issuer under such preceding section. [The Purchaser or Beneficial Owner shall provide a copy of any such demand or notice to the Bond Insurer.] Notwithstanding any other provision of this Bond Resolution, failure of the Issuer to comply with its covenants contained in the preceding section shall not be considered an Event of Default under this Bond Resolution.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 1101. Annual Audit. Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. The audit report shall contain a statement regarding the Issuer's compliance

with the arbitrage rebate covenants contained in the Federal Tax Certificate and covenants regarding continuing disclosure contained herein and the Disclosure Undertaking. 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 the Bond Insurer]. 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 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 1102. 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 resolution of the Issuer with the written consent of [the Bond Insurer and] 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 [the Bond Insurer and] 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 resolution duly adopted by the Governing Body at any time in any legal respect with the written consent of [the Bond Insurer and] 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 provide for Substitute 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. [AGM: Copies of any amendments shall be provided to each Rating Agency at least 10 days prior to the effective date thereof.][ASSURED/BAM: Copies of any amendments which are consented to by the Bond Insurer shall be provided to Standard & Poor's.]

Every amendment or modification of the provisions of the Bonds or of this Bond Resolution, to which the written consent of the [Bond Insurer and the] Owners is given, as above provided, shall be expressed in a resolution 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 resolution, if any, and a certified copy of this Bond Resolution shall always be kept on file in the office of the Clerk, [shall be delivered to the Bond Insurer] 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 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 resolution of the Issuer hereinabove provided for, duly certified, as well as proof of any required consent to such modification by [the Bond Insurer and] 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 1103. 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 1104. 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[and the Bond Insurer]. The Issuer, the Paying Agent[, the Bond Insurer] 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 1105. Electronic Transactions. The issuance of the Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

Section 1106. 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 1107. 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 1108. Governing Law. This Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 1109. Effective Date. This Bond Resolution shall take effect and be in full force from and after its adoption by the Governing Body.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

ADOPTED by the City Council on September 19, 2016.

(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 September 19, 2016, as the same appears of record in my office.

DATED: September 19, 2016.

Clerk

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

**EXHIBIT A
(FORM OF BONDS)**

REGISTERED
NUMBER ___

REGISTERED
\$

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation (“DTC”), to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF SEDGWICK
CITY OF MAIZE
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BOND
SERIES 2016A**

**Interest
Rate:**

**Maturity
Date:**

**Dated
Date: September 30, 2016**

CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Maize, in the County of Sedgwick, 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 Maturity Date shown above, unless called for redemption prior to said Maturity Date, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable semiannually on April 1 and October 1 of each year, commencing April 1, 2017 (the “Interest Payment Dates”), until the Principal Amount has been paid.

Method and Place of Payment. The principal or redemption price of this Bond shall be paid at maturity or upon earlier redemption to the person in whose name this Bond is registered at the maturity or redemption date thereof, upon presentation and surrender of this Bond at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”). The interest payable on this Bond on any Interest Payment Date shall be paid 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) for such interest, which shall be the 15th day (whether or not a business day) of the

calendar month next preceding the Interest Payment Date. Such 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 Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds by electronic transfer to such Owner upon written notice given to the Bond Registrar by such 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 principal or redemption price of and interest on the Bonds 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 MAIZE, 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 Refunding and Improvement Bonds, Series 2016A, of the City of Maize, 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: _____

(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 Refunding and Improvement Bonds, Series 2016A,” aggregating the principal amount of \$4,815,000* (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. 10-427 *et seq.*, and K.S.A. 12-6a01 *et seq.*, 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 in part from special assessments levied upon the property benefited by the construction of the Improvements and the improvements financed by the Refunded Bonds and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The balance of the principal and interest on the Bonds is 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 hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Redemption Prior to Maturity. The Bonds are subject to redemption prior to maturity as set forth in the Bond Resolution.

Book-Entry System. The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Bond Resolution. One Bond certificate with respect to each date on which the Bonds are stated to mature or with respect to each form of Bonds, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the Securities Depository's participants, beneficial ownership of the Bonds in authorized denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Issuer and the Bond Registrar will recognize the Securities Depository nominee, while the Registered Owner of this Bond, as the owner of this Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal,

interest and any redemption premium payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The Issuer and the Bond Registrar will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this Bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Bond shall be made in accordance with existing arrangements among the Issuer, the Bond Registrar and the Securities Depository.

Transfer and Exchange. EXCEPT AS OTHERWISE PROVIDED IN THE BOND RESOLUTION, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY. This Bond may be transferred or exchanged, as provided in the Bond Resolution, only on the Bond Register kept for that purpose at the principal [corporate trust] 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)

[STATEMENT OF INSURANCE]

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 SEDGWICK)

The undersigned, Clerk of the City of Maize, Kansas, does hereby certify that the within Bond has been duly registered in my office according to law as of September 30, 2016.

WITNESS my hand and official seal.

(Facsimile Seal)

By: _____ (facsimile)
Clerk

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

RON ESTES, 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

**MAIZE CITY COUNCIL
REGULAR MEETING
MONDAY, SEPTEMBER 19, 2016**

AGENDA ITEM #8A

ITEM: **KDHE WASTEWATER PLANT EXPANSION LOAN ORDINANCE**

BACKGROUND:

On August 10, 2016 the formal application was submitted for a twenty-year KDHE loan in an amount up to \$6,100,000.00 for the purpose of the Wastewater Plant expansion.

The lower September interest rate of 1.74% is reflected in the Loan Agreement.

When the loan is in place the tentative schedule for the project is:

- September thru November 2016: MKEC Design Process
- December 2016: Bids
- January 2017: construction begins and scheduled to be completed in 12 months

During the application process KDHE has accepted all requested and required documentation provided by the City.

KDHE has approved the loan application and is in the process of being signed by the Secretary. Council approval, along with its publication of this ordinance will authorize the execution of the loan agreement.

The loan money will become available and the project can proceed.

FINANCIAL CONSIDERATIONS:

The repayment schedule will be biannual payments of \$181,226.73 (\$362,453.46 annually) with the anticipated repayment date starting September 2018.

Per Council direction this will be achieved by the following means:

- 1) Utilize the savings from bonds refinancing which reduced current debt service requirements
- 2) A \$3 per user charge will be added to the bills beginning on the December 2015 utility bill.
- 3) \$120,000 per year will be committed from our General Fund as a transfer into the Debt Service payments. This was reflected in the 2017 budget with reductions in capital spending.

LEGAL CONSIDERATIONS:

The KDHE Loan Agreement has been approved as to form by the City Attorney.

RECOMMENDATION/ACTION:

Move to approve the Ordinance Authorizing the Execution of the 20-year loan agreement between the City and KDHE in the amount not to exceed \$6.1 million for the purpose of expanding the Wastewater plant and authorize the Mayor to sign.

LOAN AGREEMENT

Between

**THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT
ACTING ON BEHALF OF
THE STATE OF KANSAS**

AND

**MAIZE, KANSAS
KWPCRF PROJECT NO.: C20 2012 01**

EFFECTIVE AS OF SEPTEMBER 1, 2016

The interest of the Kansas Department of Health and Environment ("KDHE") in the Loan Repayments to be made by the Municipality and certain other revenues (the "Revenues") under this Loan Agreement have been pledged and assigned to the Kansas Development Finance Authority (the "Authority") pursuant to a Pledge Agreement, between KDHE and the Authority. The interest of the Authority in the Revenues has been pledged as security for the payment of the principal of, redemption premium, if any, and interest on the Authority's Kansas Water Pollution Control Revolving Fund Revenue Bonds, pursuant to a Master Bond Resolution adopted by the Authority.

LOAN AGREEMENT

Table of Contents

Recitals	1
ARTICLE I - DEFINITIONS	
Section 1.01 Definitions	2
Section 1.02 Rules of Interpretation.....	5
ARTICLE II - LOAN TERMS	
Section 2.01 Amount of the Loan.....	6
Section 2.02 Interest Rate	6
Section 2.03 Disbursement of Loan Proceeds.....	6
Section 2.04 Schedule of Compliance; Completion of Project.....	7
Section 2.05 Repayment of the Loan.....	7
Section 2.06 Additional Payments	8
ARTICLE III - REPRESENTATIONS AND COVENANTS OF MUNICIPALITY	
Section 3.01 Representations of the Municipality	8
Section 3.02 Particular Covenants of the Municipality	10
ARTICLE IV - ASSIGNMENT	
Section 4.01 Assignment and transfer by KDHE	13
Section 4.02 Assignment by the Municipality.....	13
ARTICLE V - EVENTS OF DEFAULT AND REMEDIES	
Section 5.01 Notice of Default	14
Section 5.02 Remedies on Default	14
Section 5.03 Expenses	15
Section 5.04 Application of Moneys.....	15
Section 5.05 No Remedy Exclusive; Waiver; Notice.....	15
Section 5.06 Retention of Rights	15
Section 5.07 Financial and Management.....	15

ARTICLE VI – MISCELLANEOUS

Section 6.01 Notices..... 16
Section 6.02 Binding Effect..... 16
Section 6.03 Severability 17
Section 6.04 Amendments, Supplements and Modifications 17
Section 6.05 Execution in Counterparts..... 17
Section 6.06 Governing Law and Regulations..... 17
Section 6.07 Consents and Approvals..... 17
Section 6.08 Further Assurances 17

Signatures and Seal 18

 Exhibit A - Description of the Project 19
 Exhibit B - Dedicated Source of Revenues and Loan
 Repayment Schedule..... 20
 Exhibit C - Conditions Applicable to Construction of the Project..... 22
 Exhibit D - Use of Loan Proceeds..... 37
 Exhibit E - Instructions for Requesting Disbursements 38
 Exhibit F - Form of Municipality Ordinance 42
 Exhibit G- Form of Opinion of Municipality's Counsel 47
 Exhibit H - Municipality's Notice Address 49

**KANSAS WATER POLLUTION CONTROL REVOLVING FUND
LOAN AGREEMENT**

THIS LOAN AGREEMENT, effective as of September 1, 2016 by and between the KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT ("KDHE"), acting on behalf of THE STATE OF KANSAS (the "State"), and MAIZE, KANSAS, a "Municipality" according to K.S.A. 65-3321 hereinafter referenced as the "Municipality";

WITNESSETH:

WHEREAS, the Federal Water Quality Act of 1987 (the "Federal Act") established a state revolving fund program as a means to phase-out the Environmental Protection Agency (EPA) construction grants program and replace it with a revolving loan program operated by the individual states; and

WHEREAS, to fund the state revolving fund program, the EPA will make annual capitalization grants to the states (CFDA 66.458), on the condition that each state provide a state match for such state's revolving fund; and

WHEREAS, by passage of the Kansas Water Pollution Control Revolving Fund Act, K.S.A. 65-3321 through 65-3329, inclusive (the "Loan Act"), the State of Kansas (the "State") has established the Kansas Water Pollution Control Revolving Fund (the "Revolving Fund") for purposes of the Federal Act; and

WHEREAS, under the Loan Act, the Secretary (the "Secretary") of the Kansas Department of Health and Environment ("KDHE") is given the responsibility for administration and management of the Revolving Fund; and

WHEREAS, the Secretary, the Kansas Department of Administration, Division of Accounts and Reports ("the DOA"), and the Kansas Development Finance Authority (the "Authority") have entered into an Inter-Agency Agreement effective March 1, 1999, (the "Inter-Agency Agreement"), to define the cooperative relationship between KDHE, DOA, and the Authority, to jointly administer certain provisions of the Loan Act; and

WHEREAS, the Authority and KDHE have supplemented the Inter-Agency Agreement by entering into a Combined Master Pledge Agreement, dated as of November 1, 1992, as the same has been amended and may be further amended and supplemented from time to time, (jointly the "Pledge Agreement"), pursuant to which KDHE agrees to enter into Loan Agreements with Municipalities (as defined in the Loan Act) for Wastewater Treatment Projects (the "Projects") and to pledge the Loan Repayments received pursuant to such Loan Agreements and certain other revenues to the Authority; and

WHEREAS, the Authority is authorized under K.S.A. 74-8905(a) and the Loan Act to issue revenue bonds (the "Bonds") for the purpose of providing funds to implement the State's requirements under the Federal Act and to loan the same, together with available funds from the EPA capitalization grants, to Municipalities within the State for the payment of Project Costs (as said terms are defined in the Loan Act);

WHEREAS, the Municipality has made timely application to KDHE for a Loan to finance all or a portion of the Project Costs; and

WHEREAS, KDHE has approved the Municipality's application for a Loan, subject to the receipt of capitalization grants from the EPA pursuant to the Federal Act and proceeds of the Bonds when issued by the Authority; and

NOW, THEREFORE, for and in consideration of the award of the Loan by KDHE, the Municipality agrees to complete its Project and to perform under this Loan Agreement in accordance with the conditions, covenants and procedures set forth herein and attached hereto as a part hereof, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The following terms as used in this Loan Agreement shall, unless the context clearly requires otherwise or as otherwise defined in the Master Resolution, have the following meanings:

"Act" means the Constitution and laws of the State, including particularly the Loan Act and K.S.A. 74-8905(a), as amended and supplemented.

"Additional Payments" means the payments described in **Section 2.06** hereof.

"Additional Revenue Obligations" means any obligation for the payment of money undertaken by the Municipality which is payable from or secured by a pledge of, or lien upon, the System Revenues incurred after the date of execution and delivery of this Loan Agreement, and all Existing Revenue Obligations.

"Authority" means the Kansas Development Finance Authority, a public body politic and corporate and an instrumentality of the State, and its successors and assigns.

"Authorized Municipality Representative" means any person authorized pursuant to a resolution of the governing body of the Municipality to perform any act or execute any document relating to the Loan, or this Loan Agreement.

"Bonds" means the Kansas Development Finance Authority, Water Pollution Control Revolving Loan Fund Revenue Bonds, issued in one or more series, pursuant to Master Bond Resolution No. 37, and supplements thereto.

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

“Dedicated Source of Revenue” shall have the meaning ascribed thereto in *Exhibit B* attached hereto.

“EPA” means the Environmental Protection Agency of the United States, its successors and assigns.

“Event of Default” means any occurrence of the following events:

- (a) failure by the Municipality to pay, or cause to be paid, any Loan Repayment required to be paid hereunder when due;
- (b) failure by the Municipality to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement, other than as referred to in paragraph (a) of this Section, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Municipality by KDHE, unless KDHE shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in such notice is correctable but cannot be corrected within the applicable period KDHE may not unreasonably withhold its consent to an extension of such time up to 90 days from the delivery of the written notice referred to above if corrective action is instituted by the Municipality within the applicable period and diligently pursued until the Event of Default is corrected;
- (c) failure by the KDHE to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Agreement which shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to KDHE by the Municipality, unless the Municipality shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in such notice is correctable but cannot be corrected within the applicable period the Municipality may not unreasonably withhold its consent to an extension of such time up to 90 days from the delivery of the written notice referred to above if corrective action is instituted by KDHE within the applicable period and diligently pursued until the Event of Default is corrected;
- (d) any representation made by or on behalf of the Municipality contained in this Loan Agreement, or in any instrument furnished in compliance with or with reference to this Loan Agreement or the Loan, is intentionally false or misleading in any material respect;
- (e) any representation made by or on behalf of KDHE contained in this Agreement, or in any instrument furnished in compliance with or with reference to this Agreement, is intentionally false or misleading in any material respect;
- (f) a petition is filed by or against the Municipality under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless in the case of any such petition filed against the Municipality, such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal;

(g) the Municipality shall generally fail to pay its debts as such debts become due;

(h) failure of KDHE to promptly pay any Project Costs when reasonably requested to do so by the Municipality pursuant to **Section 2.03** hereof.

"Existing Revenue Obligation" means any obligation for the payment of money undertaken by the Municipality, which is payable from or secured, by a pledge of, or lien upon, the System Revenues existing or outstanding at the time of execution and delivery of this Loan Agreement by the Municipality.

"Federal Act" means the Federal Water Quality Act of 1987, as amended.

"GAAP" means generally accepted accounting principles as applicable to municipal utility systems.

"Indebtedness" means any financial obligation of the Municipality evidenced by an instrument executed by the Municipality, including this Loan, Existing Revenue Obligations, Additional Revenue Obligations, general obligation bonds or notes, lease or lease-purchase agreement or similar financial transactions.

"KDHE" means the Kansas Department of Health and Environment or its successors in interest.

"Loan Act" means the Constitution and laws of the State of Kansas, including particularly K.S.A. 65-3321 through 65-3329, inclusive, as amended and supplemented.

"Loan Agreement" means this Loan Agreement, including the Exhibits attached hereto, as it may be supplemented, modified or amended from time to time in accordance with the terms hereof.

"Loan Repayments" means the payments payable by the Municipality pursuant to **Section 2.05** of this Loan Agreement.

"Loan Terms" means the terms of this Loan Agreement provided in **Article II** hereof.

"Master Resolution" means the Master Bond Resolution adopted by the Board of Directors of the Authority, as amended and supplemented from time to time by Supplemental Resolutions.

"Municipality" means Maize, Kansas, its successors and assigns.

"Project" means the acquisition, construction, improvement, repair, rehabilitation or extension of the System described in **Exhibit A** hereto, which constitutes a project pursuant to the Loan Act for which KDHE is making a Loan to the Municipality pursuant to this Loan Agreement.

"Project Costs" means all costs or expenses which are necessary or incident to the Project and which are directly attributable thereto, including, but not limited to: (a) costs of any Loan reserves; (b) interest on the Loan during the construction of the Project; (c) financing and administrative costs associated with the Loan Agreement; and (d) subject to the approval of Bond Counsel and the Authority,

payment of temporary financing obligations issued by the Municipality to pay Project Costs;

“Regulations” means Kansas Administrative Regulations (K.A.R.) 28-16-110 to 28-16-138, and any amendments thereto promulgated by KDHE pursuant to the Loan Act.

“Revolving Fund” means the Kansas Water Pollution Control Revolving Fund established by the Loan Act.

“SEC Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as may be amended from time to time or such other similar rule regarding disclosure of information in securities transactions.

“Secretary” means the Secretary of KDHE

“State” means the State of Kansas, acting, unless otherwise specifically indicated, by and through KDHE, and its successors and assigns.

“System” means wastewater collection and treatment system of the Municipality, as the same may be modified or enlarged from time to time, including the Project described in **Exhibit A**, for which the Municipality is making the borrowing under this Loan Agreement, which constitutes or includes a Wastewater Treatment System.

“System Revenues” means all revenues derived by the Municipality from the ownership and operation of the System.

“Wastewater Treatment System” means any Wastewater Treatment Works, as defined in the Federal Act, that is publicly owned, and as further described in the Regulations.

Section 1.02. Rules of Interpretation.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) 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.

(c) All references in this Loan Agreement to designated “Articles,” “Sections” and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this Loan Agreement as originally executed. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or other subdivision.

(d) The Table of Contents and the Article and Section headings of this Loan Agreement shall not be treated as a part of this Loan Agreement or as affecting the true meaning of the provisions hereof.

ARTICLE II

LOAN TERMS

Section 2.01. Amount of the Loan. Subject to all of the terms, provisions and conditions of this Loan Agreement, and subject to the availability of State and Federal funds and proceeds of Bonds, KDHE will loan an amount not to exceed Six Million One Hundred Thousand dollars [\$6,100,000] to the Municipality to pay all or a portion of Project Costs described in *Exhibit A* hereto. The final actual amount of the Loan may be reduced without revision of any other terms, provisions or conditions of this Loan Agreement, other than the Loan Repayment Schedule (*Exhibit B* hereto), to reflect reductions in the estimated or actual total Project Costs as impacted by opening of bids for construction, change orders, final actual costs, and prepayments. The Municipality shall be responsible for any costs incurred by the Municipality in connection with the Project in addition to the amount of the Loan. Any amendment to *Exhibit B* shall be effected by written amendment to the Loan Agreement executed by all parties.

Section 2.02. Interest Rate. The interest rate on the loan shall be [Gross Loan Rate] 1.74% per annum, which shall be assessed on the unpaid principal balance to be paid as set out in the Loan Repayment Schedule, *Exhibit B* hereto. This interest rate consists of a net loan interest rate, and a service fee, as described in *Exhibit B*. Any subsequent revision to the amount of the Loan or *Exhibit B* hereto shall not change the gross interest rate on the Loan.

Section 2.03. Disbursement of Loan Proceeds.

(a) Subject to the conditions described in this Section, KDHE agrees to disburse the proceeds of the Loan during the progress of the Project for Project Costs. Requests for disbursement may be submitted by the Municipality (in substantially the form attached hereto as *Exhibit E*), not more than once per month, in accordance with the procedures set forth by KDHE. Any request for disbursement must be supported by proper invoices and a certificate of the Authorized Municipality Representative to the effect that all representations made in this Loan Agreement remain true as of the date of the request and, based upon that information then available to such person, no adverse developments affecting the financial condition of the Municipality or its ability to complete the Project or to repay the Loan have occurred.

The Municipality may request disbursement for the following Project Costs:

- (1) any eligible planning/design costs incurred prior to execution of this Loan Agreement;
- (2) disbursement for eligible Project Costs if such Project Costs have been incurred and are due and payable to Project contractors (actual payment of such Project Costs by the Municipality is not required as a condition of the payment request); or
- (3) interest becoming due on the Loan prior to the initial scheduled payment of principal; and

(4) the principal of and interest on any temporary financing obligations issued by the Municipality to pay Project Costs.

(b) KDHE shall not be under any obligation to disburse any Loan proceeds to the Municipality under this Loan Agreement unless:

(1) there are moneys available in the Revolving Fund to fund the Loan, as determined solely by KDHE;

(2) the Municipality shall certify to KDHE that it has executed a Project contract or contracts and has funds available to pay for that portion of the Project Costs not eligible (pursuant to the Loan Act or the Federal Act) to be funded under this Loan Agreement, if any;

(3) no Event of Default by the Municipality shall have occurred and be continuing; and

(4) the Municipality continues to maintain reasonable progress towards completion of the Project.

Section 2.04. Schedule of Compliance; Completion of Project.

(a) The Municipality agrees to complete the Project in accordance with the Conditions Applicable to Construction of the Project set forth in *Exhibit C* attached hereto.

(b) The completion of the construction of the Project shall be evidenced to KDHE by a certificate signed by the Authorized Municipality Representative stating: (1) that the construction of the Project has been completed in accordance with the plans and specifications therefore; and (2) that all Project Costs have been paid, except Project Costs the payment of which is not yet due or is being retained or contested in good faith by the Municipality. Such certificate shall be given not later than the date established by KDHE, which shall be approximately the date that the Project is capable of being placed into operation by the Municipality. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

Section 2.05. Repayment of the Loan.

(a) *Loan Repayments.* The Municipality shall pay to KDHE, on or before the due dates, installments of principal and interest on the Loan in accordance with *Exhibit B* attached hereto, until the Loan has been paid in full. Installments of principal and interest on the Loan shall be computed and paid in accordance with the Loan Repayment Schedule on *Exhibit B* as in effect at any time under this Loan Agreement. Notwithstanding any other provision of this Loan Agreement, the first payment of principal and interest due on the Loan shall be made the earlier of two years after receipt by the Municipality of the first disbursement under the Loan or one year after Project completion. The final installment of principal under the Loan shall be fully repaid not later than 20 years after Project completion.

(b) *Prepayment of the Loan.* The Municipality may prepay the outstanding principal of the

Loan, in whole, or in part, at any time, without penalty, upon giving 60 days written notice to KDHE of its intent to so prepay, such notice shall indicate the actual source of funds that will be used to make the prepayment (specifically proceeds from a tax exempt bond issue, proceeds from a taxable bond issue, cash on hand, or some other instrument); provided, however, a partial prepayment may be made only if the prepayment amount is the greater of 10% of the original principal amount of the Loan or \$50,000. A new *Exhibit B* will be prepared by KDHE following receipt of any acceptable partial prepayment, re-amortizing the remaining principal amount over the remaining term of the Loan.

Section 2.06. Additional Payments. The Municipality shall pay as Additional Payments the following amounts:

(a) Any amounts required to be paid by the Authority to the United States of America as arbitrage rebate, arising due to the Municipality's failure to expend proceeds of the Loan at the times certified to KDHE by the Municipality, that result in arbitrage rebate liability for the Authority, but only to the extent that the funds in the Rebate Fund established by the Master Resolution are insufficient to make such payments; and.

(b) All other payments of whatever nature which the Municipality has agreed to pay or assume hereunder.

ARTICLE III

REPRESENTATIONS AND COVENANTS OF MUNICIPALITY

Section 3.01. Representations of the Municipality. The Municipality makes the following representations:

(a) ***Organization and Authority.***

(1) The Municipality is a municipal corporation duly created and validly existing under and pursuant to the constitution and statutes of the State.

(2) The Municipality has full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate and maintain its System, to carry on its activities relating thereto, to execute and deliver this Loan Agreement, to undertake and complete the Project, and to carry out and consummate all transactions contemplated by this Loan Agreement.

(3) The Ordinance (adopted substantially in the form attached hereto as ***Exhibit F***) and other proceedings of the Municipality's governing body approving this Loan Agreement and authorizing its execution, issuance and delivery on behalf of the Municipality, and authorizing the Municipality to undertake and complete the Project have been duly and lawfully adopted.

(4) This Loan Agreement has been duly authorized, executed and delivered on behalf of the Municipality, and, constitutes the legal, valid and binding obligation of the Municipality

enforceable in accordance with its terms.

(b) **Full Disclosure.** To the best knowledge of the Municipality, there is no fact that the Municipality has not disclosed to KDHE in writing on the Municipality's application for the Loan or otherwise that materially adversely affects or that will materially adversely affect the properties, activities, or its System, or the ability of the Municipality to make all Loan Repayments and otherwise observe and perform its duties, covenants, obligations and agreement under this Loan Agreement.

(c) **Non-Litigation.** There is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way: (1) the legal organization of the Municipality; (2) its boundaries; (3) the right or title of any of its officers to their respective offices; (4) the legality of any official act taken in connection with obtaining the Loan; (5) the constitutionality or validity of the indebtedness represented by the Loan Agreement; (6) any of the proceedings had in relation to the authorization or execution of this Loan Agreement; (7) the collection of revenues of the System; (8) the levy and collection of unlimited *ad valorem* taxes to pay the principal of and interest on the Loan; or (9) the ability of the Municipality to make all Loan Repayments or otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement.

(d) **Compliance with Existing Laws and Agreements.** To the best knowledge of the Municipality, the authorization, execution and delivery of this Loan Agreement by the Municipality, and the performance by the Municipality of its duties, covenants, obligations and agreements thereunder will not result in any breach of any existing law or agreement to which the Municipality is a party.

(e) **No Defaults.** No event has occurred and no condition exists that would constitute an Event of Default. The Municipality is not presently aware of any violation of any agreement, which would materially adversely affect the ability of the Municipality to make all Loan Repayments or otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement.

(f) **Compliance with Law.** The Municipality has, to the best of the Authorized Municipality's Representative's knowledge:

(1) complied with all laws, ordinances, governmental rules and regulations to which it is subject, including, without limitation, any public hearing or public notice requirements or environmental review requirements contained in the Loan Act, the Regulations and the Federal Act, the failure to comply with which would materially adversely affect the ability of the Municipality to conduct its activities, enter into this Loan Agreement or undertake or complete the Project; and

(2) obtained all licenses, permits, franchises or other governmental authorizations presently necessary for the ownership of its property which, if not obtained, would materially adversely affect the ability of the Municipality to complete the Project or operate the Project.

(g) **Use of Loan Proceeds.** The Municipality will apply the proceeds of the Loan as described in **Exhibit D**: (1) to finance or refinance a portion of the Project Cost; and (2) where applicable, to reimburse the Municipality for a portion of the Project Costs, which portion was paid or incurred in anticipation of reimbursement by KDHE and is eligible for such reimbursement pursuant to the

Regulations and the Code.

(h) **Project Costs.** The Municipality certifies that the Project Costs, as listed in *Exhibit D*, is a reasonable and accurate estimation and, upon direction of KDHE, will supply the same with a certificate from its engineer stating that such Costs are reasonable and accurate estimations, taking into account investment income to be realized during the course of construction of the Project, if any, and other lawfully available money that would, absent the Loan, have been used to pay the Project Costs.

Section 3.02. Particular Covenants of the Municipality.

(a) **Dedicated Source of Revenue for Repayment of the Loan.** The Municipality hereby establishes the Dedicated Source of Revenue described on *Exhibit B* attached hereto, which Dedicated Source of Revenue is hereby pledged to the Loan Repayments, Additional Payments and all other obligations of the Municipality under this Loan Agreement.

(b) **Performance Under Loan Agreement.** The Municipality covenants and agrees in the performance of its obligations under this Loan Agreement:

(1) to comply with all applicable State and federal laws, rules and regulations (including, but not limited to the conditions set forth in *Exhibit C* hereto) as are applicable to this Loan Agreement; and

(2) to cooperate with KDHE in the observance and performance of the respective duties, covenants, obligations and agreements of the Municipality and KDHE under this Loan Agreement (including, without limitation the requirements contained in *Exhibit C* hereto).

(c) **Completion of Project and Provision of Moneys Therefore.** The Municipality covenants and agrees:

(1) to exercise its best efforts in accordance with prudent utility practice to complete the Project and to so accomplish such completion on or before the estimated Project completion date set forth in *Exhibit C* hereto; and

(2) to provide, from its own financial resources, all moneys, in excess of the total amount of proceeds it receives under the Loan, required to complete the Project.

(d) **Delivery of Documents and Payment of Fees.** Concurrently with the delivery of this Loan Agreement and the closing of the Loan, the Municipality will cause to be delivered to KDHE:

(1) fully executed counterparts of this Loan Agreement;

(2) copies of the ordinance of the governing body of the Municipality authorizing the execution and delivery of this Loan Agreement, certified by an Authorized Municipality Representative, which shall be in substantially the form attached hereto as *Exhibit F* together with an affidavit of publication thereof in the official newspaper of the Municipality;

(3) an opinion of the Municipality's counsel substantially in the form set forth in **Exhibit G** attached hereto;

(4) such other certificates, documents, opinions and information as KDHE may reasonably require.

(e) **Operation and Maintenance of System.** The Municipality covenants and agrees that it shall, in accordance with prudent wastewater treatment utility practice:

(1) at all times operate the properties of its System in an efficient manner in accordance with applicable laws and regulations;

(2) maintain its System, making all necessary and proper repairs, renewals, replacements, additions, betterments and improvements necessary to maintain its System in good repair, working order and operating condition;

(3) implement any modification of the rates fees and charges for use of the System that comprise the Dedicated Source of Revenues as the Secretary may require to ensure repayment of the Loan in accordance with the provisions of the Loan Act; and

(4) take such other action as the Secretary may require in accordance with powers granted to the Secretary under the Loan Act and the Regulations.

(f) **Disposition of System.** The Municipality shall not sell, lease or otherwise transfer ownership of all or substantially all of its System without the consent of the Secretary. In no event shall the Municipality sell, abandon or otherwise transfer ownership of the System to any person or entity other than a city, county, township, sewer district, improvement district, or other political subdivision of the State, or any combination thereof, that has legal responsibility to treat wastewater. The Municipality shall provide the Secretary with ninety (90) days' prior written notice to KDHE of such sale, lease or transfer. No such sale, lease or transfer shall be effective unless compliance is with the provisions of **Section 4.02** hereof, assuming such sale, lease or transfer is deemed to be an assignment for the purposes of such Section. The provisions of this paragraph shall not be construed to prohibit the lease of portions of the System by the Municipality in connection with a lease-purchase transaction to finance improvements to the System; provided that a termination or an event of default by the Municipality under such arrangement shall not have a material adverse effect on the Municipality's Dedicated Source of Revenues.

(g) **Records and Accounts**

(1) The Municipality shall keep accurate records and accounts for its System (the "System Records"), separate and distinct from its other records and accounts (the "General Accounts"). Such System Records shall be audited annually in accordance with generally accepted auditing standards if the total Disbursement of Loan Proceeds exceed \$25,000 for the Municipalities fiscal year. This audit shall be completed by an independent certified public accountant or firm of independent certified public accountants, or by an independent registered municipal accountant, and may be part of the single agency audit made on the Municipality's General Accounts in accordance with the Federal Single Audit Act of 1984, OMB Circular No. A-133, **Audits of States, Local Governments, and Non-Profit Organizations** as amended in 1996 and 2003 and as may be further amended and revised. Such System Records and General Accounts shall be made available for inspection by KDHE at any reasonable time, and a copy of the Municipality's annual audit, including all written comments and recommendations of such accountant, shall be furnished to KDHE within 270 days of the close of the Municipal Fiscal Year being so audited.

(2) The Municipality shall maintain Project accounts in accordance with generally accepted government accounting standards defined in the Government Accounting, Auditing, and Financial Reporting Manual (1994 Ed.), or any revised edition, issued by the Government Finance Officers Association.

(h) **Inspections.** The Municipality shall permit the EPA, KDHE and any party designated by KDHE to examine, visit and inspect, at any and all reasonable times, the property, if any, constituting the Project, and to inspect and make copies of any accounts, books and records, including (without limitation) its records regarding receipts, disbursements, contracts, investments and any other matters relating thereto and to its financial standing, including the System Records and General Accounts, and shall supply such reports and information as the EPA and KDHE may reasonably require in connection therewith.

(i) **Financial Information.** The Municipality specifically agrees to provide to KDHE a reasonable number of copies of such financial information and operating data of the Municipality and the System to the extent necessary for KDHE to comply with its continuing disclosure obligations set forth in the SEC Rule and the Pledge Agreement. Such financial information shall be accompanied by an audit report prepared in accordance with the provisions of *subsection (g)(2)* hereof, unless such subsection exempts the Municipality from such audit report requirement. The financial information shall be prepared in accordance with GAAP, unless the Municipality has received a waiver from such requirement as permitted by State Law. Any such requested financial information and operating data shall be supplied to KDHE within 270 days after the end of the Municipal Fiscal Year. Such requirement may be satisfied by submitting the Municipality's comprehensive annual financial report (CAFR) and/or annual report of its System, unless KDHE notifies the Municipality of the need for additional information. If an audit report is required to be prepared, but is not available within 270 days of the end of the Municipal Fiscal Year, un-audited financial information shall be provided to KDHE pending receipt of the audit report. In addition, the Municipality shall provide KDHE with prompt notification of the occurrence of certain material events. For purposes of this paragraph, "material event" shall mean: (a)

principal and interest payment delinquencies on any Indebtedness; (b) non-payment related defaults in agreements authorizing any Indebtedness; (c) rating changes on any Indebtedness; (d) adverse tax opinions or events affecting the tax-exempt status of any Indebtedness; or (e) unscheduled draws on debt service reserves or credit enhancements on any Indebtedness reflecting financial difficulties.

(j) **Insurance.** The Municipality will carry and maintain such reasonable amount of all-risk insurance on all properties and all operations of its System as would be carried by similar municipal operators of Systems, insofar as the properties are of an insurable nature. The Municipality also will carry general liability insurance in amounts not less than the maximum liability of a governmental entity for claims arising out of a single occurrence, as provided by the Kansas Tort Claims Act, K.S.A. 75-6101 *et seq.*, or other similar future law (currently \$500,000 per occurrence).

(k) **Notice of Material Adverse Change.** The Municipality shall promptly notify KDHE of any material adverse change in the activities, prospects or condition (financial or otherwise) of the System, or in the ability of the Municipality to make all Loan Repayments and otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement.

(l) **Additional Covenants and Requirements.** The parties hereto acknowledge that this Loan Agreement may be assigned or pledged to secure financings of the Authority. Should it be necessary to modify any covenants or obtain or enhance the security of the financings, the parties agree to take all reasonable actions and make reasonable covenants and agreements necessary to accomplish such purpose to the extent permitted by applicable laws.

ARTICLE IV

ASSIGNMENT

Section 4.01. Assignment and Transfer by KDHE. The Municipality hereby approves and consents to any assignment or transfer of this Loan Agreement that KDHE deems necessary in connection with the operation and administration of the Revolving Fund. The Municipality hereby specifically approves the assignment and pledging of the Loan Repayments and Additional Payments to the Authority, and the Authority's pledging of all or a portion of the same to the Bonds.

Section 4.02. Assignment by the Municipality. This Loan Agreement may not be assigned by the Municipality for any reason, unless the following conditions shall be satisfied:

- (a) KDHE and the Authority shall have approved said assignment in writing;
- (b) the assignee is a city, county, township, sewer district, improvement district or other political subdivision of the State or any combination thereof that has legal responsibility to treat wastewater;
- (c) the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Municipality's duties, covenants, and obligations under this Loan Agreement;

provided, however, such assignment shall not relieve the Municipality of its duties, covenants, and obligations under this Loan Agreement;

(d) the assignment will not adversely impact KDHE's ability to meet its duties, covenants and obligations to the Authority under the Pledge Agreement, nor may the sale endanger the exclusion from gross income for federal income tax purposes of the interest on the Bonds; and

(e) the Municipality shall, at its expense, provide KDHE and the Authority with an opinion of a qualified attorney that each of the conditions set forth in *subparagraphs (b), (c), and (d)* hereof have been met.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

Section 5.01. Notice of Default. If an Event of Default shall occur, the non-defaulting party shall give the party in default and the Authority prompt telephonic notice of the occurrence of such Event of Default, provided the non-defaulting party has knowledge of such Event of Default. Such telephonic notice shall be immediately followed by written notice of such Event of Default given in the manner set forth in **Section 6.01** hereof.

Section 5.02. Remedies on Default.

(a) Whenever an Event of Default shall have occurred and be continuing, KDHE or the Municipality shall have the right to take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and to become due or to enforce the performance and observance of any obligation or agreement of KDHE or the Municipality (including, without limitation, withholding remaining Loan disbursements, cancellation of the Loan Agreement and acceleration of the remaining scheduled principal payments set forth on **Exhibit B**, or such other remedies provided to the Secretary in the Loan Act and the Regulations.

(b) Upon the occurrence of an Event of Default on the part of KDHE, and to the extent permitted by law and availability of appropriated funds by the Kansas Legislature, KDHE shall, on demand, pay to the Municipality the reasonable fees and expenses incurred by the Municipality in the enforcement of performance or observation of any other duties, covenants, obligations or agreements of KDHE contained herein. Prior to incurring any such expenses, the Municipality shall provide written notice to KDHE that it intends to incur such expenses; provided, however, a failure by the Municipality to give such notice shall not affect the Municipality's right to receive payment for such expenses. Upon request by KDHE, the Municipality shall provide copies of statements evidencing the fees and expenses for which the Municipality is requesting payment.

Section 5.03. Expenses. Upon the occurrence of an Event of Default on the part of the Municipality, and to the extent permitted by law, the Municipality shall, on demand, pay to KDHE the reasonable fees and expenses incurred by KDHE in the collection of Loan Repayments or any other sum due hereunder or in the enforcement of performance or observation of any other duties, covenants, obligations or agreements of the Municipality contained herein. Prior to incurring any such expenses, KDHE shall provide written notice to the Municipality that it intends to incur such expenses; provided, however, a failure by KDHE to give such notice shall not affect KDHE's right to receive payment for such expenses. Upon request by the Municipality, KDHE shall provide copies of statements evidencing the fees and expenses for which KDHE is requesting payment.

Section 5.04. Application of Moneys. Any moneys collected by KDHE pursuant to **Section 5.02** hereof shall be applied: (a) first, to pay interest on the Loan as the same becomes due and payable; (b) second, to pay principal due and payable on the Loan; (c) third, to pay expenses owed by the Municipality pursuant to **Section 5.03** hereof; and (d) fourth, to pay any other amounts due and payable hereunder as such amounts become due and payable.

Section 5.05. No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the Parties hereto is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. The parties hereto, in good faith, shall exercise such remedies with due diligence in a timely manner, however, no delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the parties hereto to exercise any remedy reserved to them in this **Article V**, it shall not be necessary to give any notice, other than such notice as may be required in this **Article V**.

Section 5.06. Retention of Rights. Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof, or anything else to the contrary contained herein, the parties hereto shall have the right upon the occurrence of an Event of Default to take any action, including (without limitation) bringing an action against the defaulting party at law or in equity, as such party may, in its discretion, deem necessary to enforce the obligations of the defaulting party pursuant to this Loan Agreement.

Section 5.07. Financial and Management. Upon failure of the Municipality to pay one or more installments of the Loan Repayments in a timely manner, or in the event that the Secretary deems it advisable or necessary, the Secretary, after consultation with the governing body of the Municipality, may require the Municipality to undergo a financial and management operations review. The governing body shall correct any deficiencies noted during such review and adopt charges or surcharges as may be required by the Secretary during the term of this Loan Agreement.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when: (a) hand delivered; (b) mailed by registered or certified United States mail, postage prepaid; or (c) via telefax, with confirmation in the manner set forth in *subsection (b)*, to the parties hereinafter set forth at the following addresses:

(1) to KDHE:

Department of Health and
Environment
1000 SW Jackson Street, Suite 420
Topeka, Kansas 66612-1367
Attention: Bureau of Water

with a copy to its General Counsel

(2) to the Authority:

Kansas Development Finance
Authority
534 South Kansas Avenue, Suite 800
Topeka, Kansas 66603
Attention: President,

with a copy to its General Counsel

(3) to the Municipality:

at the address set forth on *Exhibit H*.

All notices given by telefax as aforesaid shall be deemed given as of the date of evidence of receipt thereof by the recipient. All notices given by registered or certified mail as aforesaid shall be deemed duly given as of the date they are so deposited in the United States Postal Service, if postage is prepaid. Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent, by notice in writing given to the others.

Section 6.02. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon KDHE and the Municipality and their respective successors and assigns.

Section 6.03. Severability. In the event any provision of this Loan Agreement shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

Section 6.04. Amendments, Supplements and Modifications. This Loan Agreement may not be amended, supplemented or modified without the prior written consent of the Authority.

Section 6.05. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 6.06. Governing Law and Regulations. This Loan Agreement shall be governed by and construed in accordance with the laws of the State, including the Loan Act and the Regulations, which Regulations are, by this reference thereto, incorporated herein as a part of this Loan Agreement.

Section 6.07. Consents and Approvals. Whenever the written consent or approval of the State shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by the Secretary.

Section 6.08. Further Assurances. The Municipality shall, at the request of KDHE, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be reasonably necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Loan Agreement.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, KDHE and the Municipality have caused this Loan Agreement to be executed, sealed and delivered, effective as of the date above first written.

THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT, acting on behalf of THE STATE OF KANSAS



By: *[Signature]*
Title: Secretary

"KDHE"

Date: *9/9/16*

MAIZE, KANSAS

(Seal)

By: _____
Title: Mayor

"Municipality"

Date: _____

ATTEST:

By: _____
Title: Clerk

EXHIBIT A

DESCRIPTION OF THE PROJECT

The phase 1 project includes the construction of an additional Aeromod unit rated at 0.6 MGD (the future phase 2 project, not funded by this loan, will upgrade the existing 0.5 MGD Aeromod unit. Other rehabilitation measures and improvements to other treatment processes and piping on site would also be completed.

EXHIBIT B

DEDICATED SOURCE OF REVENUES AND LOAN REPAYMENT SCHEDULE

Dedicated Source of Revenue

The Municipality shall impose and collect such rates, fees and charges for the use and services furnished by or through the System, including all improvements and additions thereto hereafter constructed or acquired by the Municipality as will provide System Revenues or levy ad valorem taxes without limitation as to rate or amount upon all the taxable tangible property, real or personal, within the territorial limits of the Municipality to produce amounts which are sufficient to (a) pay the cost of the operation and maintenance of the System, (b) pay the principal of and interest on the Loan as and when the same become due, and (c) pay all other amounts due at any time under the Loan Agreement; provided, however, no lien or other security interest is granted by the Municipality to KDHE on the System Revenues under this Agreement. In the event that the System Revenues are insufficient to meet the obligations under the Loan and the Loan Agreement, the Municipality shall levy ad valorem taxes without limitation as to rate or amount upon all the taxable tangible property, real or personal, within the territorial limits of the Municipality to produce the amounts necessary for the prompt payment of the obligations under the Loan and Loan Agreement.

Loan Repayment Schedule

The Municipality and KDHE have agreed that interest becoming due semiannually on the Loan during the construction period for the Project may be capitalized and repaid as a part of the Loan. In this regard, KDHE shall give the Municipality written notice of each semiannual installment of interest becoming due during the construction period. At its option, the Municipality may elect to pay such amounts, and if so elected, must pay such amounts within 30 days of receipt of the notice of their becoming due. If the Municipality does not elect to pay such amounts within 30 days of receipt of such notice, the amount then due and owing as semiannual interest on the Loan shall be capitalized and added to the principal amount of the Loan and shall bear interest at the rate of interest set forth in **Section 2.02** hereof.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

KANSAS WATER POLLUTION CONTROL REVOLVING LOAN FUND

Estimated Draws - Actual Interest Rate
Amortization of Loan Costs

Project Principal: 6,022,971.34
Interest During Const.: 70,345.81
Service Fee During Const.: 6,682.85
Gross Loan Costs: 6,100,000.00

Prepared for:
City of Maize, Project No. C20 2012-01

9/2/2016
Gross Rate: 1.74%
Service Fee Rate: 0.25%
Loan Interest Rate: 1.49%
1st Payment Date: 9/1/2018
Number of Payments: 40

Payment Number	Payment Date	Beginning Balance	Interest Payment	Principal Payment	Service Fee	Total Payment	Ending Balance
1	9/1/2018	6,100,000.00	45,445.00	128,156.73	7,625.00	181,226.73	5,971,843.27
2	3/1/2019	5,971,843.27	44,490.23	129,271.70	7,464.80	181,226.73	5,842,571.57
3	9/1/2019	5,842,571.57	43,527.16	130,396.36	7,303.21	181,226.73	5,712,175.21
4	3/1/2020	5,712,175.21	42,555.71	131,530.80	7,140.22	181,226.73	5,580,644.41
5	9/1/2020	5,580,644.41	41,575.80	132,675.12	6,975.81	181,226.73	5,447,969.29
6	3/1/2021	5,447,969.29	40,587.37	133,829.40	6,809.96	181,226.73	5,314,139.89
7	9/1/2021	5,314,139.89	39,590.34	134,993.72	6,642.67	181,226.73	5,179,146.17
8	3/1/2022	5,179,146.17	38,584.64	136,168.16	6,473.93	181,226.73	5,042,978.01
9	9/1/2022	5,042,978.01	37,570.19	137,352.82	6,303.72	181,226.73	4,905,625.19
10	3/1/2023	4,905,625.19	36,546.91	138,547.79	6,132.03	181,226.73	4,767,077.40
11	9/1/2023	4,767,077.40	35,514.73	139,753.15	5,958.85	181,226.73	4,627,324.25
12	3/1/2024	4,627,324.25	34,473.57	140,969.00	5,784.16	181,226.73	4,486,355.25
13	9/1/2024	4,486,355.25	33,423.35	142,195.44	5,607.94	181,226.73	4,344,159.81
14	3/1/2025	4,344,159.81	32,363.99	143,432.54	5,430.20	181,226.73	4,200,727.27
15	9/1/2025	4,200,727.27	31,295.42	144,680.40	5,250.91	181,226.73	4,056,046.87
16	3/1/2026	4,056,046.87	30,217.55	145,939.12	5,070.06	181,226.73	3,910,107.75
17	9/1/2026	3,910,107.75	29,130.30	147,208.80	4,887.63	181,226.73	3,762,898.95
18	3/1/2027	3,762,898.95	28,033.60	148,489.51	4,703.62	181,226.73	3,614,409.44
19	9/1/2027	3,614,409.44	26,927.35	149,781.37	4,518.01	181,226.73	3,464,628.07
20	3/1/2028	3,464,628.07	25,811.48	151,084.46	4,330.79	181,226.73	3,313,543.61
21	9/1/2028	3,313,543.61	24,685.90	152,398.90	4,141.93	181,226.73	3,161,144.71
22	3/1/2029	3,161,144.71	23,550.53	153,724.77	3,951.43	181,226.73	3,007,419.94
23	9/1/2029	3,007,419.94	22,405.28	155,062.18	3,759.27	181,226.73	2,852,357.76
24	3/1/2030	2,852,357.76	21,250.07	156,411.21	3,565.45	181,226.73	2,695,946.55
25	9/1/2030	2,695,946.55	20,084.80	157,772.00	3,369.93	181,226.73	2,538,174.55
26	3/1/2031	2,538,174.55	18,909.40	159,144.61	3,172.72	181,226.73	2,379,029.94
27	9/1/2031	2,379,029.94	17,723.77	160,529.17	2,973.79	181,226.73	2,218,500.77
28	3/1/2032	2,218,500.77	16,527.83	161,925.77	2,773.13	181,226.73	2,056,575.00
29	9/1/2032	2,056,575.00	15,321.48	163,334.53	2,570.72	181,226.73	1,893,240.47
30	3/1/2033	1,893,240.47	14,104.64	164,755.54	2,366.55	181,226.73	1,728,484.93
31	9/1/2033	1,728,484.93	12,877.21	166,188.91	2,160.61	181,226.73	1,562,296.02
32	3/1/2034	1,562,296.02	11,639.11	167,634.75	1,952.87	181,226.73	1,394,661.27
33	9/1/2034	1,394,661.27	10,390.23	169,093.17	1,743.33	181,226.73	1,225,568.10
34	3/1/2035	1,225,568.10	9,130.48	170,564.29	1,531.96	181,226.73	1,055,003.81
35	9/1/2035	1,055,003.81	7,859.78	172,048.20	1,318.75	181,226.73	882,955.61
36	3/1/2036	882,955.61	6,578.02	173,545.02	1,103.69	181,226.73	709,410.59
37	9/1/2036	709,410.59	5,285.11	175,054.86	886.76	181,226.73	534,355.73
38	3/1/2037	534,355.73	3,980.95	176,577.84	667.94	181,226.73	357,777.89
39	9/1/2037	357,777.89	2,665.45	178,114.06	447.22	181,226.73	179,663.83
40	3/1/2038	179,663.83	1,338.50	179,663.83	224.40	181,226.73	0.00
Totals			983,973.23	6,100,000.00	165,095.97	7,249,069.20	

Prepared by DAAR

Exhibit C

CONDITIONS APPLICABLE TO CONSTRUCTION OF THE PROJECT

1. Municipality agrees to expeditiously initiate and complete the Project in accordance with the following schedule:
 - a. Advertising for bids within 30 days of authorization to advertise.
 - b. Bid opening no sooner than 30 days after advertisement for bids.
 - c. Contract award within 60 days of bid opening.
 - d. Issuance of notice to proceed within 30 days of contract award.
 - e. Initiation of operation within 135 days of notice to proceed or no later than August 15, 2017.
 - f. Finalization of construction within 175 days of notice to proceed.
 - g. Project Performance Certification 365 days following Initiation of Operation.

No change may be implemented by the Municipality, which will delay or accelerate this schedule without prior approval of KDHE. KDHE must be promptly notified of any proposed changes.

2. The Municipality must certify no later than January 15, 2017, that all easements and rights-of-way necessary to allow construction of the Project have been obtained (i.e., all real property has been acquired, bonafide options have been taken or formal condemnation proceedings have been initiated for necessary real property).

The Municipality must submit a "Certificate as to Title to Project Site" document date June 2009 stating the property necessary to allow construction of the project has been obtained. The Municipality must submit these prior to permission to award a construction contract.

3. The Municipality agrees that all bid solicitations will include the following statement in the "Advertisement for Bids" for this project:

Nondiscrimination in Employment

Bidders on this work will be required to comply with the President's Executive Order No. 11246 as amended. Requirements for bidders and contractors under this order are explained in the specifications.

4. The municipality must comply with and include the requirements of the Prohibition Statement below in all contracts and subcontracts made to private entities.

The Contractor, its employees, subcontractors and subcontractors' employees may not engage in severe forms of trafficking in persons during the period of time that the contract is in effect; procure a commercial sex act during the period of time that the contract is in effect; or use forced labor in the performance of the contract or subcontract.

5. a. The Municipality agrees that all bid solicitations will include the following statement in the "Information to Bidders" for this project.

"Bidders on this work, including subcontractors or vendors, will be required to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et. seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 et. seq.)".

Currently there is no reporting procedure associated with this requirement.

- b. The Municipality agrees to comply with the Kansas Act Against Discrimination, K.S.A. 44-1001, et. seq. and the Kansas Age Discrimination in Employment Act, K.S.A. 44-1111, et. seq. as provided by law and to include those provisions in every contract or purchase order so that they are binding upon such subcontractors or vendors.
6. The Municipality will obtain a signed Certificate of Non-Segregated Facilities from the prime contractor prior to the award of a construction contract if the contract exceeds \$10,000 and is not exempt from the provisions of the equal opportunity clause. The Municipality will assure that the prime contractor obtains a signed copy of Certificate of Non-Segregated Facilities from each subcontractor prior to the award of any subcontract exceeding \$10,000, which is not exempt from the provisions of the equal opportunity clause. The certificate signed by the prime contractor is to be kept on file with the Municipality; and certificates signed by subcontractors are to be kept on file with the prime contractor.
7. The Municipality agrees to include Section 202 of Executive Order 11246 in all contracts and subcontracts for all construction contracts exceeding \$10,000.00.
8. Wage Rate Requirements:

CWSRF: The recipient agrees to include in all agreements to provide assistance for the construction of treatment works carried out in whole or in part with such assistance made available by a State water pollution control revolving fund as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.), or with such assistance made available under section 205(m) of that Act (33 U.S.C. 1285(m)), or both, a term and condition requiring compliance with the requirements of section 513 of that Act (33 U.S.C. 1372) in all procurement contracts and sub-grants, and require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for the construction of treatment works carried out in whole or in part with assistance made available as stated herein shall insert in full in any contract in excess of \$2,000 the contract clauses as attached hereto entitled "Wage Rate Requirements Under The Clean Water Act, Section 513." This term and condition applies to all agreements to provide assistance under the authorities referenced herein, whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project, where such agreements are executed on or after October 30, 2009.

Preamble

With respect to the Clean Water State Revolving Funds, EPA provides capitalization grants to each State which in turn provides sub grants or loans to eligible entities within the State. Typically, the sub recipients are municipal or other local governmental entities that manage the funds. For these types of recipients, the provisions set forth under Roman numeral I, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients' compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section 3(ii)(A), below and for compliance as described in Section I-5.

-OR-

Occasionally, the sub recipient may be a private for profit or not for profit entity. For these types of recipients, the provisions set forth in Roman Numeral II, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients' compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section II-3(ii)(A), below and for compliance as described in Section II-5.

Requirements Under The Water Resources Reform and Development Act of 2014 (WRRDA) For Sub recipients That Are Governmental Entities:

The following terms and conditions specify how recipients will assist EPA in meeting its Davis-Bacon (DB) responsibilities when DB applies to EPA awards of financial assistance under the Water Resources Reform and Development Act of 2014 (WRRDA) - with respect to State recipients and sub recipients that are governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient. If a State recipient needs guidance, the recipient may contact Robert Bukaty, Bukaty.Robert@epa.gov, 913-551-7846, EPA Region VII Grants Management Section, for guidance. The recipient or sub recipient may also obtain additional guidance from DOL's web site at <http://www.dol.gov/whd/>

Applicability of the Davis- Bacon (DB) prevailing wage requirements.

Under the Water Resources Reform and Development Act of 2014 (WRRDA) -, DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

Obtaining Wage Determinations.

Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

While the solicitation remains open, the sub recipient shall monitor www.wdol.gov weekly to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor www.wdol.gov on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from www.wdol.gov into the ordering instrument.

Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

Contract and Subcontract provisions.

The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF - financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or -FY 2015 Water Resource Reform and Development Act, the following clauses:

Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from the U.S. Department of Labor's web site, www.dol.gov.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

The work to be performed by the classification requested is not performed by a classification in the wage determination; and

The classification is utilized in the area by the construction industry; and

The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit the request, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

Withholding. The sub recipient(s), shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice,

trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

Payrolls and basic records.

Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

Apprentices and trainees

Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where

appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or sub contractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and sub recipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.

Certification of eligibility.

By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

Contract Provision for Contracts in Excess of \$100,000.

Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

Withholding for unpaid wages and liquidated damages. The sub recipient, upon written request of the EPA Award Official or an authorized representative of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of

agency) and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

Compliance Verification

The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB.

Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence."

The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.

The sub recipient shall periodically review contractors and subcontractor's use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <http://www.dol.gov/whd/america2.htm>.

Requirements under EPA FFY 2010 and Subsequent Appropriations Act For Subrecipients That Are Not Governmental Entities

Section II is not applicable to the Kansas Water Pollution Control Revolving Fund, and so is removed from this document.

9. The Municipality hereby agrees to the following requirements regarding Disadvantaged Business Enterprise (DBE) procurement:
- a. If the loan amount is greater than \$250,000, adopt the MBE/WBE Fair Share Objective/Goals established between KDHE and EPA for construction of the project. These goals will be made part of the construction contract specifications.
 - b. Make the good faith efforts to contact DBE firms set out in 40 CFR Section 33.301 whenever procuring construction services for the project.
 - c. Comply with the administrative provisions found in 40 CFR Section 33.302.
 - d. If the loan amount is greater than \$250,000, maintain a bidders list of contractors and subcontractors that have previously bid on municipality projects funded by KWPCRLF as required by 40 CFR Section 33.501(b).
 - e. The Municipality agrees to submit to KDHE a completed EPA Form 5700-52A by April 15 and October 15, once the notice to proceed for construction has been issued, thru the semi-annual period in which construction has been completed.
10. The Municipality agrees that all bid solicitations will include the following statement:
- “Bidders must fully comply with Subpart C of 40 CFR Part 32 entitled Responsibilities of Participants Regarding Transactions. Contractors, subcontractors, or suppliers that appear on the Excluded Parties List System at www.epls.gov are not eligible for award of any contracts funded by the Kansas Water Pollution Control Revolving Loan Fund.”
- Subpart C of 40 CFR Part 32 must be included as part of the contract documents and EPA Form 5700-49 must be included in all contracts, completed and returned with the bid form.
- The Municipality acknowledges that doing business with any part appearing in the “List of Parties Excluded from Federal Procurement or Non Procurement Programs” may result in disallowance of federal funds under this Loan Agreement and may also result in suspension or debarment under this Part.
11. The Municipality agrees that all bid solicitations will include the Anti-Lobbying Certification form, which must be completed and returned with the bid form.
12. The owner or successful bidder must obtain, prior to construction, permit coverage from KDHE to discharge stormwater runoff associated with construction activity for most any project which disturbs one acre or more of soils. A Notice of Intent form (NOI) must be submitted to KDHE 60

days before the start of construction and a permit determination from KDHE must be made before construction can begin. The Kansas construction stormwater general permit, a Notice of Intent (application form), a frequently asked questions file, and supplemental materials are available online on the KDHE Stormwater Web Page at www.kdhe.state.ks.us/stormwater.

13. The Municipality shall follow applicable state procurement laws and regulations, and procedures established by the Secretary of KDHE as presented in Water Quality Policy Memorandum No. 10-1 dated May 3, 2010 - Final. KDHE approval is required prior to procurement.
14. In accordance with OMB Circular A-133, which implements the Single Audit Act, the municipality hereby agrees to obtain a single audit from an independent auditor if it expends \$750,000 or more in total Federal funds in any fiscal year, and the city will be notified by KDHE if an A-133 Single Audit is required. Please note this loan is provided, in part, with federal funds (CFDA 66.458).
An A-133 Single Audit is not required for this project at Maize.
15. The Municipality agrees to make prompt payment to its contractor(s) of sums due for construction and to retain only such amounts as may be justified by specific circumstances and provisions of this Loan Agreement or the construction contract.
16. The Municipality hereby assures that the engineering firm principally responsible for supervising construction and for providing engineering services during construction (engineer associated with the design build team) will continue its relationship with the Municipality for a period of up to one year after initiation of operation of the Project. During this period, the engineering firm shall direct the operation of the Project, train operating personnel and prepare curricula and training material for operating personnel. The following specific requirements apply:
 - a. The Municipality agrees the performance standards applicable to the Project are:
 - (1) All construction deficiencies have been resolved.
 - (2) The effluent produced by the wastewater treatment facility is in full compliance with the NPDES permit as issued to the city for the facility.
 - b. One year after completion of construction and initiation of operation of the Project, the Municipality shall certify to KDHE whether or not such Project meets the design specifications and effluent limitations contained in subparagraph a. of this condition. Any statement of non-compliance must be accompanied by a corrective action report containing: an analysis of the cause of the Project's inability to meet performance standards; actions necessary to bring it into compliance, and a reasonably scheduled date for positive certification of the Project. Timely corrective action will be executed by the Municipality.
 - c. Municipality agrees to furnish KDHE with an annual report describing actions taken to date to achieve positive certification, planned future activities, the Project's status and potential for positive certifications.
17. A final plan of operation and draft operation and maintenance manual shall be submitted by the Municipality for approval by KDHE at or prior to 50 percent construction completion. The plan of operation must include, but is not limited to, an assessment of the employee skills necessary to carry out the operation and maintenance function and a training plan designed to provide employees with the necessary skills. Details on the skills assessment must be submitted along

with the final plan of operation. Necessary training as indicated by the skills assessment must be provided in accordance with the approved training plan.

18. The rates and ordinances enacting the approved user charge system and sewer use requirements as approved by KDHE shall be enacted prior to initiation of operation.
19. The municipality agrees to provide a Fiscal Sustainability Plan (FSP) document to KDHE, including an appropriate Asset Management Plan, prior to final closeout of the Loan Agreement project. The required scope of the FSP will be provided to the municipality by letter from KDHE.
20. None of the funds made available by this loan agreement shall be used for a project for the construction, alteration, maintenance, or repair of a wastewater collection system or wastewater treatment plant unless all of the iron and steel products used in the project are produced in the United States. 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 clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.
21. This Project is consistent with the Kansas Water Quality Management Plan, subject to the provisions of Section 208(d) and 208(e) of the Federal Water Pollution Control Act, as amended. Service by the Project will not be denied or conditioned on the basis of factors or issues unrelated to wastewater management.
22. The Loan Recipient must comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. Other civil rights laws may impose additional requirements on the Loan Recipient. These laws include, but are not limited to, Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment and in services provided by State and local governments, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.
23. The Loan Recipient must comply with the "Cross-Cutting Federal Authorities: A Handbook on Their Application in the Clean Water and Drinking Water State Revolving Fund Programs", dated October 2003 and found at <http://www.epa.gov/owm/cwfinance/cwsrf/enhance/DocFiles/Other%20Docs/Crosscutterhandbook.pdf>
24. The Municipality hereby agrees to implement measures to mitigate all known adverse environmental effects of the project. The Municipality hereby agrees to request and obtain intergovernmental environmental evaluations of the proposed rehabilitation wastewater stabilization lagoon and the Municipality agrees to implement measures to mitigate all known adverse environmental effects of the project. The following mitigate actions are required: (Subject to Environmental Clearance)

EXHIBIT D

USE OF LOAN PROCEEDS

The phase 1 project includes the construction of an additional Aeromod unit rated at 0.6 MGD. Other rehabilitation measures and improvements to other treatment processes and piping on site will also be completed.

The loan proceeds will be utilized to pay the costs of:

1. Construction: All action construction costs of the improvements to the wastewater collection and treatment system and incidental work associated with construction.
2. Engineering: All actual costs of construction services including basic services, design, procurement, inspection, final plan of operation, user charge and sewer use ordinance development, one year project performance evaluation, and all items as included in the engineering contract for the project, including the Fiscal Sustainability Plan.
3. Administrative: All reasonable costs of legal and financial administrative support directly provided for the project, including financial audits.

Unallowable Costs: The costs of full time employees of the municipality and purchase of land and easements.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT E

INSTRUCTIONS FOR REQUESTING DISBURSEMENTS

1. All payment requests must be filed on the Outlay Report and Request for Disbursement Form and represent the actual completion level of the project at the date the request is prepared.
2. All cost entries must be based upon allowable work in place, which is due and payable. This means that you may **not** request payment for:
 - a. Any work or services, which have not been explicitly approved by the KDHE in the Loan Agreement or subsequent amendments.
 - b. Any work performed under a change order unless written approval of the change order has been given by the State.
 - c. Any ineligible project costs.
 - d. Any retainage which you are withholding from the construction contractor, engineer, etc.
 - e. Expenditures relating to site acquisition, easements, rights-of way, **EXCEPT:** (1) additional work required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act such as appraisal and certification services; (2) when the site itself is allowable in accordance with Federal SRF regulations and guidance; and (3) costs incurred in eminent domain proceedings.
 - f. Costs associated with the approval, preparation, issuance and sale of Bonds, and other costs incidental to normal operating overhead of a Municipality, whether performed by Municipal employees, the engineer, or the attorney.

It is essential that you understand the cost basis of the approved Loan amount. It is, therefore, necessary that you read the Loan Agreement (including all conditions) and its transmittal letter, any Loan amendments and Project correspondence, and that you maintain current and accurate files on all approved change orders. Failure to follow these procedures may result in your requesting and subsequently receiving overpayment of loan funds, which later may, in turn, result in substantial inconvenience to you and the Municipality. This could include repayment or crediting to KDHE the interest earned on overpaid funds, and any penalties that can result from this action.

3. **INSTRUCTIONS** - Please type or print legibly. Items 4, 5, 6, and 8.o. are self-explanatory; specific instructions for other items are as follows:

Item	Entry	Item	Entry
			shown on line d.
2.	This space is reserved for the assigned KDHE project number. Enter complete project identification number e.g., C20 0681 02.	8f	Enter inspection and audit fees of construction and related programs.
3	Mark the appropriate box. If the request is final, the amounts billed should represent the final cost of the project.	8g	Enter those amounts associated with the actual construction of, addition to, or restoration of a facility.
7.	The employer identification number assigned by the U.S. Internal Revenue Service MUST be entered to assist in processing of your Disbursement Request.	8h	Enter amounts for all equipment, both fixed and movable, exclusive of equipment used for construction. For example, permanently attached laboratory tables, built-in audio visual systems, movable desks, chairs, and laboratory equipment.
8.	Use only columns (a), (b), and (c).	8i	Enter the amounts for all items not specifically mentioned above.
8a	Enter amounts expended for such items as travel, legal fees, rental of vehicles and any other administrative expenses. Include the amount of interest expense when authorized by program legislation. Also show the amount of interest expense on a separate sheet.	8j	Enter the total cumulative amount to date which should be the sum of lines a through i.
8b	Enter amounts pertaining to the work of location and designing, making surveys and maps, sinking test holes, and all other work required prior to actual construction.	8k	Enter the total amount of program income applied to the loan agreement. Identify on a separate sheet of paper the sources and types of the income.
8c	Enter all amounts directly associated with the acquisition of land, existing structures and related right-of-way.	8l	Enter the net cumulative amount to date which should be the amount shown on line j minus the amount on line k.
8d	Enter basic fees for services of architectural engineers.	8m	Enter the amount of reimbursements paid to date.
8e	Enter other architectural engineering services. Do not include any amounts		

8n Enter the amount now being requested for reimbursement. This amount should be the difference between the amounts shown on lines l and m. If different, explain on a separate sheet.

9b Leave blank, this is to be completed by the funding agency official representative who is certifying to the percent of project completion as provided for in the terms of the loan agreement.

9a To be completed and signed by the duly authorized recipient official. The date should be the actual date the form is submitted to the funding agency.

4. **NOTE: ONE ORIGINAL SIGNATURE DISBURSEMENT REQUESTS AND ONE SET OF SUPPORTING DOCUMENTATION MUST BE SUBMITTED.**

Submit disbursement requests directly to:

Kansas Department of Health & Environment
Bureau of Water
Municipal Programs
1000 SW Jackson Street, Suite 420
Topeka, Kansas 66612-1367

You should retain one copy for your records.

5. The Authorized Municipality Representative identified in the Loan Agreement remains the principal contact for all project matters.

[Balance of Page Intentionally Left Blank]

EXHIBIT E

KWPCRF or KPWSLF OUTLAY REPORT AND REQUEST FOR DISBURSEMENT (See Instructions)	1. AGENCY TO WHICH THIS REPORT IS SUBMITTED: KDHE - BUREAU OF WATER MUNICIPAL PROGRAMS SECTION OR PUBLIC WATER SUPPLY SECTION	2. KDHE PROJECT NUMBER ASSIGNED KWPCRF PROJECT # C20 _____ KPWSLF PROJECT # _____		
3. TYPE OF REQUEST: FINAL _____ PARTIAL _____	4. PAYMENT REQUEST NUMBER # _____	5. PERIOD COVERED BY THIS REPORT FROM (Mo, day, year) TO (Mo, day, year)		
6. RECIPIENT ORGANIZATION INFORMATION NAME : NO. & STREET : CITY : STATE AND ZIP CODE		7. FEIN NUMBER:		
8. TO: THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT, ACTING ON BEHALF OF THE STATE OF KANSAS UNDER THE LOAN AGREEMENT EFFECTIVE AS OF _____, BETWEEN KDHE AND the _____ The undersigned hereby requests that the following amounts be paid to the following payees for the following Project Costs as defined in said Agreement:				
CLASSIFICATION	(a) Total amount requested	(b) Payee	(c) Description	Total Approved (KDHE use only)
a. Administrative expense				See KDHE Attached Sheet or Reverse Side
b. Preliminary expense (Planning and Design)				
c. Land, structures, right-of-way (Not allowable)				
d. Architectural engineering basic fees				
e. Other architectural engineering fees				
f. Project inspection fees				
g. Construction and project improvement cost				
h. Equipment (By Separate Contract)				
i. Miscellaneous cost				
j. Total cumulative to date (sum of lines a thru i)	\$0.00			
k. Deductions for program income				
l. Net cumulative to date (Line j minus line k)	\$0.00			
m. Disbursements Paid to Date				
n. Amount due this Request (Line l minus Line m)	\$0.00			
o. Percentage of physical completion of project				
9. CERTIFICATION: I hereby state and certify that: (i) the amounts requested are or were necessary and appropriate in connection with the purchase, construction and installation of the Project, have been properly incurred and are a proper disbursement of the proceeds of the Loan and that an inspection has been performed and all work is in accordance with the terms of the Loan; have been paid or are justly due to the persons whose names and addresses are stated above; and have not been the basis of any previous requisition from the proceeds of the Loan; (ii) as of this date, except for the amounts specified above, there are no outstanding statements which are due and payable for labor, wages, materials, supplies or services in connection with the acquisition, purchase, construction, improvement, repair, rehabilitation or extension of the Wastewater Treatment Works or the Water Supply/Treatment/Distribution Works; (iii) all representations made in the Agreement remain true as of the date of this request; and (iv) no adverse developments affecting the financial condition of the Recipient or its ability to complete the Project or to repay the Loan have occurred.				
a. RECIPIENT: Signature of Authorized Certifying Official Typed or Printed Name and Title Date Submitted		b. KDHE Representative Certifying to line 8.n. Rodney R. Geisler or William Carr Signature of Authorized Certifying Official See KDHE Attached Sheet or Reverse Side Typed or Printed Name and Title Chief, Municipal Programs Section or Public Water Supply Date Approved Telephone (Area Code, number & ext.) 785-296-5527 or 296-0735		

Revised 01/14 <http://www.kdheks.gov/water> - State Revolving Loan Fund - Outlay Report & Request for Disbursement (Excel)

EXHIBIT F

FORM OF MUNICIPALITY ORDINANCE

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF MAIZE, KANSAS
HELD ON [ORDINANCE DATE]**

The Governing Body of the City met in [regular/special] session at the usual meeting place in the City, at [meeting time], the following members being present and participating, to-wit:

Absent:

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

(Other Proceedings)

Thereupon, there was presented an Ordinance entitled:

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN MAIZE, KANSAS AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT FOR THE PURPOSE OF OBTAINING A LOAN FROM THE KANSAS WATER POLLUTION CONTROL REVOLVING FUND FOR THE PURPOSE OF FINANCING A WASTEWATER TREATMENT PROJECT; ESTABLISHING A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF SUCH LOAN; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT.

Thereupon, [Council member] _____ moved that said Ordinance be passed. The motion was seconded by [Council member] _____. Said 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, the vote being as follows:

Yes: _____

No: _____

Thereupon, the Mayor declared said Ordinance duly passed and the Ordinance was then duly numbered Ordinance No. _____ and was signed and approved by the Mayor and attested by the Clerk. The Clerk was directed to publish the Ordinance one time in the official newspaper of the City.

(Other Proceedings)

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

(SEAL)

Clerk

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

(Published in [Official City Newspaper] on [publication date])

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN MAIZE, KANSAS AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT FOR THE PURPOSE OF OBTAINING A LOAN FROM THE KANSAS WATER POLLUTION CONTROL REVOLVING FUND FOR THE PURPOSE OF FINANCING A WASTEWATER TREATMENT PROJECT; ESTABLISHING A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF SUCH LOAN; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT.

WHEREAS, the Federal Water Quality Act of 1987 (the "Federal Act") established revolving fund program for public wastewater treatment systems to assist in financing the costs of infrastructure needed to achieve or maintain compliance with the Federal Act and to protect the public health and authorized the Environmental Protection Agency (the "EPA") to administer a revolving loan program operated by the individual states; and

WHEREAS, to fund the state revolving fund program, the EPA will make annual capitalization grants to the states, on the condition that each state provide a state match for such state's revolving fund; and

WHEREAS, by passage of the Kansas Water Pollution Control Revolving Fund Act, K.S.A. 65-3321 through 65-3329, inclusive (the "Loan Act"), the State of Kansas (the "State") has established the Kansas Water Pollution Control Revolving Fund (the "Revolving Fund") for purposes of the Federal Act; and

WHEREAS, under the Loan Act, the Secretary of the Kansas Department of Health and Environment ("KDHE") is given the responsibility for administration and management of the Revolving Fund; and

WHEREAS, the Kansas Development Finance Authority (the "Authority") and KDHE have entered into a Pledge Agreement (the "Pledge Agreement") pursuant to which KDHE agrees to enter into Loan Agreements with Municipalities for public wastewater treatment projects (the "Projects") and to pledge the Loan Repayments (as defined in the Pledge Agreement) received pursuant to such Loan Agreements to the Authority; and

WHEREAS, the Authority is authorized under K.S.A. 74-8905(a) and the Loan Act to issue revenue bonds (the "Bonds") for the purpose of providing funds to implement the State's requirements under the Federal Act and to loan the same, together with available funds from the EPA capitalization grants, to Municipalities within the State for the payment of Project Costs (as said terms are defined in the Loan Act); and

WHEREAS, Maize, Kansas (the "Municipality") is a municipality as said term is defined in the Loan Act which operates a wastewater collection and treatment system (the "System"); and

WHEREAS, the System is a public Wastewater Treatment Works, as said term is defined in the Loan Act; and

WHEREAS, the Municipality has, pursuant to the Loan Act, submitted an Application to KDHE to obtain a loan from the Revolving Fund to finance the costs of improvements to its System consisting of the following:

The phase 1 project includes the construction of an additional Aeromod unit rated at 0.6 MGD. Other rehabilitation measures and improvements to other treatment processes and piping on site will also be completed (the "Project"); and

WHEREAS, the Municipality has taken all steps necessary and has complied with the provisions of the Loan Act and the provisions of K.A.R. 28-16-110 to 28-16-138 (the "Regulations") applicable thereto necessary to qualify for the loan; and

WHEREAS, KDHE has informed the Municipality that it has been approved for a loan in amount of not to exceed Six Million One Hundred Thousand dollars [\$6,100,000] (the "Loan") in order to finance the Project; and

WHEREAS, the governing body of the Municipality hereby finds and determines that it is necessary and desirable to accept the Loan and to enter into a loan agreement and certain other documents relating thereto, and to take certain actions required in order to implement the Loan Agreement.

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

Section 1. Authorization of Loan Agreement. The Municipality is hereby authorized to accept the Loan and to enter into a certain Loan Agreement, with an effective date of September 1, 2016, with the State of Kansas acting by and through the Kansas Department of Health and Environment (the "Loan Agreement") to finance the Project Costs (as defined in the Loan Agreement). The Mayor and Clerk are hereby authorized to execute the Loan Agreement in substantially the form presented to the governing body this date, with such changes or modifications thereto as may be approved by the Mayor and the City Attorney, the Mayor's execution of the Loan Agreement being conclusive evidence of such approval.

Section 2. Establishment of Dedicated Source of Revenue for Repayment of Loan. Pursuant to the Loan Act, the Municipality hereby establishes a dedicated source of revenue for repayment of the Loan. In accordance therewith, the Municipality shall impose and collect such rates, fees and charges for the use and services furnished by or through the System, including all improvements and additions thereto hereafter constructed or acquired by the Municipality as will provide System Revenues or levy ad valorem taxes without limitation as to rate or amount upon all the taxable tangible property, real or personal, within the territorial limits of the Municipality to produce amounts which are sufficient to (a) pay the cost of the operation and maintenance of the System, (b) pay the principal of and interest on the Loan as and when the same become due, and (c) pay all other amounts due at any time under the Loan Agreement; provided, however, no lien or other security

interest is granted by the Municipality to KDHE on the System Revenues under this Agreement. In the event that the System Revenues are insufficient to meet the obligations under the Loan and the Loan Agreement, the Municipality shall levy ad valorem taxes without limitation as to rate or amount upon all the taxable tangible property, real or personal, within the territorial limits of the Municipality to produce the amounts necessary for the prompt payment of the obligations under the Loan and Loan Agreement.

In accordance with the Loan Act, the obligations under the Loan and the Loan Agreement shall not be included within any limitation on the bonded indebtedness of the Municipality.

Section 3. 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 4. Governing Law. The Ordinance and the Loan Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Kansas.

Section 5. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the governing body of the City and publication in the official City newspaper.

PASSED by the governing body of the City on [Ordinance Date] and [signed][and **APPROVED**] by the Mayor.

(SEAL)

Mayor

ATTEST:

Clerk

[APPROVED AS TO FORM ONLY.]

[City Attorney]

EXHIBIT G

FORM OF OPINION OF MUNICIPALITY'S COUNSEL

[Date]

Kansas Development Finance Authority
Topeka, Kansas

The Kansas Department of Health and
Environment, acting on behalf of
The State of Kansas
Topeka, Kansas

Re: Loan Agreement effective as of September 1, 2016, between the Kansas Department of Health and Environment ("KDHE"), acting on behalf of the State of Kansas (the "State"), and Maize, Kansas (the "Municipality")

I have acted as counsel to the Municipality in connection with the authorization, execution and delivery of the above referenced Loan Agreement (the "Loan Agreement"). In my capacity as counsel to the Municipality, I have examined original or certified copies of minutes, ordinances of the Municipality and other documents relating to the authorization of the Project, the authorization, execution and delivery of the Loan Agreement, and the establishment of a Dedicated Source of Revenue (as defined in the Loan Agreement) for repayment of the Loan evidenced by the Loan Agreement. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Loan Agreement.

In this connection, I have examined the following:

- (a) an executed or certified copy of the Loan Agreement;
- (b) proceedings adopted or taken by the Municipality to authorize and approve the Project to be constructed with the proceeds of the Loan evidenced by the Loan Agreement;
- (c) Ordinance No. ____ of the Municipality (the "Ordinance") adopted on [Ordinance Date], and other proceedings of the Municipality taken and adopted in connection with the authorization, execution and delivery of the Loan Agreement, and the establishment of a Dedicated Source of Revenue for repayment of the Loan evidenced by the Loan Agreement; and

(d) such other proceedings, documents and instruments as I have deemed necessary or appropriate to the rendering of the opinions expressed herein.

In this connection, I have reviewed such documents, and have made such investigations of law, as deemed relevant and necessary as the basis for the opinions hereinafter expressed.

Based upon the foregoing, it is my opinion, as of the date hereof, that:

1. The Municipality is a municipal corporation duly created, organized and existing under the laws of the State.
2. The Municipality operates a public Wastewater Treatment Works, as said term is defined in the Loan Act.
3. The Project has been duly authorized by the Municipality.
4. The Municipality has all requisite legal power and authority to, and has been duly authorized under the terms and provisions of the Ordinance to, execute and deliver, and perform its obligations under, the Loan Agreement.
5. The Loan Agreement has been duly authorized, executed and delivered by the Municipality and constitutes a valid and binding agreement of the Municipality enforceable in accordance with its terms, subject as to enforcement of remedies to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors' rights heretofore or hereafter enacted, and subject further to the exercise of judicial discretion in accordance with general principles of equity. In rendering this opinion I have assumed due authorization, execution and delivery of the Loan Agreement by the State, acting by and through KDHE.
6. The Municipality has duly authorized the Dedicated Source of Revenue for repayment of the Loan to be made pursuant to the Loan Agreement.
7. To the best of my knowledge, the execution and delivery of the Loan Agreement by the Municipality will not conflict with or result in a breach of any of the terms of, or constitute a default under, any ordinance, indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Municipality is a party or by which it or any of its property is bound or any of the rules or regulations applicable to the Municipality or its property or of any court or other governmental body.

Very truly yours,

EXHIBIT H

MUNICIPALITY'S NOTICE ADDRESS

Mayor and City Council
Maize City Hall
10100 Grady Avenue
P O Box 245
Maize, KS 67101

**MAIZE CITY COUNCIL
REGULAR MEETING
MONDAY, SEPTEMBER 19, 2016**

AGENDA ITEM 8B

ITEM: Zone change from SF-5 Single-Family Residential to LC Limited Commercial for approximately 0.19 acres on the vacant lot south of 111 S. Park.

BACKGROUND: The applicant is requesting a zone change in order to allow for the construction of a commercial building for storage. The least intensive zoning category in which this type of use would be allowed is Limited Commercial when it is not an accessory use to a house.

There is an existing single-family residence to the north of the property that the applicant owns and was part of this lot until it was split off earlier this year. The applicant has this lot under contract for purchase by an individual that would like to construct a building for the storage of vehicles.

The Planning Commission reviewed this case on August 4, 2016 and recommended that the Council deny the zone change request.

In order to overturn the recommendation of the Planning Commission at least four of five Councilpersons would have to vote in favor of the zone change request.

A copy of the original staff report as presented to the Planning Commission and a map depicting the area proposed for rezoning is attached for your information.

FINANCIAL CONSIDERATIONS: None

LEGAL CONSIDERATIONS: None

RECOMMENDATION/ACTION: Deny the zone change request.

STAFF REPORT

CASE NUMBER: Z-02-016

OWNER/APPLICANT: Dwaine Roger Perkins
c/o Stone Post Properties LLC
1427 E Village Estate Drive
Park City, KS 67219

GENERAL LOCATION: On the west side of Park Street, north of Liberty (South of 111 S. Park)

SITE SIZE: 0.19 acres +/- (140 ft. x 60 ft.)

CURRENT ZONING: SF-5 Single Family Residential

PROPOSED ZONING: LC Limited Commercial

PROPOSED USE: Stand-alone commercial building for storage of vehicles and boats

BACKGROUND: This property is adjacent to a single-family residence and is located on a lot that has never been developed. This property was platted as part of the original town plat and is surrounded by a mix of uses, with commercial uses at the north end of this block on the opposite side of the street and residences that have large outbuildings on a variety of sizes of lots.

The property is under contract for sale to be developed with a commercial building to store vehicles and boats

Typically it would be out of character to introduce commercial zoning into a residential neighborhood and could be considered “spot zoning” to have such an isolated pocket of commercial zoning surrounded entirely by residential zoning.

ADJACENT ZONING AND LAND USE:

NORTH:	“SF-5” Single-Family Residential	Residential
SOUTH:	“SF-5” Single-Family Residential	Residential
EAST:	“SF-5” Single-Family residential	Residential
WEST:	“SF-5” Single-Family Residential	Residential

PUBLIC SERVICES: Park Street is a 2-lane residential street with 40 feet of half-street right of way. No additional dedication of right of way would be necessary if this property were developed with a commercial use.

CONFORMANCE TO PLANS/POLICIES: This property is recognized in the adopted Maize Comprehensive Plan as appropriate for urban residential development.

RECOMMENDATION: The proposed change is not an appropriate use of land given that the building would not be an accessory or subordinate to an existing residence, as the other storage buildings in the neighborhood are, but would be an independently owned building used solely for storage purposes. If the zone change is recommended for approval by the Planning Commission it is recommended that measures be taken to mitigate any negative effects on neighboring property through proper screening as required as a condition of the City of Maize Zoning Code, in the form of a minimum 6 foot tall solid screening fence around the perimeter of the property. Staff would recommend that the request not be recommended for approval. If recommended for approval the entire project shall be subject to final site plan review and approval by the Planning Administrator and the City Engineer and the Planning Commission should consider placing a Protective Overlay on the property that will prohibit uses that are not appropriate within a residential area.

This recommendation is based on the following findings:

1. The zoning, uses and character of the neighborhood: This property is located within an area that is currently residential in character, with commercial uses farther to the north. The type of proposed use could be compatible with existing development in the area but Limited Commercial zoning would also allow a number of uses that are not appropriate within a residential area.
2. The suitability of the subject property for the uses to which it has been restricted: The property is zoned for residential but has remained undeveloped for many years under its current zoning.
3. Extent to which removal of the restrictions will detrimentally affect nearby property: Required screening could limit any negative effects to neighboring property. The introduction of commercial uses could lead to a change in the character of the neighborhood and could serve as a starting point for other changes that are not compatible with residential uses.
4. Conformance of the requested change to the adopted or recognized Comprehensive Plan and Policies: The City of Maize Comprehensive Plan contemplates that this property is appropriate for urban residential development.
5. Impact of the proposed development on community facilities: The requested zone change would introduce a more intensive land use to this area. However, the City's municipal service systems have been designed to adequately support this type of development. Municipal water and sewer service would be available upon demonstration of need.

Planning Commission Action

Having reviewed the above zone change and conditional use request, I _____
move that the Planning Commission

Approve the zone change subject to conditions and modifications as heretofore agreed upon and listed, based upon the findings of fact outlined above, or

Disapprove the zone change for reasons heretofore agreed upon

Or defer the request until the September regular meeting of the Planning Commission for further information or study as heretofore specified

Motion seconded by _____ and passed by a vote of _____ to _____. Member(s) abstaining from the vote was (were) _____.

Note: Except in the case of a tie vote, abstentions are counted as part of the majority vote. Members disqualifying themselves are not a part of the quorum and unable to vote.

Sedgwick County Online Map Portal

Sedgwick County, Kansas

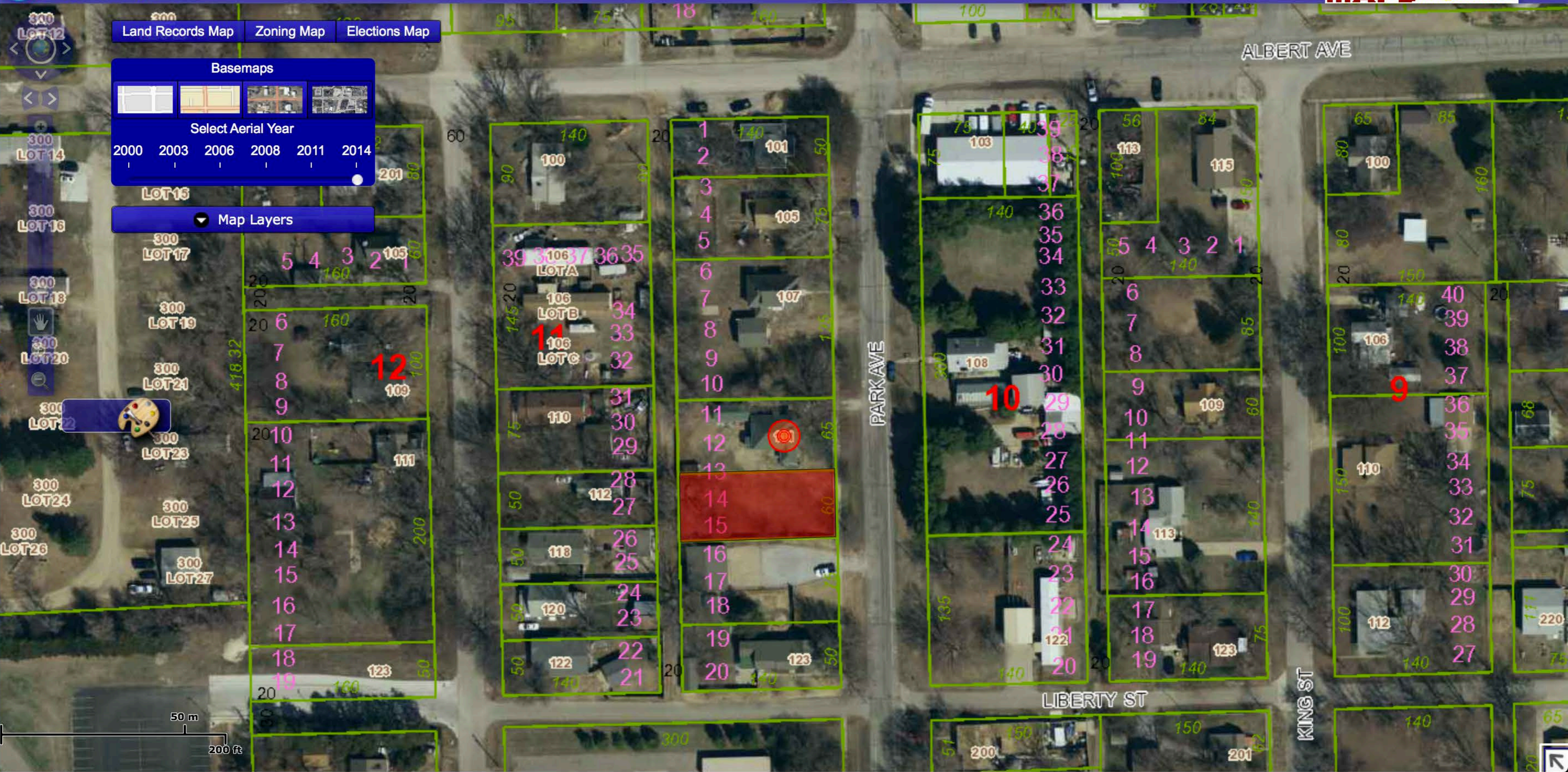
Land Records Map Zoning Map Elections Map

Basemaps

Select Aerial Year

2000 2003 2006 2008 2011 2014

Map Layers



**MAIZE CITY COUNCIL
REGULAR MEETING
MONDAY, SEPTEMBER 19, 2016**

AGENDA ITEM 8C

ITEM: Zone change from SF-5 Single-Family Residential to NR Neighborhood Retail for approximately 1.1 acres at 4055 N. Maize Road.

BACKGROUND: The applicant is requesting a zone change in order to expand their existing Home Occupation Day Care at this location. The least intensive zoning category in which this type of use would be allowed is Neighborhood Retail zoning. Staff finds that this is an appropriate land use for this location given its location along Maize Road and the fact that this property was approved for rezoning to LC Limited Commercial in 2008. A condition of that approval was that the property be platted within 2 years. Since that process was not completed the zoning of the property reverted back to SF-5 Single Family.

The property owners have been operating a well-established in-home day care facility since 2014 and are currently seeking to expand their business into two portable classrooms that they were able to acquire from a nearby church. These classrooms are currently on the property in a somewhat dismantled condition.

The Planning Commission reviewed this case on September 1, 2016 and unanimously recommended that the Council approve the zone change request subject to the following conditions:

1. All buildings or structures shall set back at least 35 feet from all street right-of-way lines.
2. Buildings shall not cover more than 30 percent of the land upon which the development is proposed.
3. Applicant shall provide screening or a landscape buffer along north and west property lines adjacent to residentially zoned property pursuant to Article IV, Section IV-B of the City of Maize Zoning Code. The existing screening may satisfy this requirement but would need to be replaced if ever removed by the property owner to the north.
4. Signage for the development shall be subject to the City of Maize Sign Code and any future amendments to such code.
5. Landscaping shall be provided as required by the City of Maize Landscape Ordinance.
6. All buildings and structures shall comply with the City of Maize Design Standards.
7. Platting of the property shall be completed within five years of approval of zoning change by Maize City Council.
8. The portable classrooms shall be placed on permanent foundations.
9. The portable classrooms shall be finished to match the existing house on the property.

A copy of the Ordinance which will effectuate the zone change is attached to this agenda item. A copy of the staff report and supporting materials that were presented to the Planning Commission are also included for your review.

FINANCIAL CONSIDERATIONS: None

LEGAL CONSIDERATIONS: City Attorney has approved Ordinance as to form

RECOMMENDATION/ACTION: Approve and adopt the Ordinance for a zone change within Maize city limits.

STAFF REPORT

CASE NUMBER: Z-03-016

OWNER/APPLICANT: Matthew and Sarah Goertz
 4405 N Maize Road
 Maize, KS 67101

GENERAL LOCATION: On the west side Maize Road south of 45th Street North (4405 N Maize Rd.)

SITE SIZE: 1.34 acres +/-

CURRENT ZONING: SF-5 Single Family Residential

PROPOSED ZONING: NR Neighborhood Retail

PROPOSED USE: Expansion of existing Day Care business

BACKGROUND: This property and approximately 4 additional acres were approved for rezoning to LC Limited Commercial by the Planning Commission and City Council in 2008. The approval was contingent upon the property being platted within two years. Since the property was not platted the zoning reverted back to SF-5 Single Family.

Staff finds that the property is still appropriate for some type of commercial use given its location along an arterial street. The current property owner currently operates a Day Care under the Home Occupation restrictions but is seeking a change to Neighborhood Retail zoning to allow for an expansion of their existing business. The property owner has relocated two portable classroom units onto their property and intends to use them for the Day Care operation. The property owner will address the Commission at the public hearing to discuss how these structures will be improved, maintained and used on the site.

ADJACENT ZONING AND LAND USE:

NORTH:	“RR” Rural Residential	Agriculture and large-lot residential
SOUTH:	“LC” Limited Commercial	Residential with zoning for future commercial
WEST:	“RR” Rural Residential	Agriculture
EAST:	“SF-5” Single Family Residential	Large-lot residential/agriculture

PUBLIC SERVICES: Access to the development would be from Maize Road, which is currently a 4-lane arterial at this location with 50 feet of half street right-of-way.

The site has ready access to city water and service. The property is part of a larger sanitary sewer benefit district which includes a sewer lift station. The benefit district serves the general area of the 45th and Maize intersection.

CONFORMANCE TO PLANS/POLICIES: The City of Maize Comprehensive Plan recognizes that the frontage of Maize Road is appropriate for various types of commercial development.

RECOMMENDATION: The proposed change is an appropriate use of land given its location relative to nearby existing and future commercial uses and its location near the intersection of 45th and Maize Road. Based upon these factors, plus the information available prior to the public hearing, staff recommends the request as submitted be **APPROVED** subject to the following conditions:

1. All buildings or structures shall set back at least 35 feet from all street right-of-way lines.
2. Buildings shall not cover more than 30 percent of the land upon which the development is proposed.

3. Applicant shall provide screening or a landscape buffer along north and west property lines adjacent to residentially zoned property pursuant to Article IV, Section IV-B of the City of Maize Zoning Code. The existing screening may satisfy this requirement but would need to be replaced if ever removed by the property owner to the north.
4. Signage for the development shall be subject to the draft City of Maize Sign Code and any future amendments to such code.
5. Landscaping shall be provided as required by the City of Maize Landscape Ordinance.
6. All buildings and structures shall comply with the City of Maize Design Standards.
7. Platting of the property shall be completed within five years of approval of zoning change by Maize City Council.

This recommendation is based on the following findings:

1. The zoning, uses and character of the neighborhood: This property is located within an area that is currently experiencing continuing change due to development along Maize Road. The type of proposed use would be consistent with existing and future development.
2. The suitability of the subject property for the uses to which it has been restricted: The property is used for residential and home occupation purposes as currently zoned. The site is more suitable for commercial use, as recognized in the City's Comprehensive Plan.
3. Extent to which removal of the restrictions will detrimentally affect nearby property: Almost all of the adjacent property along Maize Road is also designated as commercial use on the Comprehensive Plan land use map. Therefore if this request is granted it will not have a negative affect on neighboring property. Proper mitigation measures will need to be taken where the proerty is adjacent to residentially zoned property to the north and west.
4. Conformance of the requested change to the adopted or recognized Comprehensive Plan and Policies: The City of Maize Comprehensive Plan recognizes the intent for commerical development of various intensities along Maize Road.
5. Impact of the proposed development on community facilities: Municipal water service is available to serve this site. This property is part of a benefit district for sanitary sewer service to serve the general intersection of 45th and Maize Road. Additional right-of-way dedications and improvement requirements through the platting process will ensure that adequate land is available for future necessary roadway improvements at this location.

Planning Commission Action

Having reviewed the above zone change, I _____
 move that the Planning Commission

Approve the zone change subject to conditions and modifications as heretofore agreed upon and listed, based upon the findings of fact outlined above, or

Disapprove the zone change for reasons heretofore agreed upon

Or defer the request until the October regular meeting of the Planning Commission for further information or study as heretofore specified

Motion seconded by _____ and passed by a vote of _____ to _____. Member(s) abstaining from the vote was (were) _____.

Note: Except in the case of a tie vote, abstentions are counted as part of the majority vote. Members disqualifying themselves are not a part of the quorum and unable to vote.



happyday academy





City of Maize, Kansas



Regular Council September 19, 2016

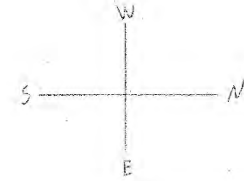
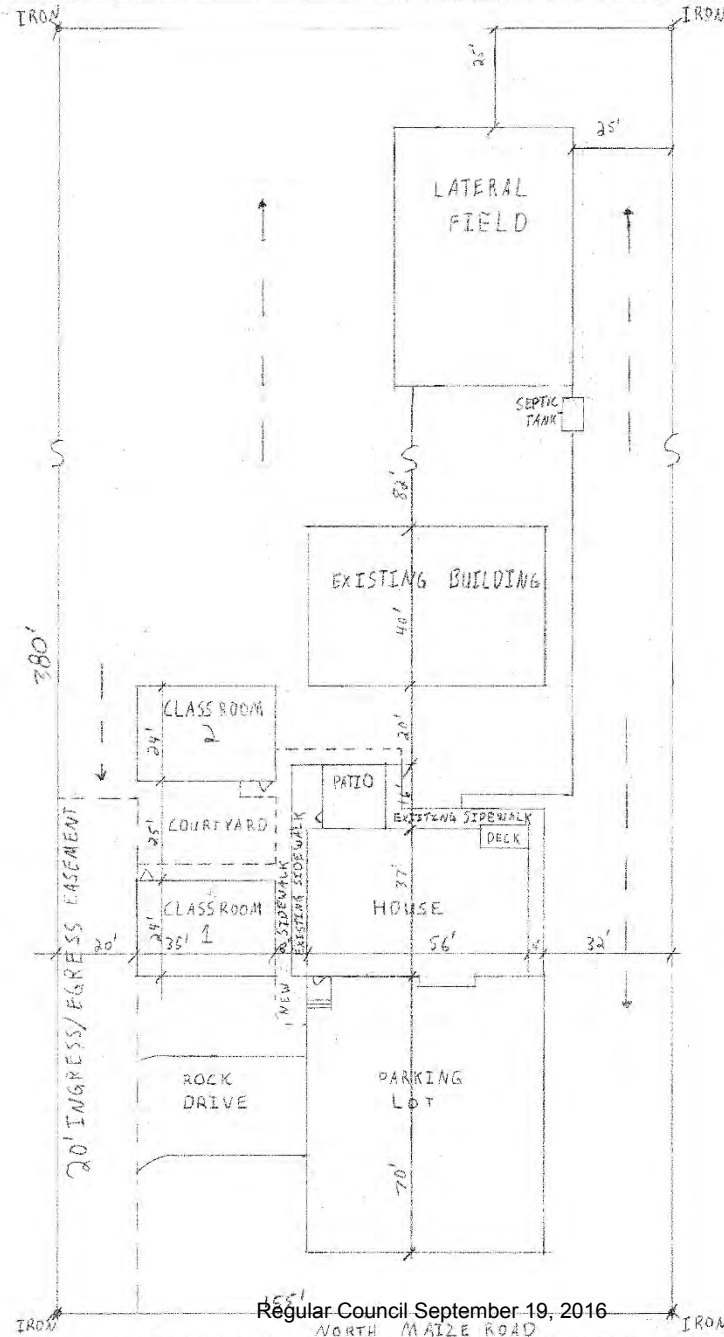








PLOT PLAN:
 HAPPY DAY ACADEMY
 4405 N. MAIZE RD
 MAIZE, KS 67101



SCALE 1" = 20'

REVISIONS	BY

Date	8/27/2016
Scale	1" = 20'
Drawn	Matt Gervin
Job	4405 N. Maize
Sheet	1
Of	1 Sheets



N Maize Rd

N Maize Rd

N Maize Rd



September 2016



Monthly Council Report

Department Highlights

- Overall Department activities are functioning normal.
- Chief and Lieutenant have been working on the division of duties for the proposed Police Sergeant.
- Chief and Sgt. Herr met with school administration about the SRO program. School Admin is extremely happy with the transition and said service to the district is at an all time high. We will be working to identify areas we can become more interactive in, especially at the elementary levels.
- All our officers have been busy with increased call and case load. The department is carefully tracking activities to plan for and adjust as our city continues to grow.
- Sgt. Herr will return from her deployment September 26th.
- We continue to take application for the full-time patrol vacancy.

Budget status: 75/100%

**Major purchases:
Purchased 5 shotguns for patrol units**

Current Staff Levels.

11 Full-time
 1 Full-time Vacant
 2 Part-time
 2 Reserve
 2 Reserve -Vacant

Monthly Activities

August Police Reports - 566
 August calls for service - 652

Community Policing:

None to report

PUBLIC WORKS REPORT 9-13-2016

Regular Work

- WE continue to grade the gravel streets of 61st and 45th west of 119th. Seems to be an endless job because of the amount of rain we have had the entire year. Seems to be a repeat of last month for the grading and rain. However, maybe it will dry out some eventually. Swept streets during the last month.
- Installed flags for 9-11. Thought they looked very nice. We have tried to keep the lawn mowed and edged along Maize Road and even through the rains it still looks pretty good. We have kept most of the ditches and ROW's mowed as well. The well houses and Lift Stations we are keeping up with also.
- We continue to work on the water, wastewater and lift stations to prepare for the WWTP upgrade. Preparing to order about 30 new water meters for the new Apartment Complex coming just north of City Hall.

Special Projects

- Dug two graves this past month. Preparing to install drainage to help drain water from the north end of the cemetery.
- * We emptied the water tower so Utilities Services could drain, clean and inspect our water tower.
- Cleaned the concrete flume on both sides of Maize Road as well as the large concrete flume along with our structure by Fieldstone apartments that goes out and under 96 highway.
- Repaired and installed a fire hydrant that was damaged along 119th Street just north of 53rd
- Central Power was here last week and checked, serviced and inspected all the generators as they do every year.
- Power washed and cleaned part of the buildings of the WWTP. Would like to get them painted to match the new Maintenance Shop. Don't know if we can do it this year but it sure would be good if we could.

Ron Smothers

Public Works Director

City Engineer's Report

9/19/2016

Maize Middle School

Concrete block work progressing on the "Cafetorium."

Maize High School

Concrete block work of entrance and remodel of interior classrooms is in progress.

Baxter Dental

Framing has commenced and is almost complete.

Heartland Credit Union

Concrete slabs to be poured by the end of the day on September 14th, weather permitting.

Weniniger Storage Units

Erection of the storage unit on the concrete slab is proceeding.

Aero-Tech

The slab for the new building located west of the detention pond and south of the existing building has been poured. Erection of the steel has begun.

Watercress Villas

County and City have approved the plans.

Restrooms

Dirt work to start September 15th and concrete footings to be started next week, weather permitting.

**PLANNING ADMINISTRATOR'S
REPORT**

DATE: September 19, 2016

TO: Maize City Council Members

FROM: Kim Edgington, Planning Administrator

RE: Regular September Council Meeting

The following is a summary intended to keep the Council apprised of the status of ongoing planning projects.

1. Watercress Apartment development – The property was purchased by Case and Associates in August. Building and site plans have now been approved and construction is due to begin soon. The developers anticipate a late spring opening date.
2. Zone change at 111 S. Park – a zone change request for 0.19 acres from SF-5 Single-Family to LC Limited Commercial was recommended for denial by the Planning Commission at their August meeting. This case is on the current Council agenda.
3. Zone change at 4055 N. Maize Road – a zone change request for 1.1 acres from SF-5 Single-Family to NR Neighborhood Retail for the expansion of an existing in-home day care business, was recommended for approval by the Planning Commission at their September meeting. This case is on the current Council agenda.
4. Comprehensive Plan Update – Gould Evans is in the process of setting up a joint meeting with the City Council, Planning Commission and Park and Tree Board. We expect this meeting to take place in early October. I have been submitting preliminary data to Gould Evans and they have also been collecting data from Sedgwick County GIS and the Wichita/Sedgwick County Metropolitan Area Planning Department.
5. General planning issues – I continue to meet, both on the phone and in person, with citizens and developer's representatives requesting information on general planning matters, such as what neighboring property owners are planning to do, what they are allowed to do on their property, and what the process is for submitting various applications and materials to the Planning Commission.



**City Clerk Report
REGULAR COUNCIL MEETING
September 19, 2016**

Year to date status (Through 08/31/16):

General Fund –			
	Budget	YTD	
Rev.	\$3,065,844	\$2,626,834	85.68%
Exp.	\$3,369,786	\$2,513,673	74.59%
Streets –			
Rev.	\$287,420	\$ 203,748	70.85%
Exp.	\$294,100	\$ 223,616	76.03%
Wastewater Fund-			
Rev.	\$714,000	\$ 550,955	77.16%
Exp.	\$714,000	\$ 544,895	76.32%
Water Fund-			
Rev.	\$769,500	\$ 580,854	75.48%
Exp.	\$769,500	\$ 541,262	70.34%

Health & Dental Benefits

Per Council's request, here are the 2016 numbers (through 08/31/2016) for employee health, dental, and life (including accidental death and short-term disability).

	<u>City Portion</u>	<u>Employee Portion</u>	<u>Total Paid</u>
Health:	\$215,240.15	\$ 53,755.93	\$268,996.08
Dental:	14,313.18	3,576.64	17,889.82
Life:	<u>6,358.97</u>	<u>0</u>	<u>6,358.97</u>
	\$235,912.30	\$ 57,332.57	\$293,244.87

Project Updates:

Now that these projects are complete, I have compiled the final costs:

- **Public Works Building**
Total Bond = \$1,056,893.00
Final Cost = \$1,052,223.00
- **Splash Pad**
Total Budget = \$250,000.00
Final Cost = \$223,916.00

911 Camp Final Revenue & Expenses:

911 Camp Revenue = \$8,525.00
911 Camp Expenses = \$7,761.00

CAPITAL PROJECTS

**Projects w/o
Temp Notes**

Project	Fund	Resolution of Advisability	Total Resolution Amount	Expenditures thru 12/31/15	Expenditures 1/1/16 thru 8/31/16	Total Expenditures	Resolution Authorization Less Expenditures
Eagles Nest Phase 2A Water	05	556-14	\$ 104,000.00	\$ 100,801.81	\$ 1,671.92	\$ 102,473.73	\$ 1,526.27
Eagles Nest Phase 2A Paving	05	555-14	\$ 515,000.00	\$ 440,221.49	\$ 1,671.92	\$ 441,893.41	\$ 73,106.59
Eagles Nest Phase 2 Sanitary Sewer	05	547-14	\$ 240,000.00	\$ 168,429.73	\$ 1,671.92	\$ 170,101.65	\$ 69,898.35
Maize Ind Park Water	05	565-14	\$ 63,700.00	\$ 61,484.69	\$ 1,681.67	\$ 63,166.36	\$ 533.64
Maize Ind Park Sanitary Sewer	05	566-14	\$ 97,600.00	\$ 66,099.75	\$ 1,681.67	\$ 67,781.42	\$ 29,818.58
Eagles Nest Phase 2B Water	05	585-16	\$ 123,000.00	\$ -	\$ 313.16	\$ 313.16	\$ 122,686.84
Eagles Nest Phase 2B Paving	05	586-16	\$ 422,000.00	\$ -	\$ 313.16	\$ 313.16	\$ 421,686.84
Totals			\$ 1,565,300.00	\$ 837,037.47	\$ 9,005.42	\$ 846,042.89	\$ 719,257.11

MPBC Project	Fund	Resolution	Total Resolution Amount	Expenditures thru 12/31/15	Expenditures 1/1/16 thru 8/31/16	Total Expenditures	Resolution Authorization Less Expenditures
Public Works Building	05	MPBC 14-15	\$ 1,056,893.00	\$ 404,930.41	\$ 647,292.59	\$ 1,052,223.00	\$ 4,670.00
Grand Total				\$1,241,967.88	\$656,298.01	\$1,898,265.89	\$723,927.11

CIP 2016 (As of 08/31/2016)

<u>Detail</u>	<u>Reason</u>	<u>August Revenue</u>	<u>August Expense</u>	<u>Budget</u>	<u>Year to Date Actual Cash</u>
Beg Cash - 01/01/16					\$ 352,451.28
Ad Valorem	Tax			-	-
Motor Vehicle	Tax			-	-
Delinquent	Tax	-		100.00	-
Interest	From Bank Accounts	254.02		1,500.00	2,056.40
Maize Rec	Splash Park Contribution	-			-
Transfers	From General Fund	40,666.67		488,000.00	325,333.36
Total Revenues		<u>40,920.69</u>		<u>489,600.00</u>	<u>327,389.76</u>
Total Resources					<u><u>679,841.04</u></u>
Street Improvements			-	375,000.00	356,380.65 **
Sidewalk/Bike Paths				75,000.00	-
Park Improvements			5,016.54	215,000.00	230,433.87
Other Capital Costs			-	-	-
Total Expenditures			<u>-</u>	<u>665,000.00</u>	<u>586,814.52</u>
Cash Balance - 08/31/16					<u><u>\$ 93,026.52</u></u>

**Encumbered in 2015 Budget

Equipment Reserve 2016 (As of 8/31/2016)

<u>Detail</u>	<u>Reason</u>	<u>August Revenue</u>	<u>August Expense</u>	<u>Budget</u>	<u>Year to Date Actual Cash</u>
Beg Cash - 01/01/16					\$ 114,563.11
Interest	From Bank Accounts	22.17		300.00	165.09
Other Revenues	Sale of PD Radios	-			-
Reimbursements	Sale of Fireworks Equipment/PD Van	-		-	3,300.00
Transfers	From General Fund	19,166.67		230,000.00	153,333.36
Total Revenues		\$ 19,188.84		\$ 230,300.00	\$ 156,798.45
Total Resources					\$ 271,361.56
Trucks/Heavy Equipment			\$ 4,172.25	\$ 100,000.00	\$ 110,661.55
Computers			-	50,000.00	3,654.00
Computers	Phone Upgrades-2015 Encumbrance				23,010.00
Police Department Expenses			-	80,000.00	62,272.20
Total Expenditures			\$ 4,172.25	\$ 230,000.00	\$ 199,597.75
Cash Balance - 08/31/2016					\$ 71,763.81



CITY OPERATIONS REPORT

DATE: September 14, 2016

TO: Maize City Council

FROM: Richard LaMunyon-Becky Bouska-Sue Villarreal-Jolene Graham

RE: September Report

1) Cox Demand Letter

At this time it appears Cox & Utilities Plus have concluded the cut sewer line was "probably" their fault. We have received an inquiry from Utility Plus's insurance company regarding the amount of our claim. We are hopeful that additional information will be available at the September 19th meeting.

2) Sidewalk/Bike path Master Plan (*Pedestrian & Bicycle Facility Plan*)

Staff obtained a copy of the "Pedestrian & Bicycle and Facilities Master Plan" from Valley Center. We will continue to follow up on this and other options. It is anticipated that we will have information ready for discussion before the year's end.

3) Kansas Special Olympics Summer Games

Kansas Special Olympics has made a request to move the 2017 Kansas Special Olympic Summer games to Maize. It would be hosted in one of the high schools. City staff met with School officials & Kansas Special Olympics on September 8th. All parties appear to be receptive to their request. Some follow up is underway and a decision will be forthcoming shortly.

4) City Council/Employee Wellness & Flu Shots

On Thursday, October 6th, from 8am to 10am, Councilmembers and employees are invited to participate in the annual "wellness check" and to receive "flu shots". There are no charges for these services. Family members are also invited to take part. Additional information and a sign up sheet will be provided as the date approaches.

5) Ballet In the Park

On Sunday, September 11th, "Ballet In the Park" was conducted at our city park. The performance was outstanding and it was estimated that approximately 400 people were in attendance. Besides the City of Maize, sponsors included Maize Recreation Commission, Moxi

Junction, Prairie Pines, Arts A Maize, Maize Digital Billboard, and Blue Baboon Books. Additional information will be provided at Monday's meeting.

6) Economic Development

- Twenty-eight new housing starts
- Copper Creek Apartments
 - Property has been bought
 - Staff working with developer
- Watercress Apartments
 - Case & Associates own the property
 - Construction should begin shortly
- Industrial Park Expansion
 - Plat approved by Council

7) City Meetings

- October 6th Planning @ 7pm
- October 11th Park & Tree @ 5:30pm
- October 17th Council @ 7pm