

**MEETING NOTICE  
MAIZE CITY COUNCIL  
REGULAR MEETING**

**TIME: 7:00 P.M.**  
**DATE: MONDAY, MAY 19, 2014**  
**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 April 21, 2014.
  - b. Receive and file minutes from the Park and Tree Board meeting from April 8, 2014.
  - c. Cash Disbursements from April 1, 2014 thru April 30, 2014 in the amount of \$451,580.77 (Check #57992 thru #58152).
- 7) Old Business
  - A. Zoning Code Amendment
- 8) New Business
  - A. American Ramp Company Proposal
  - B. Water Meter Financing
  - C. Redemption of IRB Resolution (SecureNet)
  - D. IRB Optometrics
  - E. Speed Limit Ordinance
- 9) Reports
  - Police
  - Public Works
  - City Engineer
  - Planning & Zoning

**MAIZE CITY COUNCIL  
REGULAR MEETING  
MONDAY, MAY 19, 2014**

- City Clerk
- Legal
- Operations
- Mayor's Report
  - Recreation Commission – Lori Heger
  - Park and Tree Board – Marina Fulton and Vacancy
  - Planning Commission – Bryan Aubuchon and Jennifer Herington
- Council Member's Reports

10) Executive Session

11) Adjournment

**MINUTES-REGULAR MEETING  
MAIZE CITY COUNCIL  
Monday, April 21, 2014**

The Maize City Council met in a regular meeting at 7:00 p.m., Monday, **April 21, 2014** in the Maize City Hall, 10100 Grady Avenue, with **Mayor Clair Donnelly** presiding. Council members present were, **Donna Clasen, Karen Fitzmier, Pat Stivers,** and **Kevin Reid.** **Alex McCreath** was absent.

Also present were: **Richard LaMunyon**, City Administrator, **Rebecca Bouska**, Deputy City Administrator, **Jocelyn Reid**, 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 Council approval.

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

**PUBLIC COMMENTS:**

**Eric Williams**, 10020 W. 20<sup>th</sup> St. N., Wichita, candidate for District 19 Judge, addressed the Council regarding his campaign.

**William Thomas**, 8500 W. Mystic Lakes, addressed the Council regarding thefts in the Mystic Lakes addition. Council directed the City Administrator to contact Mr. Thomas regarding street lights as well as water service and fire hydrants.

**CONSENT AGENDA:**

The Consent Agenda was submitted for approval including the Council Meeting Minutes of March 17 2014, the Park & Tree Board minutes of March 11, 2014 for receipt and file, the Planning Commission minutes of March 6, 2014 for receipt and file, Cash Disbursement Report from March 1, 2014 through March 31,2014 in the amount of \$304,674.22 (Check #57862 through #579911).

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

**PUBLIC HEARING FOR IRBs (OPTOMETRIC BILLING SOLUTIONS):**

**Mayor Donnelly** opened the public hearing at 7:15 pm. Hearing no comments, the public hearing was closed.

**INDUSTRIAL REVENUE BOND RESOLUTION:**

A resolution indicating the City's intent to issue industrial revenue bonds in the approximate amount of \$1,600,000 for Optometric Billing Solutions was submitted for Council approval.

**MOTION:** **Stivers** moved to approve the Resolution of Advisability in an amount not to exceed \$1,600,000 for the purpose of financing the acquisition, remodeling and equipping a commercial facility in Maize.  
**Fitzmier** seconded. Motion declared carried.

**City Clerk assigned Resolution #554-14**

**2014 PROJECT FUNDING PLAN:**

The 2014 Project Funding Plan, consisting of Eagles Nest Addition Phases 2 & 2A, was submitted for Council approval. The projects total \$645,300.

**MOTION:** **Reid** moved to approve the 2014 finance plan as presented.  
**Stivers** seconded. Motion declared carried.

**EAGLES NEST ADDTION PHASE 2 SANITARY SEWER AND PHASE 2A WATER & PAVING PETITONS AND RESOLUTIONS OF ADVISABILITY:**

Petitions and resolutions of advisability for improvements in the Eagles Nest Phases 2 and 2A were submitted for Council Approval.

**MOTION:** *Fitzmier* moved to accept the petitions and adopt the Resolutions of Advisability in the total amount of \$717,000 for Eagles Nest Phases 2 and 2A infrastructure.  
*Clasen* seconded. Motion declared carried.

*City Clerk assigned Resolution #545-14 (Water), #546-14 (Paving) and #547-14 (Sewer).*

**CARRIAGE CROSSING 2<sup>ND</sup> ADDITION SPECIAL ASSESSMENT RE-SPREAD:**

An ordinance to approve the re-spread of special assessments in Carriage Crossing 2<sup>nd</sup> Addition was submitted for Council approval.

**MOTION:** *Clasen* moved to adopt the re-spread ordinance authorizing the re-assessment of certain special assessments and authorizes the mayor and clerk to sign the re-spread agreement.  
*Stivers* seconded. Motion declared carried.

*City Clerk assigned Ordinance #873.*

**BRIDGE INSPECTION REPORT:**

*Richard Schlitt* with Professional Engineering Consultants gave an overview of the bi-annual bridge inspection report.

**MOTION:** *Clasen* moved to receive and file the City of Maize Bridge Inspection Report.  
*Stivers* seconded. Motion declared carried.

**ZONING CODE AMENDMENT:**

An amendment to the zoning code was submitted for Council approval.

**MOTION:** *Reid* moved to adopt the zoning ordinance.  
Motion died for lack of a second.

An Ordinance is to be prepared for Council action at the next meeting.

**HIGHLAND PUBLIC CAPITAL FINANCE AGREEMENT:**

A request to enter into a lease-purchase agreement with Highland Public Capital Finance for the purchase of 900 water meters was submitted for Council approval. The consensus of the Council was to defer action until next meeting after the receipt of the agreement.

**ADJOURNMENT:**

With no further business before the Council,

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

Respectfully submitted by: \_\_\_\_\_  
Jocelyn Reid, City Clerk

**MAIZE PARK AND TREE BOARD  
MINUTES – REGULAR MEETING  
TUESDAY, APRIL 8, 2014**

The Maize Park and Tree Board met in a regular meeting at 5:32pm, Tuesday, April 8, 2014 with **Tammy Learned** presiding. Board members present were **Betty Pew, Mike Burks, Jennifer Herington, Marina Fulton, and Justin Banks**. Member absent was **Becky Keiter-Bell**.

Also present was **Laura Rainwater**, Recording Secretary.

**Approval of Agenda:**

**MOTION:** **Herington** moved to approve the agenda.  
**Pew** seconded. Motion declared carried.

**Approval of the March 11, 2014 Minutes:**

**MOTION:** **Herington** moved to approve the minutes.  
**Burks** seconded. Motion declared carried.

**Skate Park:**

- Skate Park closed due to lack of insurance coverage due to structures over 6' tall
- Will temporarily reopen once Public Works removes all structures over 6' tall

**MOTION:** **Burks** moved to recommend to City Council that a new Skate Park be constructed. The new pad will be constructed based on plans, as to location and design, submitted by City Staff. Cost of construction not to exceed \$50,000.

**Herington** seconded. Motion declared carried.

**MOTION:** **Pew** moved to recommend closing the current Skate Park once construction is complete on the new Skate Pad. All equipment will be sold, if possible, and funds will be deposited in Dugan Park Fund.

**Herington** seconded. Motion declared carried.

**Splash Park:**

- Two companies have submitted proposals for turnkey design-build.
- Athco from Kansas City and Condor from California.
- Proposals will be reviewed at joint meeting with City Council on May 5<sup>th</sup>

**Heart Your Park:**

- Fund raising campaign to raise funds for park enhancements
- Sell brick pavers to be used in the Park

**Arbor Day/Earth Day Planning:**

- April 22<sup>nd</sup> at 5:30pm at the Community Building
- **Rainwater** will purchase cookies, bottled water and ice provided by Board

**Mountain Bike Trails**

- Kansas Single Track Society to design and provide labor at no cost to the City – will present proposal at June meeting

**Detention Pond – 53<sup>rd</sup> & Maize Rd.**

- Condition of a few trees – **Burks** raised concern over disease and bagworms.
- City Staff will contact TruGreen for recommendations as well as spray for bagworms

**Adjournment:**

With no further business before the board:

**MOTION:** **Pew** motioned to adjourn.  
**Fulton** seconded. Motion declared carried.  
Meeting adjourned at 6:30pm

Approved by the Park and Tree Board on May 13, 2014.

  
Park and Tree Board Member

  
Recording Secretary



| -----ID-----   | ITM DATE<br>BANK CODE        | -----DESCRIPTION-----   | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT | --ACCOUNT NAME-- | DISTRIBUTION |
|----------------|------------------------------|---|-------------------|-----------------------|------------------|--------------|
| =====          |                              |   |                   |                       |                  |              |
| 01-0056        | CASEY'S GENERAL STORES, INC. |   |                   |                       |                  |              |
| I-201404101655 | 4/01/2014<br>AP              | UNLEADED FUEL<br>DUE: 4/01/2014 DISC: 4/01/2014               | 2,376.29          | 1099: N               |                  |              |
|                |                              | UNLEADED FUEL   |                   | 01 5-20-8306          | UNLEADED FUEL    | 1,134.13     |
|                |                              | UNLEADED FUEL   |                   | 02 5-00-8306          | UNLEADED FUEL    | 414.05       |
|                |                              | UNLEADED FUEL   |                   | 20 5-00-8306          | UNLEADED FUEL    | 414.05       |
|                |                              | UNLEADED FUEL   |                   | 21 5-00-8306          | UNLEADED FUEL    | 414.06       |
|                |                              | === VENDOR TOTALS ===   | 2,376.29          |                       |                  |              |
| =====          |                              |   |                   |                       |                  |              |
| 01-0066        | CINTAS FIRST AID & SAFETY    |   |                   |                       |                  |              |
| I-0417117907   | 3/21/2014<br>AP              | FIRST AID KITS REFILLS<br>DUE: 3/21/2014 DISC: 3/21/2014      | 93.94             | 1099: N               |                  |              |
|                |                              | FIRST AID KITS REFILLS  |                   | 01 5-10-8603          | COMMODITIES      | 25.86        |
|                |                              | FIRST AID KITS REFILLS  |                   | 01 5-20-8603          | COMMODITIES      | 68.08        |
|                |                              | === VENDOR TOTALS ===   | 93.94             |                       |                  |              |
| =====          |                              |   |                   |                       |                  |              |
| 01-0070        | CITY OF WICHITA              |   |                   |                       |                  |              |
| I-AR442101     | 4/07/2014<br>AP              | ANIMAL CONTROL-MARCH 2014<br>DUE: 4/07/2014 DISC: 4/07/2014   | 25.00             | 1099: N               |                  |              |
|                |                              | ANIMAL CONTROL-MARCH 2014                                     |                   | 01 5-20-7502          | PROFESSIONAL SE  | 25.00        |
|                |                              | === VENDOR TOTALS ===   | 25.00             |                       |                  |              |
| =====          |                              |   |                   |                       |                  |              |
| 01-0071        | CITY PRINT, INC.             |   |                   |                       |                  |              |
| I-36735        | 3/28/2014<br>AP              | HIGHLIGHTS PRINTING<br>DUE: 3/28/2014 DISC: 3/28/2014         | 1,126.00          | 1099: N               |                  |              |
|                |                              | HIGHLIGHTS PRINTING   |                   | 01 5-10-7204          | NEWSLETTER/PRIN  | 1,126.00     |
|                |                              | === VENDOR TOTALS ===   | 1,126.00          |                       |                  |              |
| =====          |                              |   |                   |                       |                  |              |
| 01-0234        | CSG-NATIONWIDE, INC.         |   |                   |                       |                  |              |
| I-05725969     | 3/31/2014<br>AP              | ELEVATOR MONITORING 2ND QTR<br>DUE: 3/31/2014 DISC: 3/31/2014 | 64.35             | 1099: N               |                  |              |
|                |                              | ELEVATOR MONITORING 2ND QTR                                   |                   | 01 5-40-7502          | PROFESSIONAL SE  | 64.35        |
|                |                              | === VENDOR TOTALS ===   | 64.35             |                       |                  |              |

*Insert for  
 Payment of 64.35  
 Cash*

| -----ID-----   | ITM DATE<br>BANK CODE | -----DESCRIPTION-----   | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT   | --ACCOUNT NAME--  | DISTRIBUTION                   |
|----------------|-----------------------|---|-------------------|---|---|--------------------------------|
| 01-0093        |                       | DIGITAL OFFICE SYSTEMS  |                   |   |   |                                |
| I-252841       | 3/26/2014<br>AP       | COPIER/PRINTER MAINTENANCE<br>DUE: 3/26/2014 DISC: 3/26/2014<br>COPIER/PRINTER MAINTENANCE  | 67.50             | 1099: N<br>01 5-10-7601   | EQUIPMENT RENTAL  | 67.50                          |
|                |                       | === VENDOR TOTALS ===   | 67.50             |   |   |                                |
| 01-0311        |                       | DON LEMEN   |                   |   |   |                                |
| I-201404101647 | 4/01/2014<br>AP       | MILEAGE REIMBURSEMENT<br>DUE: 4/01/2014 DISC: 4/01/2014<br>MILEAGE REIMBURSEMENT<br>MILEAGE REIMBURSEMENT<br>MILEAGE REIMBURSEMENT<br>MILEAGE REIMBURSEMENT | 56.00             | 1099: N<br>20 5-00-6305<br>21 5-00-6305<br>02 5-00-6305<br>05 5-00-6305 | MILEAGE/TRAVEL<br>MILEAGE/TRAVEL<br>MILEAGE/TRAVEL<br>MILEAGE REIMBUR | 25.20<br>23.52<br>5.60<br>1.68 |
|                |                       | === VENDOR TOTALS ===   | 56.00             |   |   |                                |
| 01-0412        |                       | FLUID EQUIPMENT   |                   |   |   |                                |
| I-5311277      | 3/03/2014<br>AP       | NEW PUMP-SOUTH POND<br>DUE: 3/03/2014 DISC: 3/03/2014<br>NEW PUMP-SOUTH POND  | 10,535.78         | 1099: N<br>47 5-00-8108   | PUMPS/MOTORS  | 10,535.78                      |
|                |                       | === VENDOR TOTALS ===   | 10,535.78         |   |   |                                |
| 01-0108        |                       | GILMORE & BELL  |                   |   |   |                                |
| I-30177        | 3/27/2014<br>AP       | ARBITRAGE CALC-2011B NOTES<br>DUE: 3/27/2014 DISC: 3/27/2014<br>ARBITRAGE CALC-2011B NOTES  | 1,500.00          | 1099: N<br>01 5-10-7503   | LEGAL SERVICES  | 1,500.00                       |
| I-30183        | 3/27/2014<br>AP       | ARBITRAGE CALC-2008B BONDS<br>DUE: 3/27/2014 DISC: 3/27/2014<br>ARBITRAGE CALC-2008B NOTES  | 600.00            | 1099: N<br>01 5-10-7503   | LEGAL SERVICES  | 600.00                         |
|                |                       | === VENDOR TOTALS ===   | 2,100.00          |   |   |                                |
| 01-0442        |                       | GREGORY SJ BEUKE, LTD   |                   |   |   |                                |
| I-201404101637 | 3/17/2014<br>AP       | PUBLIC DEFENDER SERVICES<br>DUE: 3/17/2014 DISC: 3/17/2014<br>PUBLIC DEFENDER SERVICES  | 300.00            | 1099: N<br>12 5-00-7908   | PUBLIC DEFENDER   | 300.00                         |
| I-201404101638 | 3/31/2014<br>AP       | PUBLIC DEFENDER SERVICES<br>DUE: 3/31/2014 DISC: 3/31/2014<br>PUBLIC DEFENDER SERVICES  | 300.00            | 1099: N<br>12 5-00-7908   | PUBLIC DEFENDER   | 300.00                         |

*RE old pump  
 TRANS working to  
 get same type  
 of Remb. Since  
 original pump  
 was being  
 repaired with  
 orig - 1 year  
 New 3yr*

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|----------------|--------------------------|---|-------------------|---|------------------------|------------------|
| 01-0442        | GREGORY SJ BEUKE, LTD    | ( ** CONTINUED ** )   |                   |   |                        |                  |
| I-201404101639 | 4/07/2014<br>AP          | PUBLIC DEFENDER SERVICES<br>DUE: 4/07/2014 DISC: 4/07/2014<br>PUBLIC DEFENDER SERVICES                                | 150.00            | 1099: N<br>12 5-00-7908                 | PUBLIC DEFENDER        | 150.00           |
|                |                          | === VENDOR TOTALS ===   | 750.00            |   |                        |                  |
| 01-0115        | HD SUPPLY WATERWORKS     |   |                   |   |                        |                  |
| I-C155021      | 3/20/2014<br>AP          | PARTS FOR WATER LINE<br>DUE: 3/20/2014 DISC: 3/20/2014<br>PARTS FOR WATER LINE  | 277.06            | 1099: N<br>21 5-00-8310                 | OTHER SUPPLIES         | 277.06           |
| I-C182443      | 3/25/2014<br>AP          | PROBES FOR WATER/WW LINES<br>DUE: 3/25/2014 DISC: 3/25/2014<br>PROBES FOR WATER/WW LINES<br>PROBES FOR WATER/WW LINES | 329.94            | 1099: N<br>20 5-00-8402<br>21 5-00-8402 | EQUIPMENT<br>EQUIPMENT | 164.97<br>164.97 |
|                |                          | === VENDOR TOTALS ===   | 607.00            |   |                        |                  |
| 01-0118        | HUBER MAINTENANCE SUPPLY |   |                   |   |                        |                  |
| I-029551       | 4/08/2014<br>AP          | JANITORIAL SUPPLIES<br>DUE: 4/08/2014 DISC: 4/08/2014<br>JANITORIAL SUPPLIES  | 142.08            | 1099: N<br>01 5-40-8601                 | CUSTODIAL SUPPL        | 142.08           |
|                |                          | === VENDOR TOTALS ===   | 142.08            |   |                        |                  |
| 01-0120        | ICE MASTERS              |   |                   |   |                        |                  |
| I-4073828      | 3/25/2014<br>AP          | ICE MACHINE RENTAL<br>DUE: 3/25/2014 DISC: 3/25/2014<br>ICE MACHINE RENTAL  | 80.00             | 1099: N<br>01 5-40-8603                 | COMMODITIES            | 80.00            |
|                |                          | === VENDOR TOTALS ===   | 80.00             |   |                        |                  |
| 01-0123        | IET                      |   |                   |   |                        |                  |
| I-8287         | 4/02/2014<br>AP          | REPAIR AT WWTP CONTROL PANEL<br>DUE: 4/02/2014 DISC: 4/02/2014<br>REPAIR AT WWTP CONTROL PANEL                        | 241.50            | 1099: N<br>20 5-00-8109                 | ELECTRICAL EQUI        | 241.50           |
| I-8288         | 4/02/2014<br>AP          | PUMP REPAIR-WWTP<br>DUE: 4/02/2014 DISC: 4/02/2014<br>PUMP REPAIR-WWTP  | 984.07            | 1099: N<br>20 5-00-8109                 | ELECTRICAL EQUI        | 984.07           |
|                |                          | === VENDOR TOTALS ===   | 1,225.57          |   |                        |                  |

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|-----------------|-------------------------------|--|-------------------|---|-----------------------------------|----------------|
| 01-0124         | IIMC                          |  |                   |   |                                   |                |
| I-201404101654  | 3/26/2014<br>AP               | ANNUAL MEMBERSHIP-REID<br>DUE: 3/26/2014 DISC: 3/26/2014<br>ANNUAL MEMBERSHIP-REID                     | 110.00            | 1099: N<br>01 5-10-6301                 | ORGANIZATION ME                   | 110.00         |
|                 |                               | === VENDOR TOTALS ===  | 110.00            |   |                                   |                |
| 01-0393         | INTERSTATE ALL BATTERY CENTER |  |                   |   |                                   |                |
| C-1913201002243 | 4/09/2014<br>AP               | ITEM RETURN<br>DUE: 4/09/2014 DISC: 4/09/2014<br>ITEM RETURN   | 15.92CR           | 1099: N<br>01 5-40-8109                 | ELECTRICAL EQUI                   | 15.92CR        |
| I-1913201002242 | 4/09/2014<br>AP               | BATTERIES-EMERGENCY LIGHTING<br>DUE: 4/09/2014 DISC: 4/09/2014<br>BATTERIES-EMERGENCY LIGHTING         | 144.59            | 1099: N<br>01 5-40-8109                 | ELECTRICAL EQUI                   | 144.59         |
|                 |                               | === VENDOR TOTALS ===  | 128.67            |   |                                   |                |
| 01-0306         | JEFF GREEP                    |  |                   |   |                                   |                |
| I-201404101670  | 4/10/2014<br>AP               | TRAVEL REIMBURSEMENT<br>DUE: 4/10/2014 DISC: 4/10/2014<br>TRAVEL REIMBURSEMENT<br>TRAVEL REIMBURSEMENT | 194.22            | 1099: N<br>01 5-10-6305<br>01 5-10-6304 | MILEAGE/TRAVEL<br>MEAL/LODGING AL | 187.60<br>6.62 |
|                 |                               | === VENDOR TOTALS ===  | 194.22            |   |                                   |                |
| 01-0305         | JILLIAN RHODES                |  |                   |   |                                   |                |
| I-201404101649  | 3/21/2014<br>AP               | TRAVEL REIMBURSEMENT<br>DUE: 3/21/2014 DISC: 3/21/2014<br>TRAVEL REIMBURSEMENT                         | 40.50             | 1099: N<br>11 5-00-7806                 | MAIZE POLICE TR                   | 40.50          |
|                 |                               | === VENDOR TOTALS ===  | 40.50             |   |                                   |                |
| 01-0130         | JOCELYN REID                  |  |                   |   |                                   |                |
| I-201404101659  | 4/09/2014<br>AP               | CAFE PLAN REIMBURSEMENT<br>DUE: 4/09/2014 DISC: 4/09/2014<br>CAFE PLAN REIMBURSEMENT                   | 80.00             | 1099: N<br>38 5-00-9300                 | DEPENDENT CARE                    | 80.00          |
|                 |                               | === VENDOR TOTALS ===  | 80.00             |   |                                   |                |

| -----ID-----          | ITM DATE<br>BANK CODE          | -----DESCRIPTION-----  | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT                   | --ACCOUNT NAME--                   | DISTRIBUTION     |
|-----------------------|--------------------------------|--|-------------------|---|------------------------------------|------------------|
| =====                 |                                |  |                   |   |                                    |                  |
| 01-0143               | KANSAS DEPT OF REVENUE         |  |                   |   |                                    |                  |
| I-201404101648        | 4/01/2014<br>AP                | WATER TAXES-1ST QUARTER<br>DUE: 4/01/2014 DISC: 4/01/2014<br>WATER TAXES-1ST QUARTER                                     | 1,239.01          | 1099: N<br>21 5-00-9200                 | WATER TAX EXPEN                    | 1,239.01         |
| === VENDOR TOTALS === |                                |  | 1,239.01          |   |                                    |                  |
| =====                 |                                |  |                   |   |                                    |                  |
| 01-0146               | KANSAS FIRE EQUIPMENT          |  |                   |   |                                    |                  |
| I-0387022             | 3/27/2014<br>AP                | FIRE EXT RECHARGE-PD VEHICLES<br>DUE: 3/27/2014 DISC: 3/27/2014<br>FIRE EXT RECHARGE-PD VEHICLES                         | 13.50             | 1099: N<br>01 5-20-7502                 | PROFESSIONAL SE                    | 13.50            |
| I-0387336             | 4/02/2014<br>AP                | FIRE SYSTEM INSFECTION<br>DUE: 4/02/2014 DISC: 4/02/2014<br>FIRE SYSTEM INSFECTION                                       | 78.00             | 1099: N<br>01 5-40-7502                 | PROFESSIONAL SE                    | 78.00            |
| === VENDOR TOTALS === |                                |  | 91.50             |   |                                    |                  |
| =====                 |                                |  |                   |   |                                    |                  |
| 01-0151               | KANSAS ONE-CALL SYSTEM, INC.   |  |                   |   |                                    |                  |
| I-4030358             | 3/31/2014<br>AP                | MARCH LOCATES<br>DUE: 3/31/2014 DISC: 3/31/2014<br>MARCH LOCATES<br>MARCH LOCATES  | 280.80            | 1099: N<br>20 5-00-7502<br>21 5-00-7502 | PROFESSIONAL SE<br>PROFESSIONAL SE | 140.40<br>140.40 |
| === VENDOR TOTALS === |                                |  | 280.80            |   |                                    |                  |
| =====                 |                                |  |                   |   |                                    |                  |
| 01-0152               | KANSAS PAVING                  |  |                   |   |                                    |                  |
| I-10063044            | 2/20/2014<br>AP                | WC VILL 3RD PAVING<br>DUE: 2/20/2014 DISC: 2/20/2014<br>WC VILL 3RD PAVING   | 61,119.96         | 1099: N<br>05 5-00-7500                 | CONTRACTORS                        | 61,119.96        |
| === VENDOR TOTALS === |                                |  | 61,119.96         |   |                                    |                  |
| =====                 |                                |  |                   |   |                                    |                  |
| 01-0154               | KANSAS RURAL WATER ASSOCIATION |  |                   |   |                                    |                  |
| I-201404101641        | 4/02/2014<br>AP                | KRWA CONFERENCE-HUNTINGTON<br>DUE: 4/02/2014 DISC: 4/02/2014<br>KRWA CONFERENCE-HUNTINGTON<br>KRWA CONFERENCE-HUNTINGTON | 160.00            | 1099: N<br>20 5-00-6302<br>21 5-00-6302 | CONFERENCES/WOR<br>CONFERENCES/WOR | 80.00<br>80.00   |
| I-201404101642        | 4/02/2014<br>AP                | KRWA CONFERENCE-LAMUNYON<br>DUE: 4/02/2014 DISC: 4/02/2014<br>KRWA CONFERENCE<br>KRWA CONFERENCE                         | 170.00            | 1099: N<br>20 5-00-6302<br>21 5-00-6302 | CONFERENCES/WOR<br>CONFERENCES/WOR | 85.00<br>85.00   |

| -----ID-----   | ITM DATE<br>BANK CODE | -----DESCRIPTION-----  | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT   | --ACCOUNT NAME--   | DISTRIBUTION                        |
|----------------|-----------------------|--|-------------------|---|--|-------------------------------------|
| 01-0154        |                       | KANSAS RURAL WATER ASSOCIATION ( ** CONTINUED ** )   |                   |   |  |                                     |
| I-201404101643 | 4/02/2014<br>AP       | KRWA CONFERENCE-C MEEKS<br>DUE: 4/02/2014 DISC: 4/02/2014<br>KRWA CONFERENCE<br>KRWA CONFERENCE  | 170.00            | 1099: N<br>20 5-00-6302<br>21 5-00-6302                                 | CONFERENCES/WOR<br>CONFERENCES/WOR                                       | 85.00<br>85.00                      |
| I-201404101644 | 4/02/2014<br>AP       | KRWA CONFERENCE-PRIDDLE<br>DUE: 4/02/2014 DISC: 4/02/2014<br>KRWA CONFERENCE<br>KRWA CONFERENCE  | 170.00            | 1099: N<br>20 5-00-6302<br>21 5-00-6302                                 | CONFERENCES/WOR<br>CONFERENCES/WOR                                       | 85.00<br>85.00                      |
| I-201404101645 | 4/02/2014<br>AP       | KRWA CONFERENCE-M MEEKS<br>DUE: 4/02/2014 DISC: 4/02/2014<br>KRWA CONFERENCE<br>KRWA CONFERENCE  | 140.00            | 1099: N<br>20 5-00-6302<br>21 5-00-6302                                 | CONFERENCES/WOR<br>CONFERENCES/WOR                                       | 70.00<br>70.00                      |
| I-201404101646 | 4/02/2014<br>AP       | KRWA CONFERENCE-VESTERING<br>DUE: 4/02/2014 DISC: 4/02/2014<br>KRWA CONFERENCE<br>KRWA CONFERENCE  | 170.00            | 1099: N<br>20 5-00-6302<br>21 5-00-6302                                 | CONFERENCES/WOR<br>CONFERENCES/WOR                                       | 85.00<br>85.00                      |
|                |                       | === VENDOR TOTALS ===  | 980.00            |   |  |                                     |
| 01-0155        |                       | KANSAS STATE TREASURER   |                   |   |  |                                     |
| I-201404101660 | 4/02/2014<br>AP       | STATE COURT FEES-MARCH<br>DUE: 4/02/2014 DISC: 4/02/2014<br>STATE COURT FEES-MARCH<br>STATE COURT FEES-MARCH<br>STATE COURT FEES-MARCH<br>STATE COURT FEES-MARCH                     | 1,465.84          | 1099: N<br>12 5-00-7901<br>12 5-00-7902<br>12 5-00-7905<br>12 5-00-7907 | REINSTATEMENT C<br>STATE COURT TRA<br>STATE LAW ENF T<br>DUI SUPERVISORY | 264.84<br>11.00<br>340.00<br>850.00 |
| I-201404101661 | 4/02/2014<br>AP       | STATE COURT FEES- FEBRUARY<br>DUE: 4/02/2014 DISC: 4/02/2014<br>STATE COURT FEES- FEBRUARY<br>STATE COURT FEES- FEBRUARY<br>STATE COURT FEES- FEBRUARY<br>STATE COURT FEES- FEBRUARY | 971.38            | 1099: N<br>12 5-00-7901<br>12 5-00-7902<br>12 5-00-7905<br>12 5-00-7907 | REINSTATEMENT C<br>STATE COURT TRA<br>STATE LAW ENF T<br>DUI SUPERVISORY | 172.00<br>11.50<br>385.88<br>402.00 |
| I-201404101662 | 4/02/2014<br>AP       | STATE COURT FEES-JANUARY<br>DUE: 4/02/2014 DISC: 4/02/2014<br>STATE COURT FEES-JANUARY<br>STATE COURT FEES-JANUARY<br>STATE COURT FEES-JANUARY<br>STATE COURT FEES-JANUARY           | 1,232.50          | 1099: N<br>12 5-00-7901<br>12 5-00-7902<br>12 5-00-7905<br>12 5-00-7907 | REINSTATEMENT C<br>STATE COURT TRA<br>STATE LAW ENF T<br>DUI SUPERVISORY | 81.00<br>19.50<br>780.00<br>352.00  |
| I-201404101663 | 4/02/2014<br>AP       | STATE COURT FEES-DEC 2013<br>DUE: 4/02/2014 DISC: 4/02/2014<br>STATE COURT FEES-DEC 2013<br>STATE COURT FEES-DEC 2013<br>STATE COURT FEES-DEC 2013                                   | 1,395.50          | 1099: N<br>12 5-00-7901<br>12 5-00-7902<br>12 5-00-7905                 | REINSTATEMENT C<br>STATE COURT TRA<br>STATE LAW ENF T                    | 182.00<br>19.50<br>756.00           |

*ASK J to ASK Ron to have attendees  
 evaluate cont APs to how it would  
 benefit MAIZE*

| -----ID-----          | ITM DATE<br>BANK CODE   | -----DESCRIPTION-----   | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT   | --ACCOUNT NAME--   | DISTRIBUTION                       |
|-----------------------|-------------------------|---|-------------------|---|--|------------------------------------|
| 01-0155               | KANSAS STATE TREASURER  | ( ** CONTINUED ** )<br>STATE COURT FEES-DEC 2013  |                   | 12 5-00-7907  | DUI SUPERVISORY  | 438.00                             |
| I-201404101664        | 4/02/2014<br>AP         | STATE COURT FEES-NOV 2013<br>DUE: 4/02/2014 DISC: 4/02/2014<br>STATE COURT FEES-NOV 2013<br>STATE COURT FEES-NOV 2013<br>STATE COURT FEES-NOV 2013                              | 1,557.86          | 1099: N<br>12 5-00-7902<br>12 5-00-7905<br>12 5-00-7907                 | STATE COURT TRA<br>STATE LAW ENF T<br>DUI SUPERVISORY                    | 20.50<br>818.00<br>719.36          |
| I-201404101665        | 4/02/2014<br>AP         | STATE COURT FEES-OCT 2013<br>DUE: 4/02/2014 DISC: 4/02/2014<br>STATE COURT FEES-OCT 2013<br>STATE COURT FEES-OCT 2013<br>STATE COURT FEES-OCT 2013<br>STATE COURT FEES-OCT 2013 | 1,771.14          | 1099: N<br>12 5-00-7901<br>12 5-00-7902<br>12 5-00-7905<br>12 5-00-7907 | REINSTATEMENT C<br>STATE COURT TRA<br>STATE LAW ENF T<br>DUI SUPERVISORY | 81.00<br>22.50<br>885.00<br>782.64 |
| === VENDOR TOTALS === |                         |   | 8,394.22          | <i>Input for 4Q 2013<br/>1Q 2014</i>                                    |  |                                    |
| 01-0156               | KANSAS STATE UNIVERSITY |   |                   |   |  |                                    |
| I-116991              | 4/08/2014<br>AP         | KS TRANSPORTATION ENG CONF<br>DUE: 4/08/2014 DISC: 4/08/2014<br>KS TRANSPORTATION ENG CONF  | 95.00             | 1099: N<br>01 5-10-6302   | CONFERENCES/WOR  | 95.00                              |
| === VENDOR TOTALS === |                         |   | 95.00             |   |  |                                    |
| 01-0158               | KANSASLAND TIRE         |   |                   |   |  |                                    |
| I-076627              | 3/25/2014<br>AP         | SERVICE/TIRES-CAR #607<br>DUE: 3/25/2014 DISC: 3/25/2014<br>SERVICE/TIRES-CAR #607<br>SERVICE/TIRES-CAR #607<br>SERVICE/TIRES-CAR #607  | 2,508.77          | 1099: N<br>01 5-20-8104<br>01 5-20-8303<br>01 5-20-8304                 | AUTOMOTIVE<br>TIRES<br>OIL CHANGES                                       | 1,802.40<br>644.92<br>61.45        |
| === VENDOR TOTALS === |                         |   | 2,508.77          |   |  |                                    |
| 01-0161               | KEENAN KELLEY           |   |                   |   |  |                                    |
| I-1274                | 3/24/2014<br>AP         | SLUDGE REMOVAL<br>DUE: 3/24/2014 DISC: 3/24/2014<br>SLUDGE REMOVAL  | 2,520.00          | 1099: N<br>20 5-00-7500   | CONTRACTORS  | 2,520.00                           |
| === VENDOR TOTALS === |                         |   | 2,520.00          |   |  |                                    |

| -----ID-----          | ITM DATE<br>BANK CODE    | -----DESCRIPTION-----  | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT   | --ACCOUNT NAME-- | DISTRIBUTION |
|-----------------------|--------------------------|--|-------------------|-------------------------|------------------|--------------|
| 01-0162               | KIM EDGINGTON            |  |                   |                         |                  |              |
| I-201404101658        | 4/01/2014<br>AP          | CAFE PLAN REIMBURSEMENT<br>DUE: 4/01/2014 DISC: 4/01/2014<br>CAFE PLAN REIMBURSEMENT       | 694.50            | 1099: N<br>38 5-00-9300 | DEPENDENT CARE   | 694.50       |
| === VENDOR TOTALS === |                          |  | 694.50            |                         |                  |              |
| 01-0166               | L.B. SIGNS               |  |                   |                         |                  |              |
| I-7334                | 4/03/2014<br>AP          | SIGN FOR SKATE PARK<br>DUE: 4/03/2014 DISC: 4/03/2014<br>SIGN FOR SKATE PARK               | 20.00             | 1099: N<br>01 5-90-7982 | TREE BOARD EXPE  | 20.00        |
| === VENDOR TOTALS === |                          |  | 20.00             |                         |                  |              |
| 01-0175               | LEE REED ENGRAVING, INC. |  |                   |                         |                  |              |
| I-128728              | 4/08/2014<br>AP          | PLAQUE FOR MEMORIAL TREE<br>DUE: 4/08/2014 DISC: 4/08/2014<br>PLAQUE FOR MEMORIAL TREE     | 230.50            | 1099: N<br>01 5-90-7982 | TREE BOARD EXPE  | 230.50       |
| === VENDOR TOTALS === |                          |  | 230.50            |                         |                  |              |
| 01-0238               | MABCD                    |  |                   |                         |                  |              |
| I-201404101650        | 4/03/2014<br>AP          | MONTHLY PERMITS-MARCH<br>DUE: 4/03/2014 DISC: 4/03/2014<br>MONTHLY PERMITS-MARCH           | 2,449.18          | 1099: N<br>01 5-80-7971 | BUILDING INSPEC  | 2,449.18     |
| === VENDOR TOTALS === |                          |  | 2,449.18          |                         |                  |              |
| 01-0180               | MAIZE HOTEL, LLC         |  |                   |                         |                  |              |
| I-201404101640        | 3/31/2014<br>AP          | TRANSIENT GUEST TAX REBATE<br>DUE: 3/31/2014 DISC: 3/31/2014<br>TRANSIENT GUEST TAX REBATE | 6,982.52          | 1099: N<br>01 5-80-9020 | TRANSIENT GUEST  | 6,982.52     |
| === VENDOR TOTALS === |                          |  | 6,982.52          |                         |                  |              |
| 01-0183               | MAUGHAN & MAUGHAN        |  |                   |                         |                  |              |
| I-201404101666        | 4/02/2014<br>AP          | CITY PROSECUTOR-MARCH 2014<br>DUE: 4/02/2014 DISC: 4/02/2014<br>CITY PROSECUTOR-MARCH 2014 | 1,200.00          | 1099: N<br>01 5-30-7502 | PROFESSIONAL SE  | 1,200.00     |
| === VENDOR TOTALS === |                          |  | 1,200.00          |                         |                  |              |

*In/out 10 years until 70% occupancy  
 Jan 2 years straight Build 2011*

| -----ID-----          | ITM DATE<br>BANK CODE     | DESCRIPTION  | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT   | --ACCOUNT NAME-- | DISTRIBUTION |
|-----------------------|---------------------------|--|-------------------|-------------------------|------------------|--------------|
| 01-0185               | MAYER SPECIALTY SERVICES  |  |                   |                         |                  |              |
| I-2014111             | 3/26/2014<br>AP           | SOUTH POND BASIN CLEANING<br>DUE: 3/26/2014 DISC: 3/26/2014<br>SOUTH POND BASIN CLEANING       | 2,750.00          | 1099: N<br>47 5-00-7500 | CONTRACTORS      | 2,750.00     |
| === VENDOR TOTALS === |                           |  | 2,750.00          | <i>We need RAIN</i>     |                  |              |
| 01-0416               | MENARDS                   |  |                   |                         |                  |              |
| I-40493               | 4/03/2014<br>AP           | BARRICADE MATERIAL<br>DUE: 4/03/2014 DISC: 4/03/2014<br>BARRICADE MATERIAL                     | 14.27             | 1099: N<br>02 5-00-8503 | SAFETY EQUIPMEN  | 14.27        |
| === VENDOR TOTALS === |                           |  | 14.27             |                         |                  |              |
| 01-0187               | MIDWEST TRUCK EQUIPMENT   |  |                   |                         |                  |              |
| I-4547                | 3/11/2014<br>AP           | SNOW PLOW LIGHTS REPAIR<br>DUE: 3/11/2014 DISC: 3/11/2014<br>SNOW PLOW LIGHTS REPAIR           | 94.00             | 1099: N<br>02 5-00-8105 | TRUCKS/HEAVY EQ  | 94.00        |
| === VENDOR TOTALS === |                           |  | 94.00             |                         |                  |              |
| 01-1                  | MISCELLANEOUS VENDOR      |  |                   |                         |                  |              |
| I-201404101667        | 4/01/2014<br>AP           | STEPHANIE KELLEY-RUEDY:TREE<br>DUE: 4/01/2014 DISC: 4/01/2014<br>STEPHANIE KELLEY-RUEDY:TREE   | 79.00             | 1099: N<br>01 5-90-7982 | TREE BOARD EXPE  | 79.00        |
| I-201404111671        | 3/25/2014<br>AP           | ALEX MCCREATH:TREE REIMBURSE<br>DUE: 3/25/2014 DISC: 3/25/2014<br>ALEX MCCREATH:TREE REIMBURSE | 41.78             | 1099: N<br>01 5-90-7982 | TREE BOARD EXPE  | 41.78        |
| I-71917               | 3/21/2014<br>AP           | CITY BLUE PRINT:FLYERS<br>DUE: 3/21/2014 DISC: 3/21/2014<br>CITY BLUE PRINT:FLYERS             | 21.25             | 1099: N<br>01 5-80-7970 | COMMUNITY SERVI  | 21.25        |
| === VENDOR TOTALS === |                           |  | 142.03            |                         |                  |              |
| 01-0200               | O'REILLY AUTOMOTIVE, INC. |  |                   |                         |                  |              |
| C-4598-117107         | 4/03/2014<br>AP           | BATTERY CORE RETURN<br>DUE: 4/03/2014 DISC: 4/03/2014<br>BATTERY CORE RETURN                   | 22.00CR           | 1099: N<br>02 5-00-8106 | LAWN CARE EQUIP  | 22.00CR      |
| I-4598-116892         | 4/01/2014<br>AP           | BATTERY FOR TRACTOR<br>DUE: 4/01/2014 DISC: 4/01/2014<br>BATTERY FOR TRACTOR                   | 156.86            | 1099: N<br>02 5-00-8106 | LAWN CARE EQUIP  | 156.86       |

| -----ID-----          | ITM DATE<br>BANK CODE | -----DESCRIPTION-----  | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT   | --ACCOUNT NAME-- | DISTRIBUTION |
|-----------------------|-----------------------|--|-------------------|-------------------------|------------------|--------------|
| 01-0200               |                       | O'REILLY AUTOMOTIVE, INC. ( ** CONTINUED ** )  |                   |                         |                  |              |
| I-4598-116978         | 4/02/2014<br>AP       | WIPER BLADES-CAR #607<br>DUE: 4/02/2014 DISC: 4/02/2014<br>WIPER BLADES-CAR #607       | 26.59             | 1099: N<br>01 5-20-8104 | AUTOMOTIVE       | 26.59        |
| I-4598116770          | 3/31/2014<br>AP       | PARTS-2003 DODGE TRUCK<br>DUE: 3/31/2014 DISC: 3/31/2014<br>PARTS-2003 DODGE TRUCK     | 39.80             | 1099: N<br>02 5-00-8104 | AUTOMOTIVE       | 39.80        |
| === VENDOR TOTALS === |                       |  | 201.25            |                         |                  |              |
| 01-0205               |                       | PAVING MAINTENANCE SUPPLY, INC   |                   |                         |                  |              |
| I-0141190             | 4/02/2014<br>AP       | TRAFFIC SAFETY CONES<br>DUE: 4/02/2014 DISC: 4/02/2014<br>TRAFFIC SAFETY CONES         | 260.00            | 1099: N<br>02 5-00-8503 | SAFETY EQUIPMEN  | 260.00       |
| === VENDOR TOTALS === |                       |  | 260.00            |                         |                  |              |
| 01-0209               |                       | PITNEY BOWES, INC.   |                   |                         |                  |              |
| I-454301              | 3/30/2014<br>AP       | POSTAGE MACHINE SUPPLIES<br>DUE: 3/30/2014 DISC: 3/30/2014<br>POSTAGE MACHINE SUPPLIES | 282.99            | 1099: N<br>01 5-10-8005 | OFFICE SUPPLIES  | 282.99       |
| === VENDOR TOTALS === |                       |  | 282.99            |                         |                  |              |
| 01-0213               |                       | PRIDE AG RESOURCES   |                   |                         |                  |              |
| I-201404101657        | 3/25/2014<br>AP       | SUPPLIES<br>DUE: 3/25/2014 DISC: 3/25/2014   | 376.76            | 1099: N                 |                  |              |
|                       |                       | SUPPLIES   |                   | 01 5-20-8104            | AUTOMOTIVE       | 8.18         |
|                       |                       | SUPPLIES   |                   | 01 5-40-8109            | ELECTRICAL EQUI  | 46.95        |
|                       |                       | SUPPLIES   |                   | 01 5-40-8404            | FACILITY REPAIR  | 9.47         |
|                       |                       | SUPPLIES   |                   | 01 5-40-8601            | CUSTODIAL SUPPL  | 10.47        |
|                       |                       | SUPPLIES   |                   | 02 5-00-8104            | AUTOMOTIVE       | 8.28         |
|                       |                       | SUPPLIES   |                   | 02 5-00-8310            | OTHER SUPPLIES   | 58.99        |
|                       |                       | SUPPLIES   |                   | 02 5-00-8402            | EQUIPMENT        | 15.97        |
|                       |                       | SUPPLIES   |                   | 02 5-00-8503            | SAFETY EQUIPMEN  | 15.99        |
|                       |                       | SUPPLIES   |                   | 02 5-00-8508            | HAND TOOLS       | 9.99         |
|                       |                       | SUPPLIES   |                   | 02 5-00-8601            | CUSTODIAL SUPPL  | 17.17        |
|                       |                       | SUPPLIES   |                   | 20 5-00-8603            | COMMODITIES      | 3.92         |
|                       |                       | SUPPLIES   |                   | 20 5-00-8402            | EQUIPMENT        | 2.99         |
|                       |                       | SUPPLIES   |                   | 20 5-00-8601            | CUSTODIAL SUPPL  | 27.96        |
|                       |                       | SUPPLIES   |                   | 21 5-00-8104            | AUTOMOTIVE       | 29.99        |
|                       |                       | SUPPLIES   |                   | 21 5-00-8310            | OTHER SUPPLIES   | 14.97        |
|                       |                       | SUPPLIES   |                   | 21 5-00-8402            | EQUIPMENT        | 23.99        |
|                       |                       | SUPPLIES   |                   | 21 5-00-8508            | HAND TOOLS       | 28.98        |
|                       |                       | SUPPLIES   |                   | 47 5-00-8603            | COMMODITIES      | 25.52        |
|                       |                       | SUPPLIES   |                   | 98 5-00-8402            | EQUIPMENT        | 16.98        |
| === VENDOR TOTALS === |                       |  | 376.76            |                         |                  |              |

4/11/2014 8:24 AM  
 PACKET: 00328 04/14 AP  
 VENDOR SET: 01 Y OF MAIZE AP  
 SEQUENCE : ALPHABETIC  
 DUE TO/FROM ACCOUNTS SUPPRESSED

A/P Direct Item Register

| -----ID-----  | ITM DATE<br>BANK CODE | -----DESCRIPTION-----  | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT   | --ACCOUNT NAME-- | DISTRIBUTION |
|---------------|-----------------------|--|-------------------|-------------------------|------------------|--------------|
| 01-0214       |                       | PROFESSIONAL ENGINEERING CONSU   |                   |                         |                  |              |
| I-432272      | 3/31/2014<br>AP       | BRIDGE INSPECTION REPORT<br>DUE: 3/31/2014 DISC: 3/31/2014<br>BRIDGE INSPECTION REPORT | 1,700.00          | 1099: N<br>01 5-10-7501 | ENGINEERING/CON  | 1,700.00     |
|               |                       | === VENDOR TOTALS ===  | 1,700.00          |                         |                  |              |
| 01-0221       |                       | RESNIK MOTORS  |                   |                         |                  |              |
| I-117074      | 4/07/2014<br>AP       | AUTOMOTIVE SUPPLIES<br>DUE: 4/07/2014 DISC: 4/07/2014<br>AUTOMOTIVE SUPPLIES           | 82.80             | 1099: N<br>01 5-20-8104 | AUTOMOTIVE       | 82.80        |
| I-58112       | 4/07/2014<br>AP       | OIL CHANGE-CAR #812<br>DUE: 4/07/2014 DISC: 4/07/2014<br>OIL CHANGE-CAR #812           | 40.65             | 1099: N<br>01 5-20-8304 | OIL CHANGES      | 40.65        |
|               |                       | === VENDOR TOTALS ===  | 123.45            |                         |                  |              |
| 01-0403       |                       | ROASTER JOE'S  |                   |                         |                  |              |
| I-20641151381 | 3/31/2014<br>AP       | COFFEE SERVICE-ADMIN<br>DUE: 3/31/2014 DISC: 3/31/2014<br>COFFEE SERVICE-ADMIN         | 52.45             | 1099: N<br>01 5-10-8603 | COMMODITIES      | 52.45        |
|               |                       | === VENDOR TOTALS ===  | 52.45             |                         |                  |              |
| 01-0224       |                       | ROBERT'S HUTCH-LINE  |                   |                         |                  |              |
| I-290314      | 3/27/2014<br>AP       | OFFICE SUPPLIES - ADMIN<br>DUE: 3/27/2014 DISC: 3/27/2014<br>OFFICE SUPPLIES - ADMIN   | 104.29            | 1099: N<br>01 5-10-8005 | OFFICE SUPPLIES  | 104.29       |
|               |                       | === VENDOR TOTALS ===  | 104.29            |                         |                  |              |
| 01-0443       |                       | ROCKMOUNT RESEARCH & ALLOYS, I   |                   |                         |                  |              |
| I-1195532     | 3/24/2014<br>AP       | WELDING ROD<br>DUE: 3/24/2014 DISC: 3/24/2014<br>WELDING ROD                           | 153.89            | 1099: N<br>02 5-00-8309 | WELDING SUPPLIE  | 153.89       |
|               |                       | === VENDOR TOTALS ===  | 153.89            |                         |                  |              |

*Results CC April 2014 mtg*

4/11/2014 8:24 AM  
 PACKET: 00328 011014 AP  
 VENDOR SET: 01 CITY OF MAIZE AP  
 SEQUENCE : ALPHABETIC  
 DUE TO/FROM ACCOUNTS SUPPRESSED

A/P Direct Item Register

| -----ID-----          | ITM DATE<br>BANK CODE          | -----DESCRIPTION-----  | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT                                   | --ACCOUNT NAME--                              | DISTRIBUTION            |
|-----------------------|--------------------------------|--|-------------------|---|---|-------------------------|
| =====                 |                                |  |                   |   |   |                         |
| 01-0226               | ROYAL PUBLISHING               |  |                   |   |   |                         |
| I-7689587             | 3/24/2014<br>AP                | AD-2014 MAIZE SPORTS CALENDAR<br>DUE: 3/24/2014 DISC: 3/24/2014<br>AD-2014 MAIZE SPORTS CALENDAR   | 435.00            | 1099: N<br>01 5-80-7970                                 | COMMUNITY SERVI                               | 435.00                  |
| === VENDOR TOTALS === |                                |  | 435.00            |   |   |                         |
| =====                 |                                |  |                   |   |   |                         |
| 01-0230               | SAM'S CLUB                     |  |                   |   |   |                         |
| I-201404101652        | 4/02/2014<br>AP                | SHOP AND CITY HALL SUPPLIES<br>DUE: 4/02/2014 DISC: 4/02/2014<br>SHOP AND CITY HALL SUPPLIES<br>SHOP AND CITY HALL SUPPLIES<br>SHOP AND CITY HALL SUPPLIES | 166.68            | 1099: N<br>02 5-00-8603<br>01 5-40-8601<br>01 5-40-8603 | COMMODITIES<br>CUSTODIAL SUPPL<br>COMMODITIES | 11.25<br>62.20<br>93.23 |
| === VENDOR TOTALS === |                                |  | 166.68            |   |   |                         |
| =====                 |                                |  |                   |   |   |                         |
| 01-0233               | SDK LABORATORIES               |  |                   |   |   |                         |
| I-201404101651        | 4/03/2014<br>AP                | LAB ANALYSIS-SEWER PLANT<br>DUE: 4/03/2014 DISC: 4/03/2014<br>LAB ANALYSIS-SEWER PLANT   | 354.00            | 1099: N<br>20 5-00-7008                                 | WASTEWATER LABO                               | 354.00                  |
| === VENDOR TOTALS === |                                |  | 354.00            |   |   |                         |
| =====                 |                                |  |                   |   |   |                         |
| 01-0239               | SEDGWICK COUNTY DIVISION OF FI |  |                   |   |   |                         |
| I-1800038305          | 4/04/2014<br>AP                | JAIL HOUSING FEES-MARCH 2014<br>DUE: 4/04/2014 DISC: 4/04/2014<br>JAIL HOUSING FEES-MARCH 2014   | 142.74            | 1099: N<br>01 5-30-9909                                 | COUNTY JAIL HOU                               | 142.74                  |
| === VENDOR TOTALS === |                                |  | 142.74            |   |   |                         |
| =====                 |                                |  |                   |   |   |                         |
| 01-0242               | SHRED-IT WICHITA               |  |                   |   |   |                         |
| I-9403429479          | 3/31/2014<br>AP                | SHREDDING SERVICES<br>DUE: 3/31/2014 DISC: 3/31/2014<br>SHREDDING SERVICES<br>SHREDDING SERVICES   | 73.50             | 1099: N<br>01 5-10-7502<br>01 5-20-7502                 | PROFESSIONAL SE<br>PROFESSIONAL SE            | 29.40<br>44.10          |
| === VENDOR TOTALS === |                                |  | 73.50             |   |   |                         |

| -----ID-----   | ITM DATE<br>BANK CODE | -----DESCRIPTION-----   | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT                   | --ACCOUNT NAME--                   | DISTRIBUTION    |
|----------------|-----------------------|---|-------------------|---|------------------------------------|-----------------|
| 01-0444        |                       | TAIT NORTH AMERICA INC.   |                   |   |                                    |                 |
| I-R0150135869  | 4/07/2014<br>AP       | PUBLIC WORKS RADIOS<br>DUE: 4/07/2014 DISC: 4/07/2014<br>PUBLIC WORKS RADIOS  | 18,549.56         | 1099: N<br>10 5-00-8105                 | TRUCKS/HEAVY EQ                    | 18,549.56       |
|                |                       | === VENDOR TOTALS ===   | 18,549.56         |   |                                    |                 |
| 01-0255        |                       | TKE CORP.   |                   |   |                                    |                 |
| I-3000959492   | 4/01/2014<br>AP       | ELEVATOR MAINTENANCE-2ND QTR<br>DUE: 4/01/2014 DISC: 4/01/2014<br>ELEVATOR MAINTENANCE-2ND QTR                                    | 197.46            | 1099: N<br>01 5-40-7502                 | PROFESSIONAL SE                    | 197.46          |
|                |                       | === VENDOR TOTALS ===   | 197.46            |   |                                    |                 |
| 01-0256        |                       | TkFAST  |                   |   |                                    |                 |
| I-17881        | 3/31/2014<br>AP       | SERVER MAINTENANCE/PD SUPPORT<br>DUE: 3/31/2014 DISC: 3/31/2014<br>SERVER MAINTENANCE/PD SUPPORT<br>SERVER MAINTENANCE/PD SUPPORT | 440.00            | 1099: N<br>01 5-10-7504<br>01 5-20-7504 | COMPUTER TECH S<br>COMPUTER TECH S | 420.00<br>20.00 |
| I-17882        | 3/31/2014<br>AP       | DESKTOP SCANNERS<br>DUE: 3/31/2014 DISC: 3/31/2014<br>DESKTOP SCANNERS  | 2,850.00          | 1099: N<br>10 5-00-8801                 | COMPUTERS                          | 2,850.00        |
|                |                       | === VENDOR TOTALS ===   | 3,290.00          |   |                                    |                 |
| 01-0320        |                       | TRANSUNION RISK AND ALTERNATIV  |                   |   |                                    |                 |
| I-201404101656 | 4/01/2014<br>AP       | POLICE RECORDS SEARCHES<br>DUE: 4/01/2014 DISC: 4/01/2014<br>POLICE RECORDS SEARCHES  | 10.00             | 1099: N<br>01 5-20-7502                 | PROFESSIONAL SE                    | 10.00           |
|                |                       | === VENDOR TOTALS ===   | 10.00             |   |                                    |                 |
| 01-0262        |                       | TRUCK PARTS & EQUIPMENT, INC.   |                   |   |                                    |                 |
| I-1172733      | 4/03/2014<br>AP       | SAFETY CAUTION TAPE<br>DUE: 4/03/2014 DISC: 4/03/2014<br>SAFETY CAUTION TAPE  | 130.24            | 1099: N<br>02 5-00-8503                 | SAFETY EQUIPMEN                    | 130.24          |
|                |                       | === VENDOR TOTALS ===   | 130.24            |   |                                    |                 |

*Budget for*

*Equip Reserve Fund*

*J, Sue, Front Desk have*

| -----ID----- | ITM DATE<br>BANK CODE        | -----DESCRIPTION-----  | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT         | --ACCOUNT NAME-- | DISTRIBUTION |
|--------------|------------------------------|--|-------------------|-------------------------------|------------------|--------------|
| 01-0266      | UNI FIRST                    |  |                   |                               |                  |              |
| I-2400460878 | 4/01/2014<br>AP              | UNIFORMS AND MATS<br>DUE: 4/01/2014 DISC: 4/01/2014            | 323.82            | 1099: N                       |                  |              |
|              |                              | UNIFORMS AND MATS  |                   | 01 5-40-7804                  | UNIFORMS/MATS C  | 80.96        |
|              |                              | UNIFORMS AND MATS  |                   | 02 5-00-7804                  | UNIFORMS/MATS C  | 80.96        |
|              |                              | UNIFORMS AND MATS  |                   | 20 5-00-7804                  | UNIFORMS/MATS C  | 80.96        |
|              |                              | UNIFORMS AND MATS  |                   | 21 5-00-7804                  | UNIFORMS/MATS C  | 80.94        |
| I-2400462347 | 4/08/2014<br>AP              | UNIFORMS AND MATS<br>DUE: 4/08/2014 DISC: 4/08/2014            | 298.52            | 1099: N                       |                  |              |
|              |                              | UNIFORMS AND MATS  |                   | 01 5-40-7804                  | UNIFORMS/MATS C  | 74.63        |
|              |                              | UNIFORMS AND MATS  |                   | 02 5-00-7804                  | UNIFORMS/MATS C  | 74.63        |
|              |                              | UNIFORMS AND MATS  |                   | 20 5-00-7804                  | UNIFORMS/MATS C  | 74.63        |
|              |                              | UNIFORMS AND MATS  |                   | 21 5-00-7804                  | UNIFORMS/MATS C  | 74.63        |
|              |                              | === VENDOR TOTALS ===  | 622.34            |                               |                  |              |
| 01-0270      | USA BLUE BOOK                |  |                   |                               |                  |              |
| I-294150     | 3/17/2014<br>AP              | SUPPLIES-WATER & SEWER<br>DUE: 3/17/2014 DISC: 3/17/2014       | 572.66            | 1099: N                       |                  |              |
|              |                              | SUPPLIES-WATER & SEWER   |                   | 20 5-00-8402                  | EQUIPMENT        | 94.00        |
|              |                              | SUPPLIES-WATER & SEWER   |                   | 21 5-00-8508                  | HAND TOOLS       | 478.66       |
|              |                              | === VENDOR TOTALS ===  | 572.66            |                               |                  |              |
| 01-0275      | VIA CHRISTI OEM MAIZE ROAD   |  |                   |                               |                  |              |
| I-473959     | 4/03/2014<br>AP              | PRE-EMPLOYMENT PHYSICAL<br>DUE: 4/03/2014 DISC: 4/03/2014      | 80.00             | 1099: N                       |                  |              |
|              |                              | PRE-EMPLOYMENT PHYSICAL  |                   | 20 5-00-7010                  | PRE-EMPLOYMENT   | 40.00        |
|              |                              | PRE-EMPLOYMENT PHYSICAL  |                   | 21 5-00-7010                  | PRE-EMPLOYMENT   | 40.00        |
|              |                              | === VENDOR TOTALS ===  | 80.00             |                               |                  |              |
|              |                              |  |                   | <i>Seasonal Worker for PW</i> |                  |              |
| 01-0279      | WASTE CONNECTIONS OF WICHITA |  |                   |                               |                  |              |
| I-9388345    | 4/01/2014<br>AP              | TRASH SERVICE<br>DUE: 4/01/2014 DISC: 4/01/2014                | 276.54            | 1099: N                       |                  |              |
|              |                              | CITY HALL  |                   | 01 5-40-7104                  | TRASH SERVICE    | 87.92        |
|              |                              | COMMUNITY BUILDING   |                   | 01 5-40-7104                  | TRASH SERVICE    | 49.50        |
|              |                              | MAINTENANCE SHOP   |                   | 02 5-00-7104                  | TRASH SERVICE    | 49.50        |
|              |                              | SEWER PLANT  |                   | 20 5-00-7104                  | TRASH SERVICE    | 42.00        |
|              |                              | CEMETERY   |                   | 98 5-00-7104                  | TRASH SERVICE    | 47.62        |
| I-9392848    | 4/01/2014<br>AP              | PORTABLE RESTROOMS-CITY PARK<br>DUE: 4/01/2014 DISC: 4/01/2014 | 88.80             | 1099: N                       |                  |              |
|              |                              | PORTABLE RESTROOMS-CITY PARK                                   |                   | 01 5-90-7982                  | TREE BOARD EXPE  | 88.80        |
|              |                              | === VENDOR TOTALS ===  | 365.34            |                               |                  |              |

PACKET: 00328 0414 AP  
VENDOR SET: 01 PY OF MAIZE AP  
SEQUENCE : ALPHABETIC  
DUE TO/FROM ACCOUNTS SUPPRESSED

| -----ID-----   | ITM DATE  | BANK CODE | -----DESCRIPTION-----   | GROSS DISCOUNT | P.O. #<br>G/L ACCOUNT                   | --ACCOUNT NAME--                  | DISTRIBUTION   |
|----------------|-----------|-----------|---|----------------|---|-----------------------------------|----------------|
| 01-0284        |           |           | WICHITA AREA BUILDERS ASSOCIAT  |                |   |                                   |                |
| I-165697       | 4/03/2014 | AP        | PARADE OF HOMES AD<br>DUE: 4/03/2014 DISC: 4/03/2014<br>PARADE OF HOMES AD                                | 1,650.00       | 1099: N<br>01 5-90-7981                 | ECONOMIC DEVELO                   | 1,650.00       |
|                |           |           | === VENDOR TOTALS ===   | 1,650.00       |   |                                   |                |
| 01-0291        |           |           | WILLIAM MCKINLEY  |                |   |                                   |                |
| I-201404101653 | 4/07/2014 | AP        | MILEAGE REIMBURSEMENT<br>DUE: 4/07/2014 DISC: 4/07/2014<br>MILEAGE REIMBURSEMENT<br>MILEAGE REIMBURSEMENT | 184.80         | 1099: N<br>05 5-00-6305<br>01 5-10-6305 | MILEAGE REIMBUR<br>MILEAGE/TRAVEL | 92.40<br>92.40 |
|                |           |           | === VENDOR TOTALS ===   | 184.80         |   |                                   |                |
| 01-0294        |           |           | ZIPS EXPRESS CAR WASH   |                |   |                                   |                |
| I-201404101669 | 2/01/2014 | AP        | PD CAR WASHES-JANUARY 2014<br>DUE: 2/01/2014 DISC: 2/01/2014<br>PD CAR WASHES-JANUARY 2014                | 44.00          | 1099: N<br>01 5-20-8104                 | AUTOMOTIVE                        | 44.00          |
|                |           |           | === VENDOR TOTALS ===   | 44.00          |   |                                   |                |
|                |           |           | === PACKET TOTALS ===   | 141,732.56     |   |                                   |                |

4/24/2014 9:28 AM  
 PACKET: 00334 414 AP  
 VENDOR SET: 01 CITY OF MAIZE AP  
 SEQUENCE : ALPHABETIC  
 DUE TO/FROM ACCOUNTS SUPPRESSED

A/P Direct Item Register

| -----ID-----          | ITM DATE<br>BANK CODE      | -----DESCRIPTION-----   | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT                   | --ACCOUNT NAME--           | DISTRIBUTION   |
|-----------------------|----------------------------|---|-------------------|---|----------------------------|----------------|
| =====                 |                            |   |                   |   |                            |                |
| 01-0021               | AAA PORTABLE SERVICES, LLC |   |                   |   |                            |                |
| I-A-87023             | 4/08/2014<br>AP            | PORTABLE RESTRCOMS-GARAGE SAL<br>DUE: 4/08/2014 DISC: 4/08/2014<br>PORTABLE RESTRCOMS-GARAGE SALE                                   | 300.00            | 1099: N<br>01 5-80-7970                 | COMMUNITY SERVI            | 300.00         |
| === VENDOR TOTALS === |                            |   | 300.00            |   |                            |                |
| =====                 |                            |   |                   |   |                            |                |
| 01-0016               | AIRGAS MID SOUTH           |   |                   |   |                            |                |
| I-9026340171          | 4/08/2014<br>AP            | WELDING SUPPLIES<br>DUE: 4/08/2014 DISC: 4/08/2014<br>WELDING SUPPLIES  | 108.30            | 1099: N<br>02 5-00-8309                 | WELDING SUPPLIE            | 108.30         |
| === VENDOR TOTALS === |                            |   | 108.30            |   |                            |                |
| =====                 |                            |   |                   |   |                            |                |
| 01-0024               | AMAZON                     |   |                   |   |                            |                |
| I-201404231693        | 4/10/2014<br>AP            | GPS RECEIVERS FOR PD CARS<br>DUE: 4/10/2014 DISC: 4/10/2014<br>GPS RECEIVERS FOR PD CARS  | 84.39             | 1099: N<br>01 5-20-8104                 | AUTOMOTIVE                 | 84.39          |
| === VENDOR TOTALS === |                            |   | 84.39             |   |                            |                |
| =====                 |                            |   |                   |   |                            |                |
| 01-0066               | CINTAS FIRST AID & SAFETY  |   |                   |   |                            |                |
| I-5001191567          | 4/17/2014<br>AP            | FIRST AID KIT REFILL-SHOP<br>DUE: 4/17/2014 DISC: 4/17/2014<br>FIRST AID KIT REFILL-SHOP  | 34.68             | 1099: N<br>02 5-00-8503                 | SAFETY EQUIPMEN            | 34.68          |
| I-5001191570          | 4/17/2014<br>AP            | FIRST AID KIT REFILLS-PD/ADMI<br>DUE: 4/17/2014 DISC: 4/17/2014<br>FIRST AID KIT REFILLS-PD/ADMIN<br>FIRST AID KIT REFILLS-PD/ADMIN | 80.87             | 1099: N<br>01 5-10-8603<br>01 5-20-8603 | COMMODITIES<br>COMMODITIES | 30.00<br>50.87 |
| === VENDOR TOTALS === |                            |   | 115.55            |   |                            |                |
| =====                 |                            |   |                   |   |                            |                |
| 01-0096               | ERIC HARTENSTEIN           |   |                   |   |                            |                |
| I-201404231691        | 4/17/2014<br>AP            | PUBLIC DEFENDER SERVICES<br>DUE: 4/17/2014 DISC: 4/17/2014<br>PUBLIC DEFENDER SERVICES  | 150.00            | 1099: N<br>12 5-00-7908                 | PUBLIC DEFENDER            | 150.00         |
| === VENDOR TOTALS === |                            |   | 150.00            |   |                            |                |

| -----ID-----          | ITM DATE<br>BANK CODE | -----DESCRIPTION-----  | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT   | --ACCOUNT NAME-- | DISTRIBUTION |
|-----------------------|-----------------------|--|-------------------|-------------------------|------------------|--------------|
| 01-0108               | GILMORE & BELL        |  |                   |                         |                  |              |
| I-30456               | 4/23/2014<br>AP       | TEMP NOTES SERIES A 2014<br>DUE: 4/23/2014 DISC: 4/23/2014<br>TEMP NOTES SERIES A 2014   | 5,500.00          | 1099: N<br>47 5-00-7503 | LEGAL SERVICES   | 5,500.00     |
| === VENDOR TOTALS === |                       |  | 5,500.00          |                         |                  |              |
| 01-0340               | HANNA LAMUNYON        |  |                   |                         |                  |              |
| I-201404231696        | 4/21/2014<br>AP       | MILEAGE-0414 THRU 0421<br>DUE: 4/21/2014 DISC: 4/21/2014<br>MILEAGE-0414 THRU 0421       | 16.80             | 1099: N<br>01 5-10-6305 | MILEAGE/TRAVEL   | 16.80        |
| I-201404231697        | 4/21/2014<br>AP       | MILEAGE-0401 THRU 0411<br>DUE: 4/21/2014 DISC: 4/21/2014<br>MILEAGE-0401 THRU 0411       | 30.24             | 1099: N<br>01 5-10-6305 | MILEAGE/TRAVEL   | 30.24        |
| I-201404231698        | 4/21/2014<br>AP       | MILEAGE 0320 THRU 0331<br>DUE: 4/21/2014 DISC: 4/21/2014<br>MILEAGE 0320 THRU 0331       | 29.12             | 1099: N<br>01 5-10-6305 | MILEAGE/TRAVEL   | 29.12        |
| I-201404231699        | 4/21/2014<br>AP       | MILEAGE 0306 THRU 0319<br>DUE: 4/21/2014 DISC: 4/21/2014<br>MILEAGE 0306 THRU 0319       | 30.24             | 1099: N<br>01 5-10-6305 | MILEAGE/TRAVEL   | 30.24        |
| I-201404231700        | 4/21/2014<br>AP       | MILEAGE 0221 THRU 0305<br>DUE: 4/21/2014 DISC: 4/21/2014<br>MILEAGE 0221 THRU 0305       | 30.24             | 1099: N<br>01 5-10-6305 | MILEAGE/TRAVEL   | 30.24        |
| I-201404231701        | 4/21/2014<br>AP       | MILEAGE 0210 THRU C220<br>DUE: 4/21/2014 DISC: 4/21/2014<br>MILEAGE 0210 THRU C220       | 30.24             | 1099: N<br>01 5-10-6305 | MILEAGE/TRAVEL   | 30.24        |
| I-201404231702        | 4/21/2014<br>AP       | MILEAGE 0128 THRU C207<br>DUE: 4/21/2014 DISC: 4/21/2014<br>MILEAGE 0128 THRU 0207       | 30.24             | 1099: N<br>01 5-10-6305 | MILEAGE/TRAVEL   | 30.24        |
| === VENDOR TOTALS === |                       |  | 197.12            |                         |                  |              |
| 01-0115               | HD SUPPLY WATERWORKS  |  |                   |                         |                  |              |
| I-B608365             | 4/15/2014<br>AP       | RINGS/LIDS FOR METER CANS<br>DUE: 4/15/2014 DISC: 4/15/2014<br>RINGS/LIDS FOR METER CANS | 3,824.80          | 1099: N<br>21 5-00-8310 | OTHER SUPPLIES   | 3,824.80     |
| === VENDOR TOTALS === |                       |  | 3,824.80          |                         |                  |              |

*operations fund*

| -----ID-----          | ITM DATE<br>BANK CODE    | -----DESCRIPTION-----  | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT   | --ACCOUNT NAME-- | DISTRIBUTION |
|-----------------------|--------------------------|--|-------------------|-------------------------|------------------|--------------|
| =====                 |                          |  |                   |                         |                  |              |
| 01-0118               | HUBER MAINTENANCE SUPPLY |  |                   |                         |                  |              |
| I-029690              | 4/15/2014<br>AP          | CUSTODIAL SUPPLIES-CITY HALL<br>DUE: 4/15/2014 DISC: 4/15/2014<br>CUSTODIAL SUPPLIES-CITY HALL | 115.38            | 1099: N<br>01 5-40-8601 | CUSTODIAL SUPPL  | 115.38       |
| I-029690A             | 4/16/2014<br>AP          | CUSTODIAL SUPPLIES-CITY HALL<br>DUE: 4/16/2014 DISC: 4/16/2014<br>CUSTODIAL SUPPLIES-CITY HALL | 54.53             | 1099: N<br>01 5-40-8601 | CUSTODIAL SUPPL  | 54.53        |
| I-029757              | 4/18/2014<br>AP          | CUSTODIAL SUPPLIES-CITY HALL<br>DUE: 4/18/2014 DISC: 4/18/2014<br>CUSTODIAL SUPPLIES-CITY HALL | 67.70             | 1099: N<br>01 5-40-8601 | CUSTODIAL SUPPL  | 67.70        |
| === VENDOR TOTALS === |                          |  | 237.61            |                         |                  |              |
| =====                 |                          |  |                   |                         |                  |              |
| 01-0123               | IET                      |  |                   |                         |                  |              |
| I-8329                | 4/15/2014<br>AP          | ELECTRICAL REPAIR-WWTP<br>DUE: 4/15/2014 DISC: 4/15/2014<br>ELECTRICAL REPAIR-WWTP             | 121.60            | 1099: N<br>20 5-00-8109 | ELECTRICAL EQUI  | 121.60       |
| I-8330                | 4/15/2014<br>AP          | ELECTRICAL REPAIR-WWTP<br>DUE: 4/15/2014 DISC: 4/15/2014<br>ELECTRICAL REPAIR-WWTP             | 1,271.98          | 1099: N<br>20 5-00-8109 | ELECTRICAL EQUI  | 1,271.98     |
| === VENDOR TOTALS === |                          |  | 1,393.58          |                         |                  |              |
| =====                 |                          |  |                   |                         |                  |              |
| 01-0130               | JOCELYN REID             |  |                   |                         |                  |              |
| I-201404231689        | 4/22/2014<br>AP          | CAFE PLAN REIMBURSEMENT<br>DUE: 4/22/2014 DISC: 4/22/2014<br>CAFE PLAN REIMBURSEMENT           | 80.00             | 1099: N<br>38 5-00-9300 | DEPENDENT CARE   | 80.00        |
| === VENDOR TOTALS === |                          |  | 80.00             |                         |                  |              |
| =====                 |                          |  |                   |                         |                  |              |
| 01-0143               | KANSAS DEPT OF REVENUE   |  |                   |                         |                  |              |
| I-201404231703        | 4/17/2014<br>AP          | MARCH SALES TAX<br>DRAFT CK# 641714 4/17/2014<br>MARCH SALES TAX                               | 295.12            | 1099: N<br>21 5-00-9200 | WATER TAX EXPEN  | 295.12       |
| === VENDOR TOTALS === |                          |  | 295.12            |                         |                  |              |

4/24/2014 9:28 AM  
 PACKET: 00334 114 AP  
 VENDOR SET: 01 CITY OF MAIZE AP  
 SEQUENCE : ALPHABETIC  
 DUE TO/FROM ACCOUNTS SUPPRESSED

A/P Direct Item Register

| -----ID-----          | ITM DATE<br>BANK CODE          | -----DESCRIPTION-----  | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT   | --ACCOUNT NAME-- | DISTRIBUTION |
|-----------------------|--------------------------------|--|-------------------|-------------------------|------------------|--------------|
| =====                 |                                |  |                   |                         |                  |              |
| 01-0145               | KANSAS EMPLOYMENT SECURITY FUN |  |                   |                         |                  |              |
| I-201404231695        | 4/21/2014<br>AP                | UNEMPLOYMENT TAX-1ST QTR 2014<br>DRAFT CK# 042114 4/21/2014<br>UNEMPLOYMENT TAX-1ST QTR 2014   | 367.03            | 1099: N<br>01 5-80-5212 | UNEMPLOYMENT IN  | 367.03       |
| === VENDOR TOTALS === |                                |  | 367.03            |                         |                  |              |
| =====                 |                                |  |                   |                         |                  |              |
| 01-0146               | KANSAS FIRE EQUIPMENT          |  |                   |                         |                  |              |
| I-0387868             | 4/10/2014<br>AP                | FIRE EXTINGUISHER -COMM BLDG<br>DUE: 4/10/2014 DISC: 4/10/2014<br>FIRE EXTINGUISHER -COMM BLDG | 12.75             | 1099: N<br>01 5-40-8405 | BUILDING CONTEN  | 12.75        |
| === VENDOR TOTALS === |                                |  | 12.75             |                         |                  |              |
| =====                 |                                |  |                   |                         |                  |              |
| 01-0152               | KANSAS PAVING                  |  |                   |                         |                  |              |
| I-10063229            | 3/19/2014<br>AP                | WC VILL 3RD PAVING<br>DUE: 3/19/2014 DISC: 3/19/2014<br>WC VILL 3RD PAVING                     | 22,722.29         | 1099: N<br>05 5-00-7500 | CONTRACTORS      | 22,722.29    |
| === VENDOR TOTALS === |                                |  | 22,722.29         |                         |                  |              |
| =====                 |                                |  |                   |                         |                  |              |
| 01-0158               | KANSASLAND TIRE                |  |                   |                         |                  |              |
| I-076794              | 4/07/2014<br>AP                | OIL CHANGE-CAR #410<br>DUE: 4/07/2014 DISC: 4/07/2014<br>OIL CHANGE-CAR #410                   | 27.70             | 1099: N<br>01 5-20-8304 | OIL CHANGES      | 27.70        |
| I-076822              | 4/09/2014<br>AP                | OIL CHANGE-CAR #512<br>DUE: 4/09/2014 DISC: 4/09/2014<br>OIL CHANGE-CAR #512                   | 26.20             | 1099: N<br>01 5-20-8304 | OIL CHANGES      | 26.20        |
| === VENDOR TOTALS === |                                |  | 53.90             |                         |                  |              |
| =====                 |                                |  |                   |                         |                  |              |
| 01-0161               | KEENAN KELLEY                  |  |                   |                         |                  |              |
| I-1277                | 4/22/2014<br>AP                | SLUDGE REMOVAL<br>DUE: 4/22/2014 DISC: 4/22/2014<br>SLUDGE REMOVAL                             | 3,360.00          | 1099: N<br>20 5-00-7500 | CONTRACTORS      | 3,360.00     |
| === VENDOR TOTALS === |                                |  | 3,360.00          |                         |                  |              |

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 SEQUENCE : ALPHABETIC  
 DUE TO/FROM ACCOUNTS SUPPRESSED

A/P Direct Item Register

| -----ID-----          | ITM DATE<br>BANK CODE           | -----DESCRIPTION-----  | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT   | --ACCOUNT NAME-- | DISTRIBUTION |
|-----------------------|---------------------------------|--|-------------------|-------------------------|------------------|--------------|
| =====                 |                                 |  |                   |                         |                  |              |
| 01-0162               | KIM EDGINGTON                   |  |                   |                         |                  |              |
| I-201404241706        | 4/22/2014<br>AP                 | CAFE PLAN REIMEURSEMENT<br>DUE: 4/22/2014 DISC: 4/22/2014<br>CAFE PLAN REIMEURSEMENT             | 694.50            | 1099: N<br>38 5-00-9300 | DEPENDENT CARE   | 694.50       |
| === VENDOR TOTALS === |                                 |  | 694.50            |                         |                  |              |
| =====                 |                                 |  |                   |                         |                  |              |
| 01-0165               | KWIK SHOP, INC.                 |  |                   |                         |                  |              |
| I-201404231685        | 4/23/2014<br>AP                 | UNLEADED FUEL<br>DUE: 4/23/2014 DISC: 4/23/2014<br>UNLEADED FUEL                                 | 1,234.02          | 1099: N<br>01 5-20-8306 | UNLEADED FUEL    | 1,234.02     |
| === VENDOR TOTALS === |                                 |  | 1,234.02          |                         |                  |              |
| =====                 |                                 |  |                   |                         |                  |              |
| 01-0169               | LANDS' END BUSINESS OUTFITTERS  |  |                   |                         |                  |              |
| I-1660809             | 4/14/2014<br>AP                 | SHIRTS FOR TREE/PARK BOARD<br>DUE: 4/14/2014 DISC: 4/14/2014<br>SHIRTS FOR TREE/PARK BOARD       | 50.90             | 1099: N<br>01 5-90-7982 | TREE BOARD EXPE  | 50.90        |
| I-1661254             | 4/14/2014<br>AP                 | SHIRTS FOR TREE/PARK BOARD<br>DUE: 4/14/2014 DISC: 4/14/2014<br>SHIRTS FOR TREE/PARK BOARD       | 55.90             | 1099: N<br>01 5-90-7982 | TREE BOARD EXPE  | 55.90        |
| === VENDOR TOTALS === |                                 |  | 106.80            |                         |                  |              |
| =====                 |                                 |  |                   |                         |                  |              |
| 01-0171               | LAURA RAINWATER                 |  |                   |                         |                  |              |
| I-201404231686        | 4/23/2014<br>AP                 | ARBOR DAY EXPENSES<br>DUE: 4/23/2014 DISC: 4/23/2014<br>ARBOR DAY EXPENSES                       | 77.25             | 1099: N<br>01 5-90-7982 | TREE BOARD EXPE  | 77.25        |
| === VENDOR TOTALS === |                                 |  | 77.25             |                         |                  |              |
| =====                 |                                 |  |                   |                         |                  |              |
| 01-0174               | LEAGUE OF KANSAS MUNICIPALITIES |  |                   |                         |                  |              |
| I-14-1312             | 4/22/2014<br>AP                 | ANNEXATION IN KANSAS HANDBOOK<br>DUE: 4/22/2014 DISC: 4/22/2014<br>ANNEXATION IN KANSAS HANDBOOK | 37.20             | 1099: N<br>01 5-10-6303 | SUBSCRIPTIONS    | 37.20        |
| === VENDOR TOTALS === |                                 |  | 37.20             |                         |                  |              |

| -----ID-----          | ITM DATE<br>BANK CODE          | -----DESCRIPTION-----  | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT   | --ACCOUNT NAME-- | DISTRIBUTION |
|-----------------------|--------------------------------|--|-------------------|-------------------------|------------------|--------------|
| 01-0445               | MARILYN A HOMMERTZHEIM         |  |                   |                         |                  |              |
| I-201404231705        | 4/23/2014<br>AP                | 2013 HOUSING GRANT<br>DUE: 4/23/2014 DISC: 4/23/2014<br>2013 HOUSING GRANT                   | 1,240.55          | 1099: N<br>01 5-80-9015 | HOUSING GRANT    | 1,240.55     |
| === VENDOR TOTALS === |                                |  | 1,240.55          |                         |                  |              |
| 01-0184               | MAXIMUM OUTDOOR EQUIPMENT      |  |                   |                         |                  |              |
| I-84801               | 4/22/2014<br>AP                | NEW MOTOR-CEMETERY MOWER<br>DUE: 4/22/2014 DISC: 4/22/2014<br>NEW MOTOR-CEMETERY MOWER       | 849.99            | 1099: N<br>98 5-00-8106 | LAWN CARE EQUIP  | 849.99       |
| === VENDOR TOTALS === |                                |  | 849.99            |                         |                  |              |
| 01-0189               | MKEC                           |  |                   |                         |                  |              |
| I-105418              | 4/17/2014<br>AP                | WC VILLAGE 3RD CONSTRUCTION<br>DUE: 4/17/2014 DISC: 4/17/2014<br>WC VILLAGE 3RD CONSTRUCTION | 9,935.73          | 1099: N<br>05 5-00-7501 | ENGINEERING SER  | 9,935.73     |
| === VENDOR TOTALS === |                                |  | 9,935.73          |                         |                  |              |
| 01-0207               | PETERSEN'S SMALL ENGINE REPAIR |  |                   |                         |                  |              |
| I-4812738             | 4/15/2014<br>AP                | CONCRETE SAW REPAIR<br>DUE: 4/15/2014 DISC: 4/15/2014<br>CONCRETE SAW REPAIR                 | 43.75             | 1099: N<br>02 5-00-8403 | GARAGE/SHOP EQU  | 43.75        |
| === VENDOR TOTALS === |                                |  | 43.75             |                         |                  |              |
| 01-0209               | PITNEY BOWES, INC.             |  |                   |                         |                  |              |
| I-1017193-AP14        | 4/13/2014<br>AP                | POSTAGE MACHINE RENTAL<br>DUE: 4/13/2014 DISC: 4/13/2014<br>POSTAGE MACHINE RENTAL           | 159.00            | 1099: N<br>01 5-10-7601 | EQUIPMENT RENTAL | 159.00       |
| === VENDOR TOTALS === |                                |  | 159.00            |                         |                  |              |
| 01-0224               | ROBERT'S HUTCH-LINE            |  |                   |                         |                  |              |
| I-292079              | 4/10/2014<br>AP                | OFFICE SUPPLIES -ADMIN<br>DUE: 4/10/2014 DISC: 4/10/2014<br>OFFICE SUPPLIES -ADMIN           | 65.91             | 1099: N<br>01 5-10-8005 | OFFICE SUPPLIES  | 65.91        |
| I-292320              | 4/14/2014<br>AP                | OFFICE SUPPLIES-ADMIN<br>DUE: 4/14/2014 DISC: 4/14/2014<br>OFFICE SUPPLIES-ADMIN             | 32.10             | 1099: N<br>01 5-10-8005 | OFFICE SUPPLIES  | 32.10        |
| === VENDOR TOTALS === |                                |  | 98.01             |                         |                  |              |

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 SEQUENCE : ALPHABETIC  
 DUE TO/FROM ACCOUNTS SUPPRESSED

A/P Direct Item Register

| -----ID-----          | ITM DATE<br>BANK CODE | -----DESCRIPTION-----   | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT   | --ACCOUNT NAME--   | DISTRIBUTION                         |
|-----------------------|-----------------------|---|-------------------|---|--|--------------------------------------|
| =====                 |                       |   |                   |   |  |                                      |
| 01-0252               |                       | THE CLARION   |                   |   |  |                                      |
| I-507                 | 4/10/2014<br>AP       | LEGAL PUBLICATIONS<br>DUE: 4/10/2014 DISC: 4/10/2014<br>LEGAL PUBLICATIONS  | 125.00            | 1099: N<br>01 5-10-7205   | LEGAL PUBLICATI  | 125.00                               |
| I-513                 | 4/10/2014<br>AP       | LEGAL PUBLICATIONS<br>DUE: 4/10/2014 DISC: 4/10/2014<br>LEGAL PUBLICATIONS  | 100.00            | 1099: N<br>01 5-10-7205   | LEGAL PUBLICATI  | 100.00                               |
| === VENDOR TOTALS === |                       |   | 225.00            |   |  |                                      |
| =====                 |                       |   |                   |   |  |                                      |
| 01-0266               |                       | UNI FIRST   |                   |   |  |                                      |
| I-2400463812          | 4/15/2014<br>AP       | UNIFORMS AND MATS<br>DUE: 4/15/2014 DISC: 4/15/2014<br>UNIFORMS AND MATS<br>UNIFORMS AND MATS<br>UNIFORMS AND MATS<br>UNIFORMS AND MATS | 560.57            | 1099: N<br>01 5-40-7804<br>02 5-00-7804<br>20 5-00-7804<br>21 5-00-7804 | UNIFORMS/MATS C<br>UNIFORMS/MATS C<br>UNIFORMS/MATS C<br>UNIFORMS/MATS C | 140.15<br>140.15<br>140.15<br>140.12 |
| I-2400465276          | 4/22/2014<br>AP       | UNIFORMS AND MATS<br>DUE: 4/22/2014 DISC: 4/22/2014<br>UNIFORMS AND MATS<br>UNIFORMS AND MATS<br>UNIFORMS AND MATS<br>UNIFORMS AND MATS | 298.52            | 1099: N<br>01 5-40-7804<br>02 5-00-7804<br>20 5-00-7804<br>21 5-00-7804 | UNIFORMS/MATS C<br>UNIFORMS/MATS C<br>UNIFORMS/MATS C<br>UNIFORMS/MATS C | 74.63<br>74.63<br>74.63<br>74.63     |
| === VENDOR TOTALS === |                       |   | 859.09            |   |  |                                      |
| =====                 |                       |   |                   |   |  |                                      |
| 01-0269               |                       | UNUM PROVIDENT  |                   |   |  |                                      |
| I-201404231704        | 4/11/2014<br>AP       | LIFE, STD, AD&D PREMIUMS<br>DUE: 4/11/2014 DISC: 4/11/2014<br>LIFE, STD, AD&D PREMIUMS  | 526.75            | 1099: N<br>01 5-80-5211   | HEALTH/DENTAL/L  | 526.75                               |
| === VENDOR TOTALS === |                       |   | 526.75            |   |  |                                      |
| =====                 |                       |   |                   |   |  |                                      |
| 01-0278               |                       | WALMART COMMUNITY   |                   |   |  |                                      |
| I-201404231694        | 4/16/2014<br>AP       | COUNCIL MEETING SUPPLIES<br>DUE: 4/16/2014 DISC: 4/16/2014<br>COUNCIL MEETING SUPPLIES  | 20.96             | 1099: N<br>01 5-01-8603   | COMMODITIES  | 20.96                                |
| === VENDOR TOTALS === |                       |   | 20.96             |   |  |                                      |

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 SEQUENCE : ALPHABETIC  
 DUE TO/FROM ACCOUNTS SUPPRESSED

A/P Direct Item Register

| -----ID-----   | ITM DATE<br>BANK CODE | -----DESCRIPTION-----                                    | GROSS<br>DISCOUNT | P.O. #<br>G/L ACCOUNT | --ACCOUNT NAME-- | DISTRIBUTION |
|----------------|-----------------------|--|-------------------|-----------------------|------------------|--------------|
| 01-0291        |                       | WILLIAM MCKINLEY   |                   |                       |                  |              |
| I-201404231692 | 4/23/2014<br>AP       | TRAVEL REIMBURSEMENT<br>DUE: 4/23/2014 DISC: 4/23/2014   | 333.69            | 1099: N               |                  |              |
|                |                       | TRAVEL REIMBURSEMENT                                     |                   | 01 5-10-6305          | MILEAGE/TRAVEL   | 149.80       |
|                |                       | TRAVEL REIMBURSEMENT                                     |                   | 05 5-00-6305          | MILEAGE REIMBUR  | 57.40        |
|                |                       | TRAVEL REIMBURSEMENT                                     |                   | 01 5-10-6304          | MEAL/LODGING AL  | 126.49       |
|                |                       | === VENDOR TOTALS ===                                    | 333.69            |                       |                  |              |
| 01-0294        |                       | ZIPS EXPRESS CAR WASH                                    |                   |                       |                  |              |
| I-201404231687 | 3/31/2014<br>AP       | MARCH PD CAR WASHES<br>DUE: 3/31/2014 DISC: 3/31/2014    | 64.00             | 1099: N               |                  |              |
|                |                       | MARCH PD CAR WASHES                                      |                   | 01 5-20-8104          | AUTOMOTIVE       | 64.00        |
| I-201404231688 | 2/28/2014<br>AP       | FEBRUARY PD CAR WASHES<br>DUE: 2/28/2014 DISC: 2/28/2014 | 44.00             | 1099: N               |                  |              |
|                |                       | FEBRUARY PD CAR WASHES                                   |                   | 01 5-20-8104          | AUTOMOTIVE       | 44.00        |
|                |                       | === VENDOR TOTALS ===                                    | 108.00            |                       |                  |              |
|                |                       | === PACKET TOTALS ===                                    | 55,352.73         |                       |                  |              |

*Wonna Claer*  
 4/24/2014

**CITY OF MAIZE**  
**Bank Reconciliation Report**  
**For April 2014**

**Fund Balances**

| <b>FUND</b>            | <b>NAME</b>                       | <b>BEGIN PERIOD</b>    | <b>RECEIPTS</b>      | <b>DISBURSEMENTS</b> | <b>END PERIOD</b>      |
|------------------------|-----------------------------------|------------------------|----------------------|----------------------|------------------------|
| 01                     | General Fund                      | \$ 1,100,746.29        | \$ 99,039.25         | \$ 264,210.39        | \$ 935,575.15          |
| 02                     | Street Fund                       | 93,748.28              | 35,523.93            | 17,332.74            | 111,939.47             |
| 04                     | Capital Improvements Fund         | 462,605.32             | 14,614.32            | -                    | 477,219.64             |
| 05                     | Long-Term Projects                | 163,139.22             |                      | 134,265.63           | 28,873.59              |
| 10                     | Equipment Reserve Fund            | 108,746.13             | 12,502.71            | 21,399.56            | 99,849.28              |
| 11                     | Police Training Fund              | 5,184.30               | 192.00               | 449.89               | 4,926.41               |
| 12                     | Municipal Court Fund              | 14,279.91              | 1,092.52             | 9,294.22             | 6,078.21               |
| 16                     | Bond & Interest Fund              | 914,413.64             | 49,949.61            | -                    | 964,363.25             |
| 19                     | Wastewater Reserve Fund           | 140,553.22             | 1,928.92             | -                    | 142,482.14             |
| 20                     | Wastewater Treatment Fund         | 404,362.03             | 79,898.05            | 56,792.78            | 427,467.30             |
| 21                     | Water Fund                        | 339,304.78             | 75,606.90            | 60,698.61            | 354,213.07             |
| 22                     | Water Reserve Fund                | 77,063.81              | 1,000.00             |                      | 78,063.81              |
| 23                     | Water Bond Debt Reserve Fund      | 274,000.00             | 2,000.00             | -                    | 276,000.00             |
| 24                     | Wastewater Bond Debt Reserve Fund | 153,800.09             | 2,000.00             | -                    | 155,800.09             |
| 32                     | Drug Tax Distribution Fund        | 4,603.57               | -                    | -                    | 4,603.57               |
| 38                     | Cafeteria Plan                    | 281.07                 | 920.30               | 1,549.00             | (347.63)               |
| 40                     | Carlson Assessments Fund          | 59,025.21              | -                    | -                    | 59,025.21              |
| 47                     | 53rd & Maize Road Expansion       | 118,611.94             | -                    | 18,811.30            | 99,800.64              |
| 61                     | Carriage Crossing VI              | 114,483.09             | -                    | -                    | 114,483.09             |
| 71                     | Fiddlers Cove 3rd                 | (342.00)               | -                    | -                    | (342.00)               |
| 73                     | Hampton Lakes Commercial          | 13,068.00              | -                    |                      | 13,068.00              |
| 74                     | Hampton Lakes 2nd Addition        | 46,795.37              | -                    | -                    | 46,795.37              |
| 76                     | Series 2013 B Refunding Bonds     | 463.25                 |                      |                      | 463.25                 |
| 98                     | Maize Cemetery                    | 162,280.50             | 4,481.30             | 2,781.27             | 163,980.53             |
| <b>Totals All Fund</b> |                                   | <b>\$ 4,771,217.02</b> | <b>\$ 380,749.81</b> | <b>\$ 587,585.39</b> | <b>\$ 4,564,381.44</b> |

**Bank Accounts and Adjustments**

|                                   |                        |                      |                      |                        |
|-----------------------------------|------------------------|----------------------|----------------------|------------------------|
| Emprise Bank Checking Account     | \$ 289,893.64          | \$ 685,179.13        | \$ 480,854.41        | \$ 494,218.36          |
| Outstanding Items                 |                        |                      |                      | \$ (66,047.48)         |
| Emprise Bank Money Market Account | 4,372,124.85           | 105.18               | 400,000.00           | 3,972,230.03           |
| Maize Cemetery CD 85071           | 90,590.90              | 56.30                | -                    | 90,647.20              |
| Maize Cemetery Operations         | 71,689.60              | 4,425.00             | 2,781.27             | 73,333.33              |
| <b>Totals All Banks</b>           | <b>\$ 4,824,298.99</b> | <b>\$ 689,765.61</b> | <b>\$ 883,635.68</b> | <b>\$ 4,564,381.44</b> |

**CITY OF MAIZE**  
**Cash and Budget Position**  
**Thru March 31, 2014**

| <b>FUND</b>          | <b>NAME</b>                       | <b>BEGINNING<br/>CASH BALANCE</b> | <b>MONTH<br/>RECEIPTS</b> | <b>MONTH<br/>DISBURSEMENTS</b> | <b>END MONTH<br/>CASH BALANCE</b> | <b>ANNUAL<br/>EXPENSE<br/>BUDGET</b> | <b>YTD<br/>REVENUE</b> | <b>YTD<br/>EXPENSE</b> | <b>REMAINING<br/>EXPENSE<br/>BUDGET</b> | <b>REMAINING<br/>BUDGET<br/>PERCENTAGE</b> |
|----------------------|-----------------------------------|-----------------------------------|---------------------------|--------------------------------|-----------------------------------|--------------------------------------|------------------------|------------------------|---|--|
| 01                   | General Fund                      | \$ 1,100,746.29                   | \$ 99,039.25              | \$ 264,210.39                  | \$ 935,575.15                     | \$ 3,030,450.00                      | \$ 1,204,575.05        | \$ 875,419.64          | \$ 2,155,030.36                         | 71.11%                                     |
| 02                   | Street Fund                       | 93,748.28                         | 35,523.93                 | 17,332.74                      | 111,939.47                        | 268,000.00                           | 107,427.50             | 100,846.18             | 167,153.82                              | 62.37%                                     |
| 04                   | Capital Improvements Fund         | 462,605.32                        | 14,614.32                 | -                              | 477,219.64                        | 564,000.00                           | 58,501.90              | -                      | 564,000.00                              | 100.00%                                    |
| 05                   | Long-Term Projects                | 163,139.22                        | -                         | 134,265.63                     | 28,873.59                         | -                                    | -                      | 343,526.31             | -                                       | -  |
| 10                   | Equipment Reserve                 | 108,746.13                        | 12,502.71                 | 21,399.56                      | 99,849.28                         | 195,000.00                           | 50,010.76              | 47,111.02              | 147,888.98                              | 75.84%                                     |
| 11                   | Police Training Fund              | 5,184.30                          | 192.00                    | 449.89                         | 4,926.41                          | 10,000.00                            | 1,156.00               | 2,225.93               | 7,774.07                                | 77.74%                                     |
| 12                   | Municipal Court Fund              | 14,279.91                         | 1,092.52                  | 9,294.22                       | 6,078.21                          | -                                    | 6,062.24               | 10,044.22              | -                                       | -  |
| 16                   | Bond & Interest Fund              | 914,413.64                        | 49,949.61                 | -                              | 964,363.25                        | 2,191,290.00                         | 934,908.40             | 436,736.68             | 1,754,553.32                            | 80.07%                                     |
| 19                   | Wastewater Reserve Fund           | 140,553.22                        | 1,928.92                  | -                              | 142,482.14                        | -                                    | 7,715.68               | 7,498.00               | -                                       | -  |
| 20                   | Wastewater Treatment Fund         | 404,362.03                        | 79,898.05                 | 56,792.78                      | 427,467.30                        | 681,000.00                           | 289,519.26             | 229,691.65             | 451,308.35                              | 66.27%                                     |
| 21                   | Water Fund                        | 339,304.78                        | 75,606.90                 | 60,698.61                      | 354,213.07                        | 749,600.00                           | 276,715.89             | 246,460.68             | 503,139.32                              | 67.12%                                     |
| 22                   | Water Reserve Fund                | 77,063.81                         | 1,000.00                  | -                              | 78,063.81                         | 35,000.00                            | 4,000.00               | 16,500.00              | 18,500.00                               | 52.86%                                     |
| 23                   | Water Bond Debt Reserve Fund      | 274,000.00                        | 2,000.00                  | -                              | 276,000.00                        | -                                    | 8,000.00               | -                      | -                                       | -  |
| 24                   | Wastewater Bond Debt Reserve Fund | 153,800.09                        | 2,000.00                  | -                              | 155,800.09                        | -                                    | 8,000.00               | -                      | -                                       | -  |
| 32                   | Drug Tax Distribution Fund        | 4,603.57                          | -                         | -                              | 4,603.57                          | -                                    | -                      | -                      | -                                       | -  |
| 38                   | Cafeteria Plan                    | 281.07                            | 920.30                    | 1,549.00                       | (347.63)                          | -                                    | 4,141.35               | 4,889.61               | -                                       | -  |
| 40                   | Carlson Assessments Fund          | 59,025.21                         | -                         | -                              | 59,025.21                         | -                                    | -                      | -                      | -                                       | -  |
| 47                   | 53rd & Maize Road Expansion       | 118,611.94                        | -                         | 18,811.30                      | 99,800.64                         | -                                    | 20,356.32              | 26,848.80              | -                                       | -  |
| 61                   | Carriage Crossing VI              | 114,483.09                        | -                         | -                              | 114,483.09                        | -                                    | -                      | 39.78                  | -                                       | -  |
| 71                   | Fiddlers Cove 3rd                 | (342.00)                          | -                         | -                              | (342.00)                          | -                                    | -                      | -                      | -                                       | -  |
| 73                   | Hampton Lakes Commercial          | 13,068.00                         | -                         | -                              | 13,068.00                         | -                                    | -                      | -                      | -                                       | -  |
| 74                   | Hampton Lakes 2nd Addition        | 46,795.37                         | -                         | -                              | 46,795.37                         | -                                    | -                      | 39.78                  | -                                       | -  |
| 76                   | Series 2013B Refunding Bonds      | 463.25                            | -                         | -                              | 463.25                            | -                                    | -                      | -                      | -                                       | -  |
| 98                   | Maize Cemetery                    | 162,280.50                        | 4,481.30                  | 2,781.27                       | 163,980.53                        | 140,265.00                           | 20,156.56              | 18,054.85              | 122,210.15                              | 87.13%                                     |
| <b>Report Totals</b> |                                   | <b>\$ 4,771,217.02</b>            | <b>\$ 380,749.81</b>      | <b>\$ 587,585.39</b>           | <b>\$ 4,564,381.44</b>            | <b>\$ 7,864,605.00</b>               | <b>\$ 3,001,246.91</b> | <b>\$ 2,365,933.13</b> | <b>\$ 5,891,558.37</b>                  | <b>74.91%</b>                              |

**MAIZE CITY COUNCIL  
REGULAR MEETING  
MONDAY, MAY 19, 2014**

**AGENDA ITEM #7A**

**ITEM:** Approval of amendment to City of Maize Zoning Code

**BACKGROUND:** At their April 3, 2014 meeting, the Planning Commission completed their annual review of the Zoning Code and voted unanimously to recommend approval of one text revision to the Zoning Code. The recommended change is attached for your review.

**FINANCIAL CONSIDERATIONS:** None.

**LEGAL CONSIDERATIONS:** Notification was made of the public hearing to review the changes. An amending ordinance will be published upon approval.

**RECOMMENDATION/ACTION:** Adopt the ordinance.

(Published in The Clarion on May 22, 2014)

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE PROVIDING AMENDMENTS TO ARTICLE III, SECTION III-E.2.e.(1) OF THE CITY OF MAIZE ZONING CODE, AS ADOPTED BY ORDINANCE NO. 715, DEALING WITH THE TYPES OF STRUCTURES ALLOWED WITHIN BUILDING SETBACKS AS PREPARED AND APPROVED BY THE CITY OF MAIZE PLANNING COMMISSION.**

**BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF MAIZE:**

**SECTION 1.** Article III, Section III-E.2.e.(1) of the City of Maize Zoning code (November 13, 2006 Edition) as adopted by reference by Ordinance No. 715 is hereby amended to read as follows:

- (1) Features allowed within setbacks. The following structures and features may be located within required setbacks:
  - (a) Trees, shrubbery or other features of natural growth;
  - (b) Fences or walls that do not exceed six feet in height as measured on the side of the fence with the most vertical exposure above finished grade. Building material may only be wood, wood-like material, chain link metal or decorative iron;
  - (c) Driveways, patios and sidewalks;
  - (d) Signs, if permitted by applicable sign regulations;
  - (e) Bay windows, architectural design embellishments, and cantilevered floor areas of dwellings that do not project more than two feet into the required setback;
  - (f) Eaves that do not project more than 2 ½ feet into the required setback;
  - (g) Open outside stairways, decks, entrance hoods, terraces, canopies and balconies that do not project more than five feet into a required front or rear setback nor more than two feet into a required side setback;
  - (h) Chimneys, flues and ventilating ducts that do not project more than two feet into a required setback and when placed so as not to obstruct light and ventilation;
  - (i) Open, unenclosed porches and carports that do not project more than eight feet into a required front setback nor more than five feet into a required rear setback;
  - (j) Utility lines, wires and associated structures, such as power poles;
  - (k) Detached unenclosed canopy structures over motor fuel pump islands, drive-throughs, bank aisles, and ATM machines, provided that the supports for the structures and the equipment they cover shall be located at least ten feet from the right-of-way, and provided that no portion of the canopy shall project over the public right-of-way, utility easements, required landscape area, required setback adjoining a residential zoning district, or any adjoining property line. Whenever the equipment ceases to be used for its purpose, the equipment and all canopies shall be removed within 90 days or prior to conversion of the property to another use, whichever occurs first;
  - (l) Window well not over 8 inches above grade may project a maximum of 44 inches, including all structural elements;

(m) Condensing units may be placed in accordance with the provisions of Secs. III-D.7e(1) and III-D-7.e(3).

**SECTION 2. Effective Date.** This ordinance shall take effect upon its publication in the official City newspaper.

APPROVED AND ADOPTED BY THE GOVERNING BODY OF THE CITY OF MAIZE,  
KANSAS THIS 19<sup>TH</sup> DAY OF MAY, 2014

---

Clair Donnelly, Mayor

(Seal)

ATTEST:

---

Jocelyn Reid, City Clerk

**MAIZE CITY COUNCIL  
REGULAR MEETING  
MONDAY, May 19, 2014**

**AGENDA ITEM # 8A**

**ITEM: American Ramp Company Proposal**

**BACKGROUND:**

The current skate park was closed because it fails to meet insurance requirements. The existing equipment has been listed on Purple-Wave for sale.

The Tree and Park Board recommends a new skate park be constructed west of the baseball field. Location map attached.

Staff researched several options as to the type of design and components desired for a new skate park. After review and discussion, staff is recommending the American Ramp Company proposal. With Council approval, the American Ramp Company will commence the production and delivery of the components for the new skate park. This normally takes between 60-90 days. Design and components for the new park are attached.

At a future Council meeting a "concrete flat work" agreement, utilizing a local vender, will require approval. In addition to the skate park flat work a 6' sidewalk from Central Street on the north and from the school parking lot on the south will be included in the park design. Attached is a concept map for review.

The design of the new skate park complies with insurance standards.

The Tree and Park Board, along with city staff, recommend approving the American Ramp Company proposal.

**FINANCIAL CONSIDERATIONS:**

The Tree and Park Board has recommend an amount not-to-exceed \$50,000 from the Dugan Park monies to build the new skate park. The American Ramp Company proposal is \$28,990.38. A balance of \$21,000 will remain for concrete flat work and sidewalks. This agreement will be brought back to the Council at a future meeting.

**LEGAL CONSIDERATIONS:**

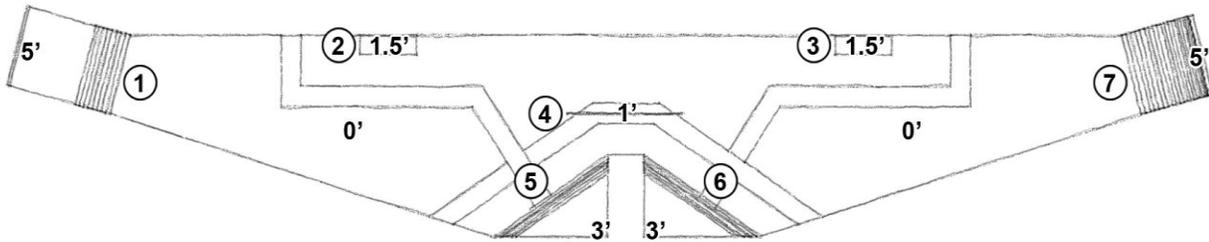
City Attorney reviewed the American Ramp Company documents and approves as to form.

The required sidewalk easement has been approved by the school district for the portion next to the school parking lot.

**RECOMMENDATION/ACTION:**

Approve the American Ramp Company proposal in an amount of \$28,990.38

601 McKinley  
 Joplin, MO 64801  
 Toll-free 877-RAMP-778  
 Local 417-206-6816  
 Fax 417-206-6888  
[sales@americanrampcompany.com](mailto:sales@americanrampcompany.com)



**\*Gap in bat wings to be filled in as per rendered design\***

| Quote #  | Design # | FOB       |
|----------|----------|-----------|
| 00915_RJ | 22054    | Maize, KS |

| Item | Obstacle                | Height | Width | Length |                    |
|------|-------------------------|--------|-------|--------|--------------------|
| 1    | Bank Ramp (ND)          | 5.0'   | 8.0'  | 11.0'  |                    |
| 2    | Skate Bench (Concrete)  | 1.5'   | 2.0'  | 6.0'   |                    |
| 3    | Skate Bench (Concrete)  | 1.5'   | 2.0'  | 6.0'   |                    |
| 4    | Grind Rail (Round)      | 1.0'   | 2"    | 12.0'  |                    |
| 5    | Bat Wing (Concrete)     | 3.0'   | 12.0' | 8.0'   |                    |
| 6    | Bat Wing (Concrete)     | 3.0'   | 12.0' | 8.0'   |                    |
| 7    | Quarter Pipe (ND)       | 5.0'   | 8.0'  | 7.0'   |                    |
|      | Subtotal                |        |       |        | \$24,504.37        |
|      | Freight                 |        |       |        | FREE               |
|      | Installation (Inground) |        |       |        | \$4,486.01         |
|      | Construction Docs       |        |       |        | INC.               |
|      | <b>TOTAL</b>            |        |       |        | <b>\$28,990.38</b> |

Site Work To be locally bid through Con. Docs.  
 Colored Concrete To be locally bid through Con. Docs.

**Signature:**

**Date:**

**Notes:**

- Prevailing wage, bonding, sales tax not included. If necessary, call for revised quote.
- Bid administration for sitework/flatwork/colored concrete to be completed by others with construction documents provided.
- Includes no permits, fees, site surveying or engineering of any kind.
- CDs do not include location specific, engineer stamped drawings
- Customer will provide unobstructed, safe, continuous access to work area, including access for heavy equipment.
- Customer will provide specific digital format information such as topography, drainage, structures, obstructions, surveying, geotechnical reports, etc.
- Estimated Monthly Payment is based on a Tax-Exempt Municipal Lease. Final rates are subject to credit review and/or market changes in the index rate. For more options/information please contact our Finance Partner:  
 Joel Quam with NCL at 866-763-7600 or [jquam@LeaseServicingCenter.com](mailto:jquam@LeaseServicingCenter.com)



[CLICK HERE TO VIEW DESIGN VIDEOS](#)



601 McKinley  
 Joplin, MO 64801  
 Tel: (417) 206-6816  
 Toll Free: (800) 949-2024  
 Fax: (417) 206-6888  
[sales@americanrampcompany.com](mailto:sales@americanrampcompany.com)

|                 |             |
|-----------------|-------------|
| <b>DRAWN BY</b> | Chuck Dodge |
| <b>DATE</b>     | 5/12/2014   |

**REP. AGENCY**

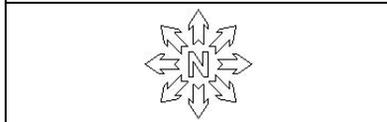
**American Ramp Company**

**REP. NAME**

**Robb Jones**

**REP. PHONE**

**(417) 206-6816**



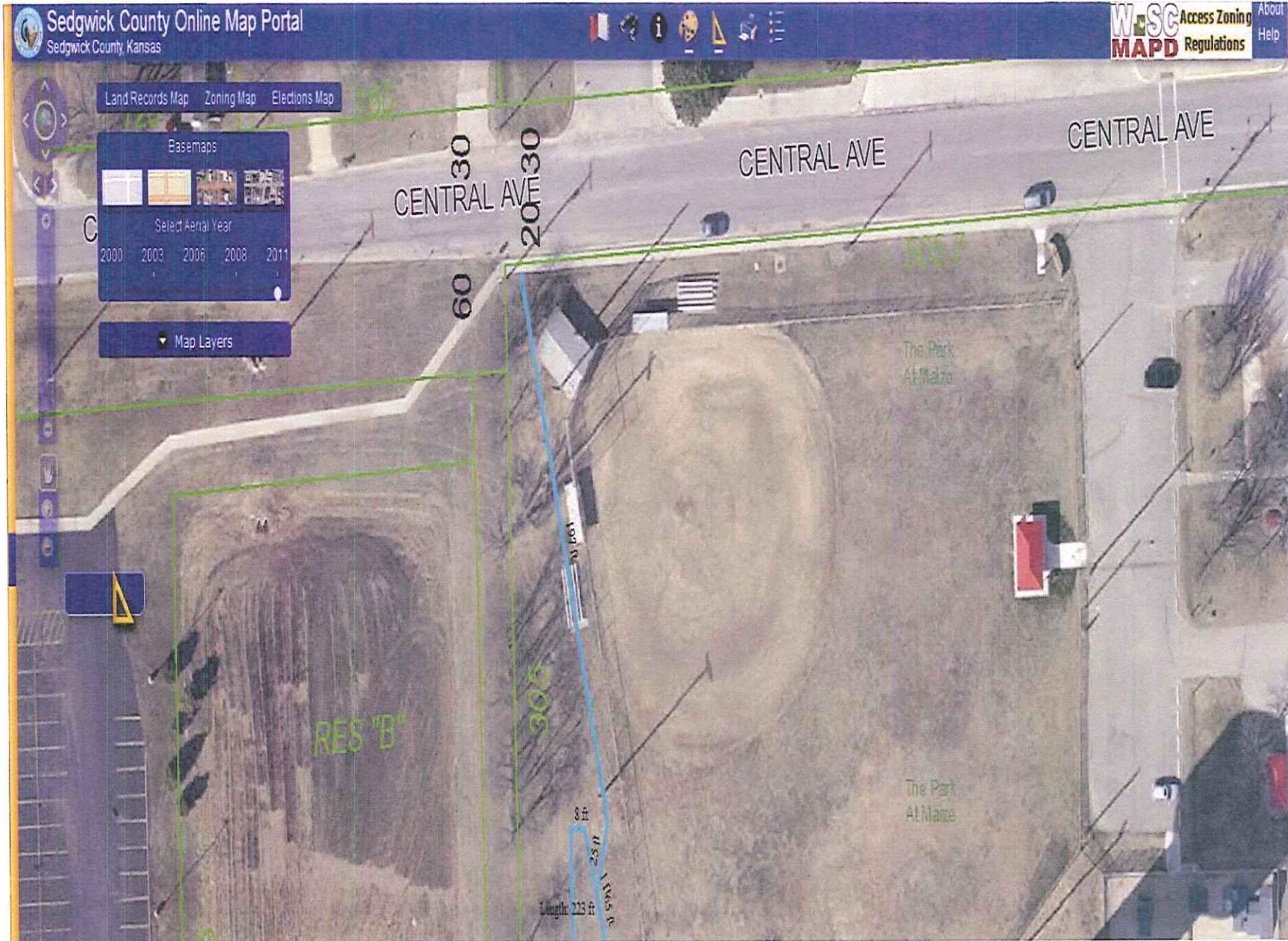
| CUSTOMER APPROVAL | DATE |
|-------------------|------|
|                   |      |

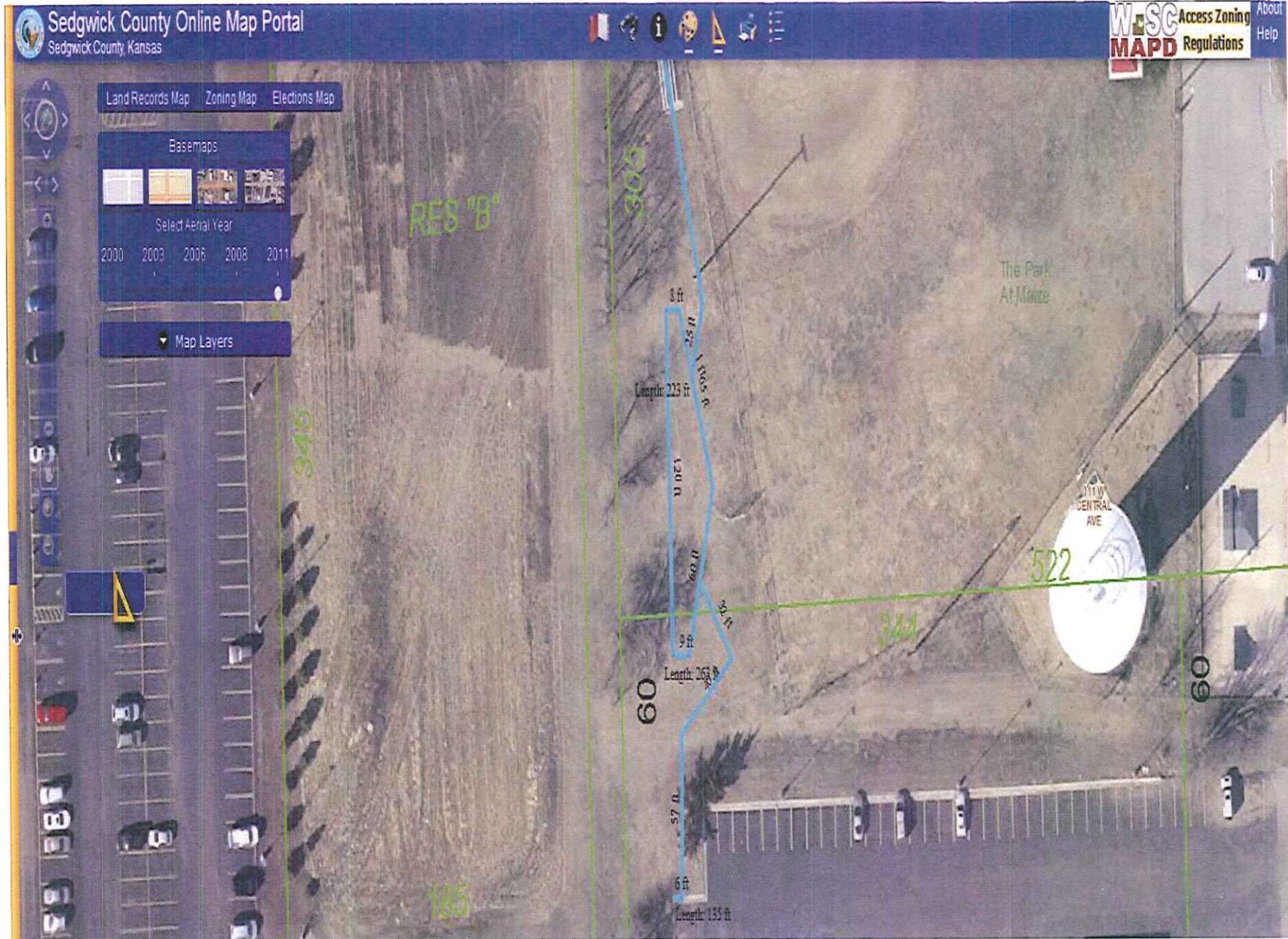
|                       |     |
|-----------------------|-----|
| <b>PARK ENCLOSED?</b> | Yes |
| <b>PRO SERIES</b>     | -   |
| <b>X SERIES</b>       | -   |
| <b>STEALTH SERIES</b> | -   |
| <b>SOLO SERIES</b>    | ✓   |

**PROJECT NAME**

**Maize Skate Park**

|                   |              |
|-------------------|--------------|
| <b>DESIGN NO.</b> | <b>22054</b> |
|-------------------|--------------|





**MAIZE CITY COUNCIL  
REGULAR MEETING  
MONDAY, MAY, 2014**

**AGENDA ITEM #8B**

**ITEM:        **Kansas State Bank of Manhattan Finance Agreement****

**BACKGROUND**

There are approximately 850 manual read water meters in Maize. Staff is recommending the purchase of 900 electronic read meters to replace these meters. By replacing the manual read meters it would utilize staff time more efficient and reduce hours associated with the reading of meters.

In the past the purchase of these water meters has been discussed with the Council. It has also been a topic of Council updates. The meters will be purchased using a five-year lease purchase agreement with the delivery of all the meters being received up front.

Public Works Director, Ron Smothers, believes that public works employees can have all of the old meters replaced and the new meters in the ground before cold weather arrives later this year.

**FINANCIAL CONSIDERATIONS**

Currently the city pays \$169 for each electronic water meter purchased. On average 100+ meters a year are required. The meters are for new homes and replacement of some old ones. Under this agreement the cost per meter will be \$140, a saving of \$29 per meter.

Total cost of for the 900 meters will be \$126,000. The City buys meters through the Mueller Systems Company. Kansas State Bank of Manhattan is their funding entity.

It is proposed that the City pay 10% down of \$12,600 with a yearly payment of \$25,181 for five (5) years. The interest rate on this is 3.591%.

**LEGAL CONSIDERATIONS:**

The City Attorney and City Bond Attorney approve the agreement as to form.

**RECOMMENDED ACTION:**

Approve the purchase of 900 water meters in the amount \$126,000 and approve the finance agreement with Kansas State Bank of Manhattan and authorize the Mayor to sign.

## GOVERNMENT OBLIGATION CONTRACT

### Obligor

City of Maize, Kansas  
10100 West Grady Avenue  
Maize, Kansas 67101

### Obligee

Kansas State Bank of Manhattan  
1010 Westloop; P.O. Box 69  
Manhattan, Kansas 66505-0069

**Dated as of May 30, 2014**

This Government Obligation Contract dated as of the date listed above is between Obligee and Obligor listed directly above. Obligee desires to finance the purchase of the Equipment described in Exhibit A to Obligor and Obligor desires to have Obligee finance the purchase of the Equipment subject to the terms and conditions of this Contract which are set forth below.

#### I. Definitions

Section 1.01 Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Additional Schedule" refers to the proper execution of additional schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by the Obligee all of which relate to the financing of additional Equipment.

"Budget Year" means the Obligor's fiscal year.

"Commencement Date" is the date when Obligor's obligation to pay Contract Payments begins.

"Contract" means this Government Obligation Contract and all Exhibits attached hereto, all addenda, modifications, schedules, refinancings, guarantees and all documents relied upon by Obligee prior to execution of this Contract.

"Contract Payments" means the payments Obligor is required to make under this Contract as set forth on Exhibit B.

"Contract Term" means the Original Term and all Renewal Terms.

"Exhibit" includes the Exhibits attached hereto, and any "Additional Schedule", whether now existing or subsequently created.

"Equipment" means all of the items of Equipment listed on Exhibit A and any Additional Schedule, whether now existing or subsequently created, and all replacements, restorations, modifications and improvements.

"Government" as used in the title hereof means a State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended ("Code"), or a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.

"Obligee" means the entity originally listed above as Obligee or any of its assignees.

"Obligor" means the entity listed above as Obligor and which is financing the Equipment through Obligee under the provisions of this Contract.

"Original Term" means the period from the Commencement Date until the end of the Budget Year of Obligor.

"Partial Prepayment Date" means the first Contract Payment date that occurs on or after the earlier of (a) the twenty-four month (24) anniversary of the Commencement Date or (b) the date on which Obligor has accepted all the Equipment and all amounts have been disbursed from the Vendor Payable Account to pay for the Equipment.

"Purchase Price" means the total cost of the Equipment, including all delivery charges, installation charges, legal fees, financing costs, recording and filing fees and other costs necessary to vest full, clear legal title to the Equipment in Obligor, subject to the security interest granted to and retained by Obligee as set forth in this Contract, and otherwise incurred in connection with the financing of this Equipment.

"Renewal Term" means the annual term which begins at the end of the Original Term and which is simultaneous with Obligor's Budget Year and each succeeding Budget Year for the number of Budget Years necessary to comprise the Contract Term.

"State" means the state in which Obligor is located.

"Surplus Amount" means any amount on deposit in the Vendor Payable Account on the Partial Prepayment Date.

"Vendor Payable Account" means the separate account of that name established pursuant to Section X of this Contract.

#### II. Obligor Warranties

Section 2.01 Obligor represents, warrants and covenants as follows for the benefit of Obligee or its assignees:

(a) Obligor is an "issuer of tax exempt obligations" because Obligor is the State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended, (the "Code") or because Obligor is a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.

(b) Obligor has complied with any requirement for a referendum and/or competitive bidding.

(c) Obligor has complied with all statutory laws and regulations that may be applicable to the execution of this Contract; Obligor, and its officer executing this Contract, are authorized under the Constitution and laws of the State to enter into this Contract and have used and followed all proper procedures of its governing body in executing and delivering this Contract. The officer of Obligor executing this Contract has the authority to execute and deliver this Contract. This Contract constitutes a legal, valid, binding and enforceable obligation of the Obligor in accordance with its terms.

(d) Obligor shall use the Equipment only for essential, traditional government purposes.

(e) Should the IRS disallow the tax-exempt status of the interest portion of the Contract Payments as a result of the failure of the Obligor to use the Equipment for governmental purposes, or should the Obligor cease to be an issuer of tax exempt obligations, or should the obligation of Obligor created under this Contract cease to be a tax exempt obligation for any reason, then Obligor shall be required to pay additional sums to the Obligee or its assignees so as to bring the after tax yield on this Contract to the same level as the Obligee or its assignees would attain if the transaction continued to be tax-exempt.

(f) Obligor has never non-appropriated funds under a contract similar to this Contract.

(g) Obligor will submit to the Secretary of the Treasury an information reporting statement as required by the Code.

(h) Upon request by Obligee, Obligor will provide Obligee with current financial statements, reports, budgets or other relevant fiscal information.

(i) Obligor shall retain the Equipment free of any hazardous substances as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et. seq. as amended and supplemented.

(j) Obligor hereby warrants the General Fund of the Obligor is the primary source of funds or a backup source of funds from which the Contract Payments will be made.

(k) Obligor presently intends to continue this Contract for the Original Term and all Renewal Terms as set forth on Exhibit B hereto. The official of Obligor responsible for budget preparation will include in the budget request for each Budget Year the Contract Payments to become due in such Budget Year, and will use all reasonable and lawful means available to secure the appropriation of money for such Budget Year sufficient to pay the Contract Payments coming due therein. Obligor reasonably believes that moneys can and will lawfully be appropriated and made available for this purpose.

(l) Obligor has selected both the Equipment and the vendor(s) from whom the Equipment is to be purchased upon its own judgment and without reliance on any manufacturer, merchant, vendor or distributor, or agent thereof, of such equipment to the public.

(m) Obligor owns free and clear of any liens any additional collateral pledged, subject only to the lien described herein; Obligor has not and will not, during the Contract Term, create, permit, incur or assume any levies, liens or encumbrances of any kind with respect to the Equipment and any additional collateral except those created by this Contract.

Section 2.02 Escrow Agreement. In the event both Obligee and Obligor mutually agree to utilize an Escrow Account, then immediately following the execution and delivery of this Contract, Obligee and Obligor agree to execute and deliver and to cause Escrow Agent to execute and deliver the Escrow Agreement. This Contract shall take effect only upon execution and delivery of the Escrow Agreement by the parties thereto. Obligee shall deposit or cause to be deposited with the Escrow Agent for credit to the Equipment Acquisition Fund the sum of N/A, which shall be held, invested and disbursed in accordance with the Escrow Agreement.

#### III. Acquisition of Equipment, Contract Payments and the Purchase Option Price

Section 3.01 Acquisition and Acceptance. Obligor shall be solely responsible for the ordering of the Equipment and for the delivery and installation of the Equipment. The Payment Request and Equipment Acceptance Form must be signed by the same authorized individual(s) who signed the Signature Card, Exhibit G. By making a Contract Payment after its receipt of the Equipment pursuant to this Contract, Obligor shall be deemed to have accepted the Equipment on the date of such Contract Payment for purposes of this Contract. All Contract Payments paid prior to delivery of the Payment Request and Equipment Acceptance Form shall be credited to Contract Payments as they become due as shown on the Contract Payment Schedule attached as Exhibit B hereto.

**Section 3.02 Contract Payments.** Obligor shall pay Contract Payments exclusively to Obligee or its assignees in lawful, legally available money of the United States of America. The Contract Payments shall be sent to the location specified by the Obligee or its assignees. The Contract Payments shall constitute a current expense of the Obligor and shall not constitute an indebtedness of the Obligor. The Contract Payments, payable without notice or demand, are due as set forth on Exhibit B. Obligee shall have the option to charge interest at the highest lawful rate on any Contract Payment received later than the due date for the number of days that the Contract Payment(s) were late, plus any additional accrual on the outstanding balance for the number of days that the Contract Payment(s) were late. Obligee shall also have the option, on monthly payments only, to charge a late fee of up to 10% of the monthly Contract Payment that is past due. Furthermore, Obligor agrees to pay any fees associated with the use of a payment system other than check, wire transfer, or ACH. Once all amounts due Obligee hereunder have been received, Obligee will release any and all of its rights, title and interest in the Equipment.

**SECTION 3.03 Contract Payments Unconditional.** Except as provided under Section 4.01, THE OBLIGATIONS OF OBLIGOR TO MAKE CONTRACT PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS CONTAINED IN THIS CONTRACT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF, OR SUBJECT TO DEFENSE OR COUNTERCLAIM.

**Section 3.04 Purchase Option Price.** Upon thirty (30) days written notice, Obligor shall have the option to pay, in addition to the Contract Payment, the corresponding Purchase Option Price which is listed on the same line on Exhibit B. This option is only available to the Obligor on the Contract Payment date and no partial prepayments are allowed. If Obligor chooses this option and pays the Purchase Option Price to Obligee then Obligee will transfer any and all of its rights, title and interest in the Equipment to Obligor.

**Section 3.05 Contract Term.** The Contract Term shall be the Original Term and all Renewal Terms until all the Contract Payments are paid as set forth on Exhibit B except as provided under Section 4.01 and Section 9.01 below. If, after the end of the budgeting process which occurs at the end of the Original Term or any Renewal Term, Obligor has not non-appropriated as provided for in this Contract then the Contract Term shall be extended into the next Renewal Term and the Obligor shall be obligated to make all the Contract Payments that come due during such Renewal Term.

**Section 3.06 Disclaimer of Warranties.** OBLIGEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER WARRANTY WITH RESPECT TO THE EQUIPMENT. OBLIGEE IS NOT A MANUFACTURER, VENDOR OR DISTRIBUTOR, OR AGENT THEREOF, OF SUCH EQUIPMENT; NOR IS OBLIGEE A MERCHANT OR IN THE BUSINESS OF DISTRIBUTING SUCH EQUIPMENT TO THE PUBLIC. OBLIGEE SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE ARISING OUT OF THE INSTALLATION, OPERATION, POSSESSION, STORAGE OR USE OF THE EQUIPMENT BY OBLIGOR.

#### **IV. Non-Appropriation**

**Section 4.01 Non-Appropriation.** If insufficient funds are available in Obligor's budget for the next Budget Year to make the Contract Payments for the next Renewal Term and the funds to make such Contract Payments are otherwise unavailable by any lawful means whatsoever, then Obligor may non-appropriate the funds to pay the Contract Payments for the next Renewal Term. Such non-appropriation shall be evidenced by the passage of an ordinance or resolution by the governing body of Obligor specifically prohibiting Obligor from performing its obligations under this Contract and from using any moneys to pay the Contract Payments due under this Contract for a designated Budget Year and all subsequent Budget Years. If Obligor non-appropriates, then all obligations of the Obligor under this Contract regarding Contract Payments for all remaining Renewal Terms shall be terminated at the end of the then current Original Term or Renewal Term without penalty or liability to the Obligor of any kind provided that if Obligor has not delivered possession of the Equipment to Obligee as provided herein and conveyed to Obligee or released its interest in the Equipment by the end of the last Budget Year for which Contract Payments were paid, the termination shall nevertheless be effective but Obligor shall be responsible for the payment of damages in an amount equal to the amount of the Contract Payments thereafter coming due under Exhibit B which are attributable to the number of days after such Budget Year during which Obligor fails to take such actions and for any other loss suffered by Obligee as a result of Obligor's failure to take such actions as required. Obligor shall immediately notify the Obligee as soon as the decision to non-appropriate is made. If such non-appropriation occurs, then Obligor shall deliver the Equipment to Obligee as provided below in Section 9.04. Obligor shall be liable for all damage to the Equipment other than normal wear and tear. If Obligor fails to deliver the Equipment to Obligee, then Obligee may enter the premises where the Equipment is located and take possession of the Equipment and charge Obligor for costs incurred.

#### **V. Insurance, Damage, Insufficiency of Proceeds**

**Section 5.01 Insurance.** Obligor shall maintain both casualty insurance and liability insurance at its own expense with respect to the Equipment. Obligor shall be solely responsible for selecting the insurer(s) and for making all premium payments and ensuring that all policies are continuously kept in effect during the period when Obligor is required to make Contract Payments. Obligor shall provide Obligee with a Certificate of Insurance which lists the Obligee and/or assigns as a loss payee and an additional insured on the policies with respect to the Equipment.

- (a) Obligor shall insure the Equipment against any loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Obligee in an amount at least equal to the then applicable Purchase Option Price of the Equipment. Alternatively, Obligor may insure the Equipment under a blanket insurance policy or policies.
- (b) The liability insurance shall insure Obligee from liability and property damage in any form and amount satisfactory to Obligee.
- (c) Obligor may self-insure against the casualty risks and liability risks described above. If Obligor chooses this option, Obligor must furnish Obligee with a certificate and/or other documents which evidences such coverage.
- (d) All insurance policies issued or affected by this Section shall be so written or endorsed such that the Obligee and its assignees are named additional insureds and loss payees and that all losses are payable to Obligor and Obligee or its assignees as their interests may appear. Each policy issued or affected by this Section shall contain a provision that the insurance company shall not cancel or materially modify the policy without first giving thirty (30) days advance notice to Obligee or its assignees. Obligor shall furnish to Obligee certificates evidencing such coverage throughout the Contract Term.

**Section 5.02 Damage to or Destruction of Equipment.** Obligor assumes the risk of loss or damage to the Equipment. If the Equipment or any portion thereof is lost, stolen, damaged, or destroyed by fire or other casualty, Obligor will immediately report all such losses to all possible insurers and take the proper procedures to obtain all insurance proceeds. At the option of Obligee, Obligor shall either (1) apply the Net Proceeds to replace, repair or restore the Equipment or (2) apply the Net Proceeds to the applicable Purchase Option Price. For purposes of this Section and Section 5.03, the term Net Proceeds shall mean the amount of insurance proceeds collected from all applicable insurance policies after deducting all expenses incurred in the collection thereof.

**Section 5.03 Insufficiency of Net Proceeds.** If there are no Net Proceeds for whatever reason or if the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement of the Equipment, then Obligor shall, at the option of Obligee, either (1) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds or (2) apply the Net Proceeds to the Purchase Option Price and pay the deficiency, if any, to the Obligee.

**Section 5.04 Obligor Negligence.** Obligor assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Equipment and for injury to or death of any person or damage to any property whether such injury or death be with respect to agents or employees of Obligor or of third parties, and whether such property damage be to Obligor's property or the property of others (including, without limitation, liabilities for loss or damage related to the release or threatened release of hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act or similar or successor law or any State or local equivalent now existing or hereinafter enacted which in any manner arise out of or are incident to any possession, use, operation, condition or storage of any Equipment by Obligor), which is proximately caused by the negligent conduct of Obligor, its officers, employees and agents.

**Section 5.05 Indemnification.** Obligor hereby assumes responsibility for and agrees to reimburse Obligee for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on or asserted against Obligee that in any way relate to or arise out of a claim, suit or proceeding, based in whole or in part upon the negligent conduct of Obligor, its officers, employees and agents, or arose out of installation, operation, possession, storage or use of any item of the Equipment, to the maximum extent permitted by law.

#### **VI. Title and Security Interest**

**Section 6.01 Title.** Title to the Equipment shall vest in Obligor when Obligor acquires and accepts the Equipment. Title to the Equipment will automatically transfer to the Obligee in the event Obligor non-appropriates under Section 4.01 or in the event Obligor defaults under Section 9.01. In such event, Obligor shall execute and deliver to Obligee such documents as Obligee may request to evidence the passage of legal title to the Equipment to Obligee.

**Section 6.02 Security Interest.** To secure the payment of all Obligor's obligations under this Contract, as well as all other obligations, debts and liabilities, plus interest thereon, whether now existing or subsequently created, Obligor hereby grants to Obligee a security interest under the Uniform Commercial Code constituting a first lien on the Equipment described more fully on Exhibit A, including any and all additional collateral listed on any other Exhibit A. The security interest established by this section includes not only all additions, attachments, repairs and replacements to the Equipment but also all proceeds therefrom. Obligor authorizes Obligee to prepare and record any Financing Statement required under the Uniform Commercial Code to perfect the security interest created hereunder. Obligor agrees that any Equipment listed on Exhibit A is and will remain personal property and will not be considered a fixture even if attached to real property.

#### **VII. Assignment**

**Section 7.01 Assignment by Obligee.** All of Obligee's rights, title and/or interest in and to this Contract may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees by Obligee at any time without the consent of Obligor. No such assignment shall be effective as against Obligor until the assignor shall have filed with Obligor written notice of assignment identifying the assignee. Obligor shall pay all Contract Payments due hereunder relating to such Equipment to or at the direction of Obligee or the assignee named in the notice of assignment. Obligor shall keep a complete and accurate record of all such assignments.

Section 7.02 Assignment by Obligor. None of Obligor's right, title and interest under this Contract and in the Equipment may be assigned by Obligor unless Obligees approve of such assignment in writing before such assignment occurs and only after Obligor first obtains an opinion from nationally recognized counsel stating that such assignment will not jeopardize the tax-exempt status of the obligation.

#### **VIII. Maintenance of Equipment**

Section 8.01 Equipment. Obligor shall keep the Equipment in good repair and working order, and as required by manufacturer's and warranty specifications. If Equipment consists of copiers, Obligor is required to enter into a copier maintenance/service agreement. Obligees shall have no obligation to inspect, test, service, maintain, repair or make improvements or additions to the Equipment under any circumstances. Obligor will be liable for all damage to the Equipment, other than normal wear and tear, caused by Obligor, its employees or its agents. Obligor shall pay for and obtain all permits, licenses and taxes necessary for the installation, operation, possession, storage or use of the Equipment. If the Equipment includes any titled vehicle(s), then Obligor is responsible for obtaining such title(s) from the State and also for ensuring that Obligees is listed as First Lienholder on all of the title(s). Obligor shall not use the Equipment to haul, convey or transport hazardous waste as defined in the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et. seq. Obligor agrees that Obligees or its Assignee may execute any additional documents including financing statements, affidavits, notices, and similar instruments, for and on behalf of Obligor which Obligees deems necessary or appropriate to protect Obligees' interest in the Equipment and in this Contract. Obligor shall allow Obligees to examine and inspect the Equipment at all reasonable times.

#### **IX. Default**

Section 9.01 Events of Default defined. The following events shall constitute an "Event of Default" under this Contract:

- (a) Failure by Obligor to pay any Contract Payment listed on Exhibit B for fifteen (15) days after such payment is due according to the Payment Date listed on Exhibit B.
- (b) Failure to pay any other payment required to be paid under this Contract at the time specified herein and a continuation of said failure for a period of fifteen (15) days after written notice by Obligees that such payment must be made. If Obligor continues to fail to pay any payment after such period, then Obligees may, but will not be obligated to, make such payments and charge Obligor for all costs incurred plus interest at the highest lawful rate.
- (c) Failure by Obligor to observe and perform any warranty, covenant, condition, promise or duty under this Contract for a period of thirty (30) days after written notice specifying such failure is given to Obligor by Obligees, unless Obligees agrees in writing to an extension of time. Obligees will not unreasonably withhold its consent to an extension of time if corrective action is instituted by Obligor. Subsection (c) does not apply to Contract Payments and other payments discussed above.
- (d) Any statement, material omission, representation or warranty made by Obligor in or pursuant to this Contract which proves to be false, incorrect or misleading on the date when made regardless of Obligor's intent and which materially adversely affects the rights or security of Obligees under this Contract.
- (e) Any provision of this Contract which ceases to be valid for whatever reason and the loss of such provision would materially adversely affect the rights or security of Obligees.
- (f) Except as provided in Section 4.01 above, Obligor admits in writing its inability to pay its obligations.
- (g) Obligor defaults on one or more of its other obligations.
- (h) Obligor becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies for or consents to the appointment of a receiver, trustee, conservator, custodian, or liquidator of Obligor, or all or substantially all of its assets, or a petition for relief is filed by Obligor under federal bankruptcy, insolvency or similar laws, or is filed against Obligor and is not dismissed within thirty (30) days thereafter.

Section 9.02 Remedies on Default. Whenever any Event of Default exists, Obligees shall have the right to take one or any combination of the following remedial steps:

- (a) With or without terminating this Contract, Obligees may declare all Contract Payments and other amounts payable by Obligor hereunder to the end of the then current Budget Year to be immediately due and payable.
- (b) With or without terminating this Contract, Obligees may require Obligor at Obligor's expense to redeliver any or all of the Equipment and any additional collateral to Obligees as provided below in Section 9.04. Such delivery shall take place within fifteen (15) days after the Event of Default occurs. If Obligor fails to deliver the Equipment and any additional collateral, Obligees may enter the premises where the Equipment and any additional collateral is located and take possession of the Equipment and any additional collateral and charge Obligor for cost incurred. Notwithstanding that Obligees has taken possession of the Equipment and any additional collateral, Obligor shall still be obligated to pay the remaining Contract Payments due up until the end of the then current Original Term or Renewal Term. Obligor will be liable for any damage to the Equipment and any additional collateral caused by Obligor or its employees or agents.
- (c) Obligees may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights. Obligor shall be responsible to Obligees for all costs incurred by Obligees in the enforcement of its rights under this Contract including, but not limited to, reasonable attorney fees.

Section 9.03 No Remedy Exclusive. No remedy herein conferred upon or reserved to Obligees is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or shall be construed to be a waiver thereof.

Section 9.04 Return of Equipment and Storage.

- (a) **Surrender:** The Obligor shall, at its own expense, surrender the Equipment, any Additional Collateral and all required documentation to evidence transfer of title from Obligor to the Obligees in the event of a default or a non-appropriation by delivering the Equipment and any Additional Collateral to the Obligees to a location accessible by common carrier and designated by Obligees. In the case that any of the Equipment and any Additional Collateral consists of software, Obligor shall destroy all intangible items constituting such software and shall deliver to Obligees all tangible items constituting such software. At Obligees' request, Obligor shall also certify in a form acceptable to Obligees that Obligor has complied with the above software return provisions and that they will immediately cease using the software and that they shall permit Obligees and/or the vendor of the software to inspect Obligor's locations to verify compliance with the terms hereto.
- (b) **Delivery:** The Equipment and any Additional Collateral shall be delivered to the location designated by the Obligees by a common carrier unless the Obligees agrees in writing that a common carrier is not needed. When the Equipment and any Additional Collateral is delivered into the custody of a common carrier, the Obligor shall arrange for the shipping of the item and its insurance in transit in accordance with the Obligees' instructions and at the Obligor's sole expense. Obligor at its expense shall completely sever and disconnect the Equipment and any Additional Collateral or its component parts from the Obligor's property all without liability to the Obligees. Obligor shall pack or crate the Equipment and any Additional Collateral and all of the component parts of the Equipment and any Additional Collateral carefully and in accordance with any recommendations of the manufacturer. The Obligor shall deliver to the Obligees the plans, specifications, operation manuals or other warranties and documents furnished by the manufacturer or vendor on the Equipment and any Additional Collateral and such other documents in the Obligor's possession relating to the maintenance and methods of operation of such Equipment and any Additional Collateral.
- (c) **Condition:** When the Equipment is surrendered to the Obligees it shall be in the condition and repair required to be maintained under this Contract. It will also meet all legal regulatory conditions necessary for the Obligees to sell or lease it to a third party and be free of all liens. If Obligees reasonably determines that the Equipment or an item of the Equipment, once it is returned, is not in the condition required hereby, Obligees may cause the repair, service, upgrade, modification or overhaul of the Equipment or an item of the Equipment to achieve such condition and upon demand, Obligor shall promptly reimburse Obligees for all amounts reasonably expended in connection with the foregoing.
- (d) **Storage:** Upon written request by the Obligees, the Obligor shall provide free storage for the Equipment and any additional collateral for a period not to exceed 60 days after the expiration of the Contract Term before returning it to the Obligees. The Obligor shall arrange for the insurance described to continue in full force and effect with respect to such item during its storage period and the Obligees shall reimburse the Obligor on demand for the incremental premium cost of providing such insurance.

#### **X. Vendor Payable Account**

Section 10.01 Establishment of Vendor Payable Account. On the date that the Obligees executed this Contract, which is on or after the date that the Obligor executes this Contract, Obligees agrees to (i) make available to Obligor an amount sufficient to pay the total Purchase Price for the Equipment by establishing a separate, non-interest bearing account (the "Vendor Payable Account"), as agent for Obligor's account, with a financial institution that Obligees selects that is acceptable to Obligor (including Obligees or any of its affiliates) and (ii) to deposit an amount equal to such Purchase Price as reflected on Exhibit B in the Vendor Payable Account. Obligor hereby further agrees to make the representations, warranties and covenants relating to the Vendor Payable Account as set forth in Exhibit C attached hereto. Upon Obligor's delivery to Obligees of a Payment Request and Equipment Acceptance Form in the form set forth in Exhibit F attached hereto, Obligor authorizes Obligees to withdraw funds from the Vendor Payable Account from time to time to pay the Purchase Price, or a portion thereof, for each item of Equipment as it is delivered to Obligor. The Payment Request and Equipment Acceptance Form must be signed by an authorized individual acting on behalf of Obligor. The authorized individual or individuals designated by the Obligor must sign the Signature Card which will be kept in the possession of the Obligees.

Section 10.02 Down Payment. Prior to the disbursement of any funds from the Vendor Payable Account, the Obligor must either (1) deposit all the down payment funds that the Obligor has committed towards the purchase of the Equipment into the Vendor Payable Account or (2) Obligor must provide written verification to the satisfaction of the Obligees that all the down payment funds Obligor has committed towards the purchase of the Equipment have already been spent or are simultaneously being spent with the funds requested from the initial Payment Request and Equipment Acceptance Form. For purposes of this Section, the down payment funds committed towards the Equipment from the Obligor are the down payment funds that were represented to the Obligees at the time this transaction was submitted for credit approval by the Obligor to the Obligees.

Section 10.03 Disbursement upon Non-Appropriation or Default. If an event of non-appropriation or default occurs prior to the Partial Prepayment Date, the amount then on deposit in the Vendor Payable Account shall be retained by the Obligees and Obligor will have no interest therein.

Section 10.04 Surplus Amount. Any Surplus Amount then on deposit in the Vendor Payable Account on the Partial Prepayment Date shall be applied to pay on such Partial Prepayment Date a portion of the Purchase Option Price then applicable.

Section 10.05 Recalculation of Contract Payments. Upon payment of a portion of the Purchase Option Price as provided in Section 10.04 above, each Contract Payment thereafter shall be reduced by an amount calculated by Obligees based upon a fraction the numerator of which is the Surplus Amount and the denominator of which is the Purchase Option Price on such Partial Prepayment Date. Within 15 days after such Partial Prepayment Date, Obligees shall provide to Obligor a revised Exhibit B to this Contract, which shall take into account such payment of a portion of the Purchase Option Price thereafter and shall be and become thereafter Exhibit B to this Contract. Notwithstanding any other provision of this Section 10, this Contract shall remain in full force and effect with respect to all or the portion of the Equipment accepted by Obligor as provided in this Contract, and the portion of the principal component of Contract Payments remaining unpaid after the Partial Prepayment Date plus accrued interest thereon shall remain payable in accordance with the terms of this Contract, including revised Exhibit B hereto which shall be binding and conclusive upon Obligees and Obligor.

**XI. Miscellaneous**

Section 11.01 Notices. All notices shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business as first set forth herein or as the parties shall designate hereafter in writing.

Section 11.02 Binding Effect. Obligor acknowledges this Contract is not binding upon the Obligees or its assignees unless the Conditions to Funding listed on the Documentation Instructions have been met to Obligees's satisfaction, and Obligees has executed the Contract. Thereafter, this Contract shall inure to the benefit of and shall be binding upon Obligees and Obligor and their respective successors and assigns.

Section 11.03 Severability. In the event any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.04 Amendments, Addenda, Changes or Modifications. This Contract may be amended, added to, changed or modified by written agreement duly executed by Obligees and Obligor. Furthermore, Obligees reserves the right to directly charge or amortize into the remaining balance due from Obligor, a reasonable fee, to be determined at that time, as compensation to Obligees for the additional administrative expense resulting from such amendment, addenda, change or modification.

Section 11.05 Execution in Counterparts. This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.06 Captions. The captions or headings in this Contract do not define, limit or describe the scope or intent of any provisions or sections of this Contract.

Section 11.07 Master Contract. This Contract can be utilized as a Master Contract. This means that the Obligees and the Obligor may agree to the financing of additional Equipment under this Contract at some point in the future by executing one or more Additional Schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by Obligees. Additional Schedules will be consecutively numbered on each of the exhibits which make up the Additional Schedule and all the terms and conditions of the Contract shall govern each Additional Schedule.

Section 11.08 Entire Writing. This Contract constitutes the entire writing between Obligees and Obligor. No waiver, consent, modification or change of terms of this Contract shall bind either party unless in writing and signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations, conditions, or warranties, express or implied, which are not specified herein regarding this Contract, the Equipment or any additional collateral, financed hereunder. Any terms and conditions of any purchase order or other documents submitted by Obligor in connection with this Contract which are in addition to or inconsistent with the terms and conditions of this Contract will not be binding on Obligees and will not apply to this Contract.

Section 11.09 Kansas Cash Basis Law. The amount or capital cost required to purchase the Equipment if the Obligor paid cash for the Equipment on the day the Contract is booked is the amount listed on Exhibit B, plus any down payment made by the Obligor. The Annual average effective interest cost is also listed on Exhibit B. There are NO amounts included in the Contract Payments for services, maintenance, insurance or other charges.

Obligees and Obligor have caused this Contract to be executed in their names by their duly authorized representatives listed below.

**City of Maize, Kansas**

**Kansas State Bank of Manhattan**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

**Marsha Jarvis, Senior Vice President**

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Printed Name and Title

**EXHIBIT A**

**DESCRIPTION OF EQUIPMENT**

**RE: Government Obligation Contract dated as of May 30, 2014, between Kansas State Bank of Manhattan (Obligee) and City of Maize, Kansas (Obligor)**

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Below is a detailed description of all the items of Equipment including quantity, model number and serial number where applicable:

Nine Hundred (900) Mueller V0GB29192 Water Meters

Physical Address of Equipment after Delivery : 5600 N. Maize Rd., Maize, KS 67101

## EXHIBIT B

## PAYMENT SCHEDULE

RE: Government Obligation Contract dated as of May 30, 2014, between Kansas State Bank of Manhattan (Obligee) and City of Maize, Kansas (Obligor)

|                              |              |
|------------------------------|--------------|
| Date of First Payment:       | May 30, 2015 |
| Original Balance:            | \$113,400.00 |
| Total Number of Payments:    | Five (5)     |
| Number of Payments Per Year: | One (1)      |
| Interest Rate:               | 3.591%       |

| Pmt No. | Due Date  | Contract Payment | Applied to Interest | Applied to Principal | *Purchase Option Price |
|---------|-----------|------------------|---------------------|----------------------|------------------------|
| 1       | 30-May-15 | \$25,181.00      | \$4,072.59          | \$21,108.41          | \$94,230.37            |
| 2       | 30-May-16 | \$25,181.00      | \$3,314.51          | \$21,866.49          | \$71,612.44            |
| 3       | 30-May-17 | \$25,181.00      | \$2,529.21          | \$22,651.79          | \$48,379.30            |
| 4       | 30-May-18 | \$25,181.00      | \$1,715.71          | \$23,465.29          | \$24,514.22            |
| 5       | 30-May-19 | \$25,181.00      | \$872.98            | \$24,308.02          | \$0.00                 |

**City of Maize, Kansas**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name and Title

\*Assumes all Contract Payments due to date are paid

**EXHIBIT C**  
**ACCEPTANCE OF OBLIGATION**  
**TO COMMENCE CONTRACT PAYMENTS UNDER EXHIBIT B**

**RE: Government Obligation Contract dated as of May 30, 2014, between Kansas State Bank of Manhattan (Obligee) and City of Maize, Kansas (Obligor)**

---

I, the undersigned, hereby certify that I am a duly qualified representative of Obligor and that I have been given the authority by the governing body of Obligor to sign this Acceptance of Obligation to commence Contract Payments with respect to the above referenced Contract. I hereby certify that:

1. The Equipment described on Exhibit A has not been delivered, installed or available for use as of the Commencement date of this Contract.
2. Obligor acknowledges that Obligee has agreed to deposit into a Vendor Payable Account an amount sufficient to pay the total purchase price (the "Purchase Price") for the Equipment so identified in such Exhibit A;
3. The principal amount of the Contract Payments in the Exhibit B accurately reflects the Purchase Price;
4. Obligor agrees to execute a Payment Request and Equipment Acceptance Form authorizing payment of the Purchase Price, or a portion thereof, for each withdrawal of funds from the Vendor Payable Account.

Notwithstanding that the Equipment has not been delivered to or accepted by Obligor on the date of execution of the Contract, Obligor hereby warrants that:

- (a) Obligor's obligation to commence Contract Payments as set forth in Exhibit B is absolute and unconditional as of the Commencement Date and on each date set forth in Exhibit B thereafter, subject to the terms and conditions of the Contract;
- (b) immediately upon delivery and acceptance of all the Equipment, Obligor will notify Obligee of Obligor's final acceptance of the Equipment by delivering to Obligee the "Payment Request and Equipment Acceptance Form" in the form set forth in Exhibit F attached to the Contract;
- (c) in the event that any Surplus Amount is on deposit in the Vendor Payable Account when an event of non-appropriation or default under the Contract occurs, then those amounts shall be applied as provided in Section 10 of the Contract;
- (d) regardless of whether Obligor delivers a final Payment Request and Equipment Acceptance Form, all Contract Payments paid prior to delivery of all the Equipment shall be credited to Contract Payments as they become due under the Contract as set forth in Exhibit B.

**City of Maize, Kansas**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name and Title

EXHIBIT D  
OBLIGOR RESOLUTION

RE: Government Obligation Contract dated as of May 30, 2014, between Kansas State Bank of Manhattan (Obligee) and City of Maize, Kansas (Obligor)

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At a duly called meeting of the Governing Body of the Obligor (as defined in the Contract) held on \_\_\_\_\_ the following resolution was introduced and adopted:

BE IT RESOLVED by the Governing Body of Obligor as follows:

- Determination of Need.** The Governing Body of Obligor has determined that a true and very real need exists for the acquisition of the Equipment described on Exhibit A of the Government Obligation Contract dated as of May 30, 2014, between City of Maize, Kansas (Obligor) and Kansas State Bank of Manhattan (Obligee).
- Approval and Authorization.** The Governing Body of Obligor has determined that the Contract, substantially in the form presented to this meeting, is in the best interests of the Obligor for the acquisition of such Equipment, and the Governing Body hereby approves the entering into of the Contract by the Obligor and hereby designates and authorizes the following person(s) to execute and deliver the Contract on Obligor’s behalf with such changes thereto as such person(s) deem(s) appropriate, and any related documents, including any Escrow Agreement, necessary to the consummation of the transaction contemplated by the Contract.

Authorized Individual(s): \_\_\_\_\_

(Printed or Printed Name and Title of individual(s) authorized to execute the Contract)

- Adoption of Resolution.** The signatures below from the designated individuals from the Governing Body of the Obligor evidence the adoption by the Governing Body of this Resolution.

Signature: \_\_\_\_\_

(Signature of Secretary, Board Chairman or other member of the Governing Body)

Printed Name & Title: \_\_\_\_\_

(Printed Name and Title of individual who signed directly above)

Attested By: \_\_\_\_\_

(Signature of one additional person who can witness the passage of this Resolution)

Printed Name & Title: \_\_\_\_\_

(Printed Name of individual who signed directly above)

**EXHIBIT E**  
**OFFICER'S CERTIFICATE**

**RE: Government Obligation Contract dated as of May 30, 2014, between Kansas State Bank of Manhattan (Obligee) and City of Maize, Kansas (Obligor)**

---

I, the undersigned, hereby certify that I am a duly qualified representative of Obligor and that I have been given the authority by the governing body of Obligor to sign this Officer's Certificate with respect to the above referenced Contract. I hereby certify that:

1. Obligor has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Contract Payments required to be paid under the Contract during the current Budget Year of Obligor, and such moneys will be applied in payment of all Contract Payments due and payable during such current Budget Year.
2. Obligor has obtained insurance coverage as required under the Contract from an insurer qualified to do business in the State.
3. No event or condition that constitutes or would constitute an Event of Default exists as of the date hereof.
4. The governing body of Obligor has approved the authorization, execution and delivery of this Contract on its behalf by the authorized representative of Obligor who signed the Contract.
5. Please list the Source of Funds (Fund Item in Budget) for the Contract Payments that come due under Exhibit B of this Contract.

Source of Funds : Utility Revenue Fund

By signing below, Obligor hereby authorizes the General Fund of the Obligor as a backup source of funds from which the Contract Payments can be made.

**City of Maize, Kansas**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name and Title

EXHIBIT F

PAYMENT REQUEST AND EQUIPMENT ACCEPTANCE FORM

RE: Government Obligation Contract dated as of May 30, 2014, between Kansas State Bank of Manhattan (Obligee) and City of Maize, Kansas (Obligor)

In accordance with Section 10.01, by executing this Payment Request and Equipment Acceptance Form the Obligor hereby represents that the Payee or Payees listed below who are requesting payment have delivered the Equipment or a portion of the Equipment or performed the services to the satisfaction of the Obligor and that the amounts requested below by the Payee or Payees are proportionate with the value of the Equipment delivered or services rendered by the Payee or Payees. The Obligor hereby represents and warrants for all purposes that:

1. Pursuant to the invoice attached hereto, the amount to be disbursed is \$ \_\_\_\_\_ and this amount is consistent with the Contract between Obligor and Vendor.
2. Payment is to be made to: Payee: \_\_\_\_\_
3. The undersigned certifies that the following documents are attached to this Payment Request and Equipment Acceptance Form when there is a request for a release of funds from the Vendor Payable Account to pay for a portion, or all, of the Equipment: (1) Invoice from the Vendor, (2) copy of the Contract between Obligor and Vendor (if requested by the Obligee), (3) Insurance Certificate (if applicable), (4) front and back copy of the original MSO/Title listing Kansas State Bank and/or its assigns as the first lien holder (if applicable). By executing this Payment Request and Equipment Acceptance Form and attaching the documents as required above, the Obligor shall be deemed to have accepted this portion of the Equipment for all purposes under the Contract, including, without limitation, the obligation of Obligor to make the Contract Payments with respect thereto in a proportionate amount of the total Contract Payment.
4. No amount listed in this exhibit was included in any such exhibit previously submitted.
5. Each disbursement hereby requested has been incurred and is a proper charge against the Vendor Payable Account. No amount hereby requested to be disbursed will be paid to Obligor as reimbursement for any expenditure paid by Obligor more than 60 days prior to the date of execution and delivery of the Contract.
6. The Equipment referenced in the attached has been delivered, installed, inspected and tested as necessary and in accordance with Obligor's specifications and accepted for all purposes.
7. That Obligor is or will be the title owner to the Equipment referenced in the attached, and that in the event that any third party makes a claim to such title that Obligor will take all measures necessary to secure title including, without limitation, the appropriation of additional funds to secure title to such Equipment, or a portion thereof, and keep the Contract in full force and effect. Furthermore, Obligor has obtained insurance coverage as required under the Contract from an insurer qualified to do business in the State.
8. Obligor has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Contract Payments required to be paid under the Contract during the current Budget Year of Obligor, and such moneys will be applied in payment of all Contract Payments due and payable during such current Budget Year.
9. No event or condition that constitutes or would constitute an Event of Default exists as of the date hereof.

I, the undersigned, hereby certify that I am a duly qualified representative of Obligor and that I have been given the authority by the governing body of Obligor to sign this Payment Request and Equipment Acceptance Form.

Please forward this document and any correspondence relating to vendor payment to:

kkuckelman@ksstatebank.com

or Fax: (785) 587-4016

Please call (877) 587-4054 if you have any questions.

City of Maize, Kansas

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name and Title

**EXHIBIT G**  
**SIGNATURE CARD**

**RE: Government Obligation Contract dated as of May 30, 2014, between Kansas State Bank of Manhattan (Obligee) and City of Maize, Kansas (Obligor)**

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The below signatures will be used for purposes of verifying the signature on a Payment Request and Equipment Acceptance Form prior to making payments from the Equipment Acquisition Fund or Vendor Payable Account. By signing below, the undersigned represents and warrants that s/he has received all appropriate authority from City of Maize, Kansas.

**City of Maize, Kansas**

---

Signature

---

Printed Name and Title

**Signature of additional authorized individual (optional) of Obligor**

---

Signature

---

Printed Name and Title

EXHIBIT H

OBLIGOR ACKNOWLEDGEMENT

RE: Government Obligation Contract dated as of May 30, 2014, between Kansas State Bank of Manhattan (Obligee) and City of Maize, Kansas (Obligor)

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Obligor hereby acknowledges that it has ordered or caused to be ordered the equipment that is the subject of the above-mentioned Contract.

Please complete the below information, attach another page if necessary

Vendor Name: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Equipment: \_\_\_\_\_  
Amount of Equipment: \_\_\_\_\_

Vendor Name: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Equipment: \_\_\_\_\_  
Amount of Equipment: \_\_\_\_\_

Vendor Name: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Equipment: \_\_\_\_\_  
Amount of Equipment: \_\_\_\_\_

Vendor Name: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Equipment: \_\_\_\_\_  
Amount of Equipment: \_\_\_\_\_

Vendor Name: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Equipment: \_\_\_\_\_  
Amount of Equipment: \_\_\_\_\_

**Obligor will immediately notify Obligee if any of the information listed above is changed.**

EXHIBIT I

BANK QUALIFIED CERTIFICATE

RE: Government Obligation Contract dated as of May 30, 2014, between Kansas State Bank of Manhattan (Obligee) and City of Maize, Kansas (Obligor)

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Whereas, Obligor hereby represents that it is a "Bank Qualified" Issuer for the calendar year in which this Contract is executed by making the following designations with respect to Section 265 of the Internal Revenue Code. (A "Bank Qualified Issuer" is an issuer that issues less than ten million (\$10,000,000) dollars of tax-exempt obligations during the calendar year).

Now, therefor, Obligor hereby designates this Contract as follows:

1. **Designation as Qualified Tax-Exempt Obligation.** Pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986 as amended (the "Code"), the Obligor hereby specifically designates the Contract as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. In compliance with Section 265(b)(3)(D) of the Code, the Obligor hereby represents that the Obligor will not designate more than \$10,000,000 of obligations issued by the Obligor in the calendar year during which the Contract is executed and delivered as such "qualified tax-exempt obligations".
2. **Issuance Limitation.** In compliance with the requirements of Section 265(b)(3)(C) of the Code, the Obligor hereby represents that the Obligor (including all subordinate entities of the Obligor within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates not to issue in the calendar year during which the Contract is executed and delivered, obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than "private activity bonds" as defined in Section 141 of the Code) in an amount greater than \$10,000,000.

**City of Maize, Kansas**

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Signature

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Printed Name and Title

## INSURANCE REQUIREMENTS

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Pursuant to Article V of the Government Obligation Contract, you have agreed to provide us evidence of insurance covering the Equipment.

A Certificate of Insurance listing the information stated below should be sent to us no later than the date on which the equipment is delivered.

**Insured:**

City of Maize, Kansas  
10100 West Grady Avenue  
Maize, Kansas 67101

**Certificate Holder:**

Kansas State Bank of Manhattan  
1010 Westloop, P.O. Box 69  
Manhattan, Kansas 66505-0069

**1. Equipment Description**

- ◆ Nine Hundred (900) Mueller V0GB29192 Water Meters
- ◆ Please include all applicable VIN's, serial numbers, etc.

**2. Deductible**

- ◆ The deductible amounts on the insurance policy should not exceed \$10,000.00.

**3. Physical Damage**

- ◆ All risk coverage to guarantee proceeds of at least \$113,400.00.

**4. Liability**

- ◆ Minimum Combined Single Limit of \$500,000.00 on bodily injury and property damage.

**5. Additional Insured and Loss Payee**

- ◆ Kansas State Bank and/or Its Assigns MUST be listed as additional insured and loss payee.

**Please forward certificate as soon as possible to:**

Fax: (785) 587-4016

or

Email: [kkuckelman@ksstatebank.com](mailto:kkuckelman@ksstatebank.com)

**Please complete the information below and return this form along with the Contract.**

---

**City of Maize, Kansas**

Insurance Company: \_\_\_\_\_

Agent's Name: \_\_\_\_\_

Telephone #: \_\_\_\_\_

Fax #: \_\_\_\_\_

Address: \_\_\_\_\_

City, State Zip: \_\_\_\_\_

Email: \_\_\_\_\_

**\*PREFERRED\***

\*As an additional payment option for Obligor, we are now providing the option of ACH (Automatic Clearing House). By completing this form, Obligor is authorizing Obligee to withdraw said payment amount on said date.

**DEBIT AUTHORIZATION**

I hereby authorize Kansas State Bank Government Finance Department to initiate debit entries, and, if necessary, to reinstate returned entries up to two additional times, to the account indicated below at the financial institution named below and to debit the same to such account for:

|   |  |  |
|---|--|--|
| <b>Contract Number</b><br>3346454                         | <b>Payment Amount</b><br>\$25,181.00   | <b>Frequency of Payments</b><br>Annual |
| <b>Beginning</b> _____<br>Month                      Year | <b>Day of Month (please choose one)</b><br>1 <sup>st</sup> <input type="checkbox"/> 5 <sup>th</sup> <input type="checkbox"/> 15 <sup>th</sup> <input type="checkbox"/> 20 <sup>th</sup> <input type="checkbox"/> |  |

I acknowledge that the origination of ACH transactions to this account must comply with the provisions of U.S. law.

|                                   |             |                       |            |
|-----------------------------------|-------------|-----------------------|------------|
| <b>Financial Institution Name</b> |             | <b>Branch</b>         |            |
| <b>Address</b>                    | <b>City</b> | <b>State</b>          | <b>Zip</b> |
| <b>Routing Number</b>             |             | <b>Account Number</b> |            |

**Type of Account**       Checking       Savings

This authority is to remain in full force and effect until Kansas State Bank has received written notification from any authorized signer of the account of its termination in such time and manner as to afford Kansas State Bank a reasonable opportunity to act on it.

|  |                               |
|--|-------------------------------|
| <b>Obligor Name on Contract</b><br>City of Maize, Kansas |                               |
| <b>Signature</b>   | <b>Printed Name and Title</b> |
| <b>Tax ID Number</b><br>48-6100751                       | <b>Date</b>                   |

**PLEASE ATTACH COPY OF A VOIDED CHECK TO THIS FORM!**

**USA Patriot Act**  
USA Patriot Act requires identity verification for all new accounts. This means that we may require information from you to allow us to make a proper identification.

## 8038 REVIEW FORM

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The 8038 form attached hereto is an important part of the documentation package and must be properly filled out and submitted to the Department of the Treasury in order for you to receive the lower tax-exempt rate. Unless you instruct us otherwise, we have engaged a Paid Preparer to assist in the filling out of this form. The Paid Preparer has filled out the relevant portions of this form based on the current understanding of what is required by the Department of the Treasury. The responses on this 8038 form are based on the dates and amounts which you have requested (structure of the transaction) and which are on the Payment Schedule.

1. Please review our responses for accuracy. If anything is inaccurate, please contact our office so that we can make proper revisions.
2. If the information provided to you on this form is accurate, please sign where indicated and return with the document package.
3. If there are any changes to the structure of the transaction that occur prior to funding which require a change to the 8038 form, we will make such changes and provide notification to you.
4. We will return to you a copy of the 8038 form that was mailed to the Department of the Treasury.

**Important Note:**

The IRS is now requesting information regarding tax-exempt issuers' and borrowers' written policies and procedures designed to monitor post-issuance compliance with the federal tax rules applicable to tax-exempt obligations (boxes 43 and 44). Do not check items 43 and 44 on the 8038 form unless you have established written procedures in accordance with the instructions referenced directly below. If you choose to "check" items 43 and/or 44, please be prepared to provide copies of such written procedures to the Paid Preparer or any representatives of the IRS upon request. Written procedures should contain certain key characteristics, including making provisions for:

- Due diligence review at regular intervals;
- Identifying the official or employee responsible for review;
- Training of the responsible official/employee;
- Retention of adequate records to substantiate compliance (e.g., records relating to expenditure of proceeds);
- Procedures reasonably expected to timely identify noncompliance; and
- Procedures ensuring that the issuer will take steps to timely correct noncompliance.

For additional guidance on this 8038 form, you can refer to the Documentation Instructions located on the following government website: <http://www.irs.gov/app/picklist/list/formsInstructions.html>, or contact your local IRS office.

# Information Return for Tax-Exempt Governmental Obligations

Department of the Treasury  
Internal Revenue Service

► Under Internal Revenue Code section 149(e)  
► See separate instructions.  
**Caution: If the issue price is under \$100,000, use Form 8038-GC.**

|   |  |  |   |
|---|--|--|---|
| <b>Part I Reporting Authority</b>   |  | If Amended Return, check here <input type="checkbox"/>               |   |
| 1 Issuer's name<br><b>City of Maize, Kansas</b>   |  | 2 Issuer's employer identification number (EIN)<br><b>48-6100751</b> |   |
| 3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)                |  | 3b Telephone number of other person shown on 3a                      |   |
| 4 Number and street (or P.O. box if mail is not delivered to street address)<br><b>10100 West Grady Avenue</b>              |  | Room/suite   | 5 Report number (For IRS Use Only)<br>3 |
| 6 City, town, or post office, state, and ZIP code<br><b>Maize, Kansas 67101</b>   |  | 7 Date of issue<br><b>05/30/2014</b>                                 |   |
| 8 Name of issue<br><b>Government Obligation Contract</b>  |  | 9 CUSIP number<br><b>None</b>  |   |
| 10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) |  | 10b Telephone number of officer or other employee shown on 10a       |   |

|   |    |                |                          |
|---|----|----------------|--------------------------|
| <b>Part II Type of Issue (enter the issue price). See the instructions and attach schedule.</b> |    |                |                          |
| 11 Education  | 11 |                |                          |
| 12 Health and hospital  | 12 |                |                          |
| 13 Transportation   | 13 |                |                          |
| 14 Public safety  | 14 |                |                          |
| 15 Environment (including sewage bonds)   | 15 |                |                          |
| 16 Housing  | 16 |                |                          |
| 17 Utilities  | 17 |                |                          |
| 18 Other. Describe ► <b>Nine Hundred (900) Mueller V0GB29192 Water Meters</b>                   | 18 | <b>114,600</b> | <b>00</b>                |
| 19 If obligations are TANs or RANs, check only box 19a  |    |                | <input type="checkbox"/> |
| If obligations are BANs, check only box 19b   |    |                | <input type="checkbox"/> |
| 20 If obligations are in the form of a lease or installment sale, check box                     |    |                | <input type="checkbox"/> |

| <b>Part III Description of Obligations. Complete for the entire issue for which this form is being filed.</b> |                         |                      |   |                               |                |
|---|-------------------------|----------------------|---|-------------------------------|----------------|
|   | (a) Final maturity date | (b) issue price      | (c) Stated redemption price at maturity | (d) Weighted average maturity | (e) Yield      |
| 21  | <b>05/30/2019</b>       | <b>\$ 114,600.00</b> | <b>\$ 113,400.00</b>                    | <b>3.071</b> years            | <b>3.560</b> % |

|   |    |                |           |
|---|----|----------------|-----------|
| <b>Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)</b>            |    |                |           |
| 22 Proceeds used for accrued interest   | 22 |                |           |
| 23 Issue price of entire issue (enter amount from line 21, column (b))                      | 23 | <b>114,600</b> | <b>00</b> |
| 24 Proceeds used for bond issuance costs (including underwriters' discount)                 | 24 | <b>1,200</b>   | <b>00</b> |
| 25 Proceeds used for credit enhancement   | 25 |                |           |
| 26 Proceeds allocated to reasonably required reserve or replacement fund                    | 26 |                |           |
| 27 Proceeds used to currently refund prior issues   | 27 |                |           |
| 28 Proceeds used to advance refund prior issues   | 28 |                |           |
| 29 Total (add lines 24 through 28)  | 29 | <b>1,200</b>   | <b>00</b> |
| 30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) | 30 | <b>113,400</b> | <b>00</b> |

|   |             |
|---|-------------|
| <b>Part V Description of Refunded Bonds. Complete this part only for refunding bonds.</b> |             |
| 31 Enter the remaining weighted average maturity of the bonds to be currently refunded    | _____ years |
| 32 Enter the remaining weighted average maturity of the bonds to be advance refunded      | _____ years |
| 33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)            | _____       |
| 34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)                          | _____       |

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

Form **8038-G** (Rev. 9-2011)

**Part VI Miscellaneous**

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

|   |   |                                |                              |   |                  |
|---|---|--------------------------------|------------------------------|---|------------------|
| <b>Signature and Consent</b>  | Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above. |                                |                              |   |                  |
|   | ▶ _____ ▶   | ▶ _____ ▶                      |                              |   |                  |
|   | Signature of issuer's authorized representative   | Date                           | Type or print name and title |   |                  |
| <b>Paid Preparer Use Only</b>                                       | Print/Type preparer's name  | Preparer's signature           | Date                         | Check <input type="checkbox"/> if self-employed | PTIN             |
|   | <b>H. Evan Howe</b>   |                                | <b>04/28/2014</b>            |   | <b>P01438994</b> |
|   | Firm's Name ▶ <b>Baystone Financial LLC</b>   | Firm's EIN ▶ <b>48-1223987</b> |                              |   |                  |
| Firm's Address ▶ <b>5350 College Blvd., Overland Park, KS 66211</b> | Phone no. <b>(800) 752-3562</b>   |                                |                              |   |                  |

**MAIZE CITY COUNCIL  
REGULAR MEETING  
MONDAY, May 19, 2014**

**AGENDA ITEM #8C**

**ITEM:**        **Resolution authorizing the redemption of industrial revenue bonds**

**BACKGROUND:**

The City previously issued is Taxable Industrial Revenue Bonds, Series 2006 (SecureNet Alarm Systems Project) to finance the cost of acquiring, constructing and equipping the SecureNet facility. In connection with the issuance of the Bonds, the City took title to the facility and leased it back to Secure Properties, LLC, for rent sufficient to pay the debt service on the Bonds. The Lease provides that Secure Properties can purchase the facility for \$100 when all the Bonds have been paid. The Bonds are currently subject to prepayment.

Secure Properties, LLC, has notified the City and the Bondholder of its intent to prepay the outstanding bonds and exercise its option to purchase the facility in connection with the sale of the facility to Optometric Billing Solutions.

The Resolution for action today approves the early payment of the Bonds in conjunction with the sale of the facility to Optometric Billing Solutions, and further authorizes the execution and delivery of a release of the Lease and a special warranty deed and bill of sale conveying the facility back to Secure Properties.

**FINANCIAL CONSIDERATIONS:**

None

**LEGAL CONSIDERATIONS:**

Bond Counsel prepared the resolution and approves it as to form.  
Kim Bell will be at the Council meeting to answer any questions.

**RECOMMENDATION/ACTION:**

Approve the resolution to authorize the redemption and payment of the Bonds and the conveyance of the facility to Secure Properties, LLC.

**RESOLUTION NO. \_\_\_\_**

**A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF MAIZE, KANSAS AUTHORIZING THE REDEMPTION AND PAYMENT OF ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES 2006, (SECURENET ALARM SYSTEMS PROJECT) AND THE SALE AND CONVEYANCE OF CERTAIN PROPERTY TO SECURE PROPERTIES, LLC**

**WHEREAS**, pursuant to Ordinance No. 703 and the Bond Agreement dated as of April 1, 2006, the City of Maize, Kansas (the "Issuer") has previously issued its Taxable Industrial Revenue Bonds, Series 2006 (SecureNet Alarm Systems Project) in the original aggregate principal amount of \$1,800,000 (the "Bonds") to finance the cost of acquiring, purchasing, constructing and equipping a certain facility to be used for commercial purposes (the "Project"); and

**WHEREAS**, the Issuer leased the Project to Secure Properties, LLC, a Kansas limited liability company (the "Tenant") pursuant to a Lease dated as of April 1, 2006 between the City and the Tenant (the "Lease"); and

**WHEREAS**, Optometric Billing Solutions LLC (the "Purchaser") desires to purchase the Project; and

**WHEREAS**, the Tenant desires to exercise its option to purchase the Project under Section 17.1 of the Lease and is not in default under the Lease; and

**WHEREAS**, the Tenant desires to provide for the payment of all outstanding Bonds, the redemption premium and interest thereon accruing to the date of redemption by depositing a sum sufficient for such purpose with the Bank of America, N.A., Wichita, Kansas, as owner of 100% of the Outstanding Bonds (the "Bondowner"); and

**WHEREAS**, Tenant desires that the effective date of its purchase of the Project and the redemption date for the Bonds shall be the closing date for the purchase of the Project by the Purchaser, which is anticipated to be on or about July 1, 2014 (the "Sale Date");

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

**Section 1.** The Mayor and Clerk are authorized and directed to execute and deliver a special warranty deed substantially in the form set forth on *Exhibit A* and a bill of sale substantially in the form set forth in *Exhibit B* attached hereto, transferring title to the Project to the Tenant. Such deed and bill of sale shall be delivered to Gilmore & Bell, P.C. ("Bond Counsel"), as the Issuer's Bond Counsel, for delivery to the Tenant upon deposit of sufficient funds to pay the purchase option price as specified in the Lease and provide for the redemption of the outstanding Bonds on the Sale Date. The Mayor and Clerk are hereby further authorized and directed to execute a Release of Lease, substantially in the form attached hereto as *Exhibit C*, and deliver same to Bond Counsel for delivery with the deed and bill of sale on the Sale Date.

**Section 2.** The Mayor and Clerk are hereby further authorized and directed to sign such other instruments and certificates as shall be necessary and desirable in connection with this Resolution and to take such further actions as may be necessary to accomplish the purposes of this Resolution.

**Section 3.** The Tenant is hereby directed to take all action necessary to accomplish the purpose of this Resolution including providing for notice to the Bondowner of redemption of the outstanding Bonds in accordance with the requirements of the Bond Agreement dated April 1, 2006 authorizing and securing the Bonds.

[BALANCE OF THIS PAGE LEFT BLANK INTENTIONALLY]

**ADOPTED** by the governing body of the City of Maize, Kansas on May 19, 2014.

CITY OF MAIZE, KANSAS

---

Mayor

[SEAL]

Attest:

By: \_\_\_\_\_  
City Clerk

***EXHIBIT A***

***Special Warranty Deed***

**THIS CONVEYANCE IS FOR THE PURPOSE OF RELEASING SECURITY FOR A DEBT OR OTHER OBLIGATION AND IS EXEMPT FROM THE REQUIREMENTS OF A SALES VALIDATION QUESTIONNAIRE PURSUANT TO K.S.A. 79-1437e(2).**

**SPECIAL WARRANTY DEED**

**THIS SPECIAL WARRANTY DEED**, made \_\_\_\_\_, 2014 between the City of Maize, Kansas, a municipal corporation, as Grantor, and Secure Properties, LLC, a Kansas limited liability company, as Grantee;

**WITNESSETH**, that said Grantor, in furtherance of the terms of a certain Lease dated as of April 1, 2006 between Grantor and Grantee, and as authorized by a Resolution duly adopted by the governing body of the Grantor, and by these presents does hereby convey to Grantee, its successors and assigns, all the following described real estate in Sedgwick County, Kansas:

Lots 3 & 4, Block 1, Hampton Lakes Office Park South Addition, an Addition to the City of Maize, Sedgwick County, Kansas,

for the sum of \$100.00 and other valuable consideration;

**TO HAVE AND TO HOLD**, the premises described, with all and singular the rights, privileges, appurtenances and immunities thereto belonging or in any way appertaining, to Grantee and to its successors and assigns forever; and Grantor hereby covenants that the premises are free and clear of all encumbrances whatsoever, except (a) those to which the title was subject on the date of conveyance to Grantor, or to which title became subject with Grantee's written consent, or which resulted from any failure of Grantee to perform any of its covenants or obligations under the Lease from Grantor referred to above, (b) taxes and assessments, general and special, if any, and (c) the rights, titles and interests of any party having condemned or attempting to condemn title to, or the use for a limited period of, all or any part of the premises conveyed; and that it will warrant and defend the title to the premises to Grantee and Grantee's successors and assigns forever against the lawful claims and demands of anyone claiming by, through or under it.

**IN WITNESS WHEREOF**, Grantor has executed this deed and affixed its corporate seal on the day and year first above written.

[SEAL]

ATTEST:

**CITY OF MAIZE, KANSAS**  
a municipal corporation

\_\_\_\_\_  
Jocelyn Reid, Clerk

\_\_\_\_\_  
Clair Donnelly, Mayor

**ACKNOWLEDGMENT**

STATE OF KANSAS                    )  
  ) SS:  
COUNTY OF SEDGWICK            )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2014 by Clair Donnelly, Mayor, and Jocelyn Reid, Clerk, of the City of Maize, Kansas, on behalf of said City.

[SEAL]

\_\_\_\_\_  
Notary Public

My appointment expires:

\_\_\_\_\_

***EXHIBIT B***

***Bill of Sale***

**BILL OF SALE**

In furtherance of the terms of a certain Lease dated as of April 1, 2006 between the City of Maize, Kansas, as Assignor, and Secure Properties, LLC, a Kansas limited liability company, as Assignee, and for valuable consideration, Assignor hereby transfers, assigns and conveys to Assignee, all personal property purchased with the proceeds of the City of Maize, Kansas, Taxable Industrial Revenue Bonds, Series 2006 (SecureNet Alarm Systems Project).

[SEAL]

ATTEST:

**CITY OF MAIZE, KANSAS**  
a municipal corporation

\_\_\_\_\_  
Jocelyn Reid, Clerk

\_\_\_\_\_  
Clair Donnelly, Mayor

**ACKNOWLEDGMENT**

STATE OF KANSAS                    )  
  ) SS:  
COUNTY OF SEDGWICK            )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2014 by Clair Donnelly, Mayor, and Jocelyn Reid, Clerk, of the City of Maize, Kansas, on behalf of said City.

[SEAL]

\_\_\_\_\_  
Notary Public

My appointment expires:  
  
\_\_\_\_\_

***EXHIBIT C***

***Release of Lease***

## RELEASE OF LEASE

**WHEREAS**, the City of Maize, Kansas (the "Issuer") has heretofore entered into a Lease dated as of April 1, 2006 (the "Lease") between the Issuer and Secure Properties, LLC, a Kansas limited liability company (the "Tenant"), notice of which is recorded at Doc.#/Flm-Pg 28776107 in the office of the Sedgwick County Register of Deeds; and

**WHEREAS**, the Issuer assigned its interest in the Lease to the Bank of America, N.A., Wichita, Kansas (the "Bank") in connection with the Issuer's Taxable Industrial Revenue Bonds, Series 2006 (SecureNet Alarm Systems Project) (the "Bonds"), pursuant to an Assignment of Lease and Security Agreement dated as of April 1, 2006 (the "Assignment") which is recorded at Doc.#/Flm-Pg 28776108 in the office of the Sedgwick County Register of Deeds; and

**WHEREAS**, the Tenant has exercised its option to purchase the facility described in the Lease and on *Schedule I* hereto; and

**WHEREAS**, all of the Tenant's obligations to the Issuer and the Bank under the Lease and the Assignment have been satisfied;

**THEREFORE**, the property described in the attached *Schedule I* is hereby released from any claim of the Issuer and the Bank under the Lease as of \_\_\_\_\_, 2014.

*[balance of this page intentionally left blank]*



**BANK OF AMERICA, N.A.**  
Wichita, Kansas

[SEAL]

By: \_\_\_\_\_  
Name:  
Title:

**ACKNOWLEDGMENT**

STATE OF KANSAS            )  
  ) SS:  
COUNTY OF SEDGWICK    )

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2014 by \_\_\_\_\_ as \_\_\_\_\_ of the Bank of America, N.A., Wichita, Kansas, a national banking association.

[SEAL]

\_\_\_\_\_  
Notary Public

My appointment expires: \_\_\_\_\_  
Date

***SCHEDULE I***

**PROPERTY SUBJECT TO LEASE**

The following property acquired by the City of Maize, Kansas (the "Issuer") in connection with the issuance by the Issuer of its Taxable Industrial Revenue Bonds, Series 2006 (SecureNet Alarm Systems Project) (the "Bonds"):

(a) The following described real estate located in Sedgwick County, Kansas, to wit:

Lots 3 & 4, Block 1, Hampton Lakes Office Park South Addition, an Addition to the City of Maize, Sedgwick County, Kansas

said real property constituting the "Land" as referred to in the Bond Agreement and the Lease entered into in connection with the issuance of the Bonds.

(b) All buildings, building additions, improvements, fixtures, machinery and equipment now or hereafter constructed, located or installed on the Land, all or any portion of the costs of which were paid from the proceeds of the Bonds, and which constitute "Improvements" as defined in the Lease together with any substitutions or replacements therefor, the property described in paragraphs (a) and (b) of this Schedule I together constituting the "Project" as referred to in said Bond Agreement and Lease.

**BONDHOLDER CONSENT TO REDEMPTION**

Re: City of Maize, Kansas  
Taxable Industrial Revenue Bonds, Series 2006  
(SecureNet Alarm Systems Project) (the "Bonds")

The undersigned, being a duly authorized representative of Bank of America, N.A., the sole owner of 100% of the outstanding principal amount of the referenced Bonds, hereby consents to the redemption and payment of all outstanding Bonds on or about July 1, 2014, at the redemption price set forth in the Bond Agreement dated as of April 1, 2006 (the "Bond Agreement") authorizing and securing the Bonds, and waives any notice of such redemption as may be required by the Bond Agreement.

Dated: \_\_\_\_\_, 2014

**BANK OF AMERICA, N.A.**  
Wichita, Kansas

By: \_\_\_\_\_  
Name:  
Title:

**BONDHOLDER'S RECEIPT**

Re: City of Maize, Kansas  
Taxable Industrial Revenue Bonds, Series 2006  
(SecureNet Alarm Systems Project) (the "Bonds")

The undersigned, being a duly authorized representative of Bank of America, N.A., the sole owner of 100% of the outstanding principal amount of the referenced Bonds, hereby acknowledges payment of all outstanding principal and interest due on the Bonds on \_\_\_\_\_, 2014 (the "Redemption Date"), as well as actual payment of all interest and premium due on the Bonds prior to the Redemption Date, and acknowledges full receipt of all payments due with respect to the Bonds and full satisfaction of all obligations of the City of Maize, Kansas, as issuer of the Bonds, with respect thereto; and acknowledges full satisfaction of all obligations of Secure Properties LLC under the Guaranty Agreement dated as of April 1, 2006 and of SecureNet Alarm Systems, Inc., under the Additional Guaranty Agreement dated as of April 1, 2006, each as guarantors of principal and interest on the Bonds.

Dated: \_\_\_\_\_,2014

**BANK OF AMERICA, N.A.**  
Wichita, Kansas

By: \_\_\_\_\_  
Name:  
Title:

**MAIZE CITY COUNCIL  
REGULAR MEETING  
MONDAY, May 19, 2014**

**AGENDA ITEM # 8D**

**ITEM:           Bond Ordinance Authorizing the Issuance of Industrial Revenue  
Bonds for Optometric Billing Solutions**

**BACKGROUND:**

At the April 21, 2014 meeting, the Council approved resolution #554-14 to determine the advisability of issuing taxable Industrial Revenue Bonds for Optometric Billing Solutions in an amount not to exceed \$1,600,000 for the purpose of financing the acquisition, remodeling and equipping of the former SecureNet building.

The Bond Ordinance authorizes the issuance of Bonds and execution of the related financing documents, including the following (copies attached): 1) Bond Purchase Agreement between the City and OBS Properties, LLC as purchaser of the Bonds; 2) The Lease Agreement between OBS Properties, LLC and the City of Maize pursuant to which the City will lease the facility to OBS Properties in exchange for rent payment sufficient to pay the debt service on the Bonds; and 3) the Trust Indenture between the City and Security Bank of Kansas City, as Trustee, which authorizes and secures the Bonds. OBS Properties will in turn sub-lease the facility to Optometric Billing Solutions, LLC.

**FINANCIAL CONSIDERATIONS:**

Kim Bell will discuss any concerns you may have in this area.

**LEGAL CONSIDERATIONS:**

Bond Counsel has prepared the documents and approves them as to form.  
Kim Bell will be at the Council meeting.

**RECOMMENDATION/ACTION:**

Approve the Bond Ordinance and authorize the Mayor to sign the Bond Ordinance, Bond Purchase Agreement, Lease Agreement and Trust Indenture.

**ORDINANCE NO. \_\_\_\_**

**OF THE  
CITY OF MAIZE, KANSAS**

**AUTHORIZING THE ISSUANCE OF  
NOT EXCEEDING \$1,600,000  
TAXABLE INDUSTRIAL REVENUE BONDS  
SERIES 2014  
(OPTOMETRIC BILLING SOLUTIONS)**

(Published in the *Clarion*, May 22, 2014)

**ORDINANCE NO. \_\_\_\_**

**AN ORDINANCE AUTHORIZING THE CITY OF MAIZE, KANSAS TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES 2014 (OPTOMETRIC BILLING SOLUTIONS) IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,600,000 FOR THE PURPOSE OF THE ACQUISITION, REMODLING AND EQUIPPING A COMMERCIAL FACILITY; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.**

**THE GOVERNING BODY OF THE CITY OF MAIZE, KANSAS HAS FOUND AND DETERMINED:**

A. The City of Maize, Kansas (the "Issuer") is authorized by K.S.A. 12-1740 *et seq.*, as amended (the "Act"), to acquire, construct, improve and equip certain facilities (as defined in the Act) for commercial, industrial and manufacturing purposes, to enter into leases and lease-purchase agreements with any person, firm or corporation for such facilities, and to issue revenue bonds for the purpose of paying the costs of such facilities; and

B. The Issuer's governing body has determined that it is desirable in order to promote, stimulate and develop the general economic welfare and prosperity of the Issuer and the State of Kansas that the Issuer issue its Taxable Industrial Revenue Bonds, Series 2014 (Optometric Billing Solutions) dated as of their date of issue, in the aggregate principal amount of not to exceed \$1,600,000 (the "Bonds"), for the purpose of paying the costs of the acquisition, remodeling and equipping of a certain commercial facility (as more fully described in the Indenture and Lease herein authorized, the "Project"), for lease to OBS Properties, LLC, a Kansas limited liability company (the "Tenant"); and

C. The Issuer's governing body finds that it is necessary and desirable in connection with the issuance of the Bonds to execute and deliver the following documents (collectively, the "Bond Documents"):

(i) a Trust Indenture dated as of the Issue Date of the Bonds (the "Indenture"), with Security Bank of Kansas City, Kansas City, Kansas, as Trustee (the "Trustee"), prescribing the terms and conditions of issuing and securing the Series 2014 Bonds;

(ii) a Lease with the Tenant dated as of the Issue Date of the Bonds (the "Lease"), under which the Issuer will acquire, renovate and equip the Project and lease it to the Tenant in consideration of Basic Rent and other payments; and

(iii) a Bond Purchase Agreement (the "Bond Purchase Agreement") providing for the sale of the Series 2014 Bonds by the Issuer to OBS Properties, LLC, Wichita, Kansas (the "Purchaser").

D. The Issuer's governing body has found that under the provisions of K.S.A. 79-201a *Twenty-Fourth*, the Project purchased or constructed with the proceeds of the Bonds is eligible for exemption from ad valorem property taxes for up to 10 years, commencing in the calendar year following the calendar year in which the Bonds are issued, if proper application is made. The Issuer's governing body has further found that the Project should be exempt from ad valorem property taxes for a period of three years. Prior to making this determination, the governing body of the Issuer has conducted the public hearing and reviewed the analysis of costs and benefits of such exemption required by K.S.A. 12-1749d.

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

Section 1. **Definition of Terms.** All terms and phrases not otherwise defined in this Ordinance will have the meanings set forth in the Indenture and the Lease.

Section 2. **Authority to Cause the Project to Be Purchased and Improved.** The Issuer is authorized to cause the Project to be acquired, renovated and equipped in the manner described in the Indenture and the Lease.

Section 3. **Authorization of and Security for the Bonds.** The Issuer is authorized and directed to issue the Bonds, to be designated " City of Maize Kansas Taxable Industrial Revenue Bonds, Series 2014 (Optometric Billing Solutions)" in the aggregate principal amount of not to exceed \$1,600,000, for the purpose of providing funds to pay the costs of the acquisition, remodeling and equipping of the Project. The Bonds will be in such principal amount, will be dated and bear interest, will mature and be payable at such times, will be in such forms, will be subject to redemption and payment prior to maturity, and will be issued according to the provisions, covenants and agreements in the Indenture. The Bonds will be special limited obligations of the Issuer payable solely from the revenues derived from the Lease of the Project. The Bonds will not be general obligations of the Issuer, nor constitute a pledge of the faith and credit of the Issuer, and will not be payable in any manner by taxation.

Section 4. **Authorization of Indenture.** The Issuer is authorized to enter into the Indenture with the Trustee. in the form approved in this Ordinance. The Issuer will pledge the Trust Estate described in the Indenture to the Trustee for the benefit of the owners of the Series 2014 Bonds on the terms and conditions in the Indenture.

Section 5. **Lease of the Project.** The Issuer will acquire, construct and equip the Project and lease it to the Tenant according to the provisions of the Lease in the form approved in this Ordinance. The proposed sublease of the Project to Optometric Billing Solutions LLC, a Kansas limited liability company (the "Subtenant") is approved by the Issuer.

Section 6. **Approval of the Guaranty Agreement.** The form of the Guaranty Agreement dated as of the Issue Date of the Bonds among the Tenant and the other guarantor(s) named therein, and the Trustee, for the benefit of the owners of the Bonds is approved.

Section 7. **Authorization of Bond Purchase Agreement.** The Issuer is authorized to sell the Series 2014 Bonds to the Purchaser, according to the terms and provisions of the Bond Purchase Agreement, in the form approved in this Ordinance.

Section 8. **Execution of Bonds and Bond Documents.** The Mayor of the Issuer is authorized and directed to execute the Bonds and deliver them to the Trustee for authentication on behalf of the Issuer in the manner provided by the Act and in the Indenture. The Mayor or member of the Issuer's governing body authorized by law to exercise the powers and duties of the Mayor in the Mayor's absence is further authorized and directed to execute and deliver the Bond Documents on behalf of the Issuer in substantially the forms presented for review prior to passage of this Ordinance, with such corrections or amendments as the Mayor or other person lawfully acting in the absence of the Mayor may approve, which approval shall be evidenced by his or her signature. The authorized signatory may sign and deliver all other documents, certificates or instruments as may be necessary or desirable to carry out the purposes and intent of this Ordinance and the Bond Documents. The City Clerk or the Deputy City Clerk of the Issuer is hereby authorized and directed to attest the execution of the Bonds, the Bond Documents and such other

documents, certificates and instruments as may be necessary or desirable to carry out the intent of this Ordinance under the Issuer's corporate seal.

Section 9. **Property Tax Exemption.** The Project will be exempt from ad valorem property taxes for three years, commencing in the calendar year after the calendar year in which the Bonds are issued. The Tenant will prepare the application for exemption and submit it to the Issuer for its review. After its review, the Issuer will submit the application for exemption to the State Court of Tax Appeals.

Section 10. **Pledge of the Project and Net Lease Rentals.** The Issuer hereby pledges the Project and the net rentals generated under the Lease to the payment of the Bonds in accordance with K.S.A. 12-1744. The lien created by the pledge will be discharged when all of the Bonds have been paid in accordance with the terms of the Indenture.

Section 11. **Further Authority.** The officials, officers, agents and employees of the Issuer are authorized and directed to take whatever action and execute whatever other documents or certificates as may be necessary or desirable to carry out the provisions of this Ordinance and to carry out and perform the duties of the Issuer with respect to the Bonds and the Bond Documents.

Section 12. **Effective Date.** This Ordinance shall take effect after its passage by the governing body of the Issuer, signature by the Mayor and publication once in the Issuer's official newspaper.

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**PASSED** by the governing body of the Issuer on May 19, 2014 and **APPROVED AND SIGNED** by the Mayor.

(SEAL)

\_\_\_\_\_

Mayor

ATTEST:

\_\_\_\_\_

City Clerk

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**CERTIFICATE**

I hereby certify that the attached copy is a true and correct copy of Ordinance No. \_\_\_\_ of the City of Maize, Kansas duly passed by the governing body, signed by the Mayor and published in the official City newspaper on the respective dates stated in this ordinance, and that the signed original of such Ordinance is on file in my office.

[SEAL]

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City Clerk

**EXCERPT OF MINUTES OF A MEETING  
OF THE GOVERNING BODY OF  
THE CITY OF MAIZE, KANSAS  
HELD ON MAY 19, 2014**

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

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 CITY OF MAIZE, KANSAS TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES 2014 (OPTOMETRIC BILLING SOLUTIONS) IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,600,000 FOR THE PURPOSE OF THE ACQUISITION, REMODLING AND EQUIPPING A COMMERCIAL FACILITY; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

Thereupon, Councilmember \_\_\_\_\_ moved that said Ordinance be passed. The motion was seconded by Councilmember \_\_\_\_\_. 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:

Aye:

Nay:

Thereupon, the Mayor declared said Ordinance duly passed and the Ordinance was then duly numbered Ordinance No \_\_\_\_\_ and was signed by the Mayor and the signature attested by the City Clerk.

\* \* \* \* \*

(Other Proceedings)

\* \* \* \* \*

**CERTIFICATE**

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

[SEAL]

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City Clerk

(Published in the *Clarion* on May 22, 2014)

**SUMMARY OF ORDINANCE NO. \_\_\_\_\_**

On May 19, 2014, the governing body of the City of Maize, Kansas passed an ordinance entitled:

**AN ORDINANCE AUTHORIZING THE CITY OF MAIZE, KANSAS TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES 2014 (OPTOMETRIC BILLING SOLUTIONS) IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,600,000 FOR THE PURPOSE OF THE ACQUISITION, REMODLING AND EQUIPPING A COMMERCIAL FACILITY; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.**

The Ordinance authorizes the Issuer to issue its Taxable Industrial Revenue Bonds, Series 2014 (Optometric Billing Solutions) in the aggregate principal amount of not to exceed \$1,600,000 (the "Bonds"), for the purpose of paying the costs of the acquisition, remodeling and equipping of a commercial facility (the "Project"), as more fully described in the Indenture and in the Lease authorized by the Ordinance. The Project will be leased by the Issuer to OBS Properties, LLC, a Kansas limited liability company, and subleased to Optometric Billing Solutions, LLC, a Kansas limited liability company. In connection with the issuance of the Bonds, the Issuer approves a three year exemption from ad valorem property taxes for the Project.

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. A reproduction of the Ordinance is available for not less than 7 days following the publication date of this Summary at [www.cityofmaize.org](http://www.cityofmaize.org).

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

DATED: May 19, 2014.

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City Attorney

**OBS PROPERTIES, LLC  
AS TENANT**

**OPTOMETRIC BILLING SOLUTIONS LLC  
AS SUBTENANT**

**CITY OF MAIZE, KANSAS  
AS ISSUER**

**OBS PROPERTIES, LLC  
AS PURCHASER**

**BOND PURCHASE AGREEMENT**

**\$1,600,000  
TAXABLE INDUSTRIAL REVENUE BONDS  
SERIES 2014  
(OPTOMETRIC BILLING SOLUTIONS)**

**BOND PURCHASE AGREEMENT**

\$1,600,000  
CITY OF MAIZE, KANSAS  
TAXABLE INDUSTRIAL REVENUE BONDS  
SERIES 2014  
(OPTOMETRIC BILLING SOLUTIONS)  
Dated: THE ISSUE DATE

**THIS AGREEMENT** entered into \_\_\_\_\_, 2014 (the "Sale Date"), between OBS Properties, LLC, a Kansas limited liability company (the "Tenant"), Optometric Billing Solutions LLC, a Kansas limited liability company (the "Subtenant"), the City of Maize, Kansas (the "Issuer") and OBS Properties, LLC, Wichita, Kansas (the "Purchaser"), collectively referred to herein as the "Parties." All capitalized terms not specifically defined herein shall have the same meaning as defined in the hereinafter referenced Indenture and Lease, unless some other meaning is plainly indicated.

**SECTION 1. RECITALS.**

(a) The Issuer proposes to issue and sell the Bonds identified above (the "Bonds") to provide funds for the acquisition, remodeling and equipping of a commercial facility (the "Project") located within the corporate limits of the Issuer, to be leased by the Issuer to the Company pursuant to a Lease dated as of the Issue Date of the Bonds (the "Lease"). The Project will be subleased by the Tenant to the Subtenant pursuant to a Sublease dated as of the Issue Date of the Bonds (the "Sublease").

(b) Pursuant to the constitution and laws of the State of Kansas, including K.S.A. 12-1740 et seq. (the "Act"), the Bonds are limited obligations of the Issuer payable solely from the Trust Estate under the Indenture (hereinafter defined), including payments derived by the Issuer from the Lease and the Sublease. The Bonds will be dated the Issue Date, will contain such other terms and provisions as are set forth in an ordinance duly passed by the governing body of the Issuer on May 19, 2014 (the "Ordinance"), and other proceedings and determinations related thereto as authorized and governed by the provisions of a Trust Indenture (the "Indenture") dated the Issue Date of the Bonds between the Issuer and Security Bank of Kansas City, Kansas City, Kansas, as trustee (the "Trustee").

(c) Pursuant to a Guaranty Agreement dated as of the Issue Date of the Bonds (the "Guaranty Agreement") between the Tenant and the Subtenant, as Guarantors, and the Trustee, the Guarantors unconditionally guarantee, jointly and severally, the full, prompt, and complete payment of all principal, interest, and redemption premium, if any, on the Bonds.

(d) In order to induce the Purchaser to enter into this Bond Purchase Agreement and to purchase the Bonds at a price and bearing interest at the rate or rates set forth in the Indenture, the Issuer the Tenant and the Subtenant have joined in this Bond Purchase Agreement.

(e) The proceeds of the sale of the Bonds are to be applied to provide funds to pay Project Costs (as defined in the Indenture), all as set forth in the Lease, Ordinance and Indenture.

**SECTION 2. PURCHASE, SALE AND DELIVERY OF THE BONDS.**

Upon fulfillment of the terms and conditions set forth herein and in *Section 2.08* of the Indenture, the Purchaser will purchase the Bonds from the Issuer, and the Issuer will sell the Bonds to the Purchaser. The Bonds shall be issued by the Issuer in an aggregate principal amount not exceeding \$1,600,000. The

Bonds shall be purchased by the Purchaser at their par principal amount. The Bonds shall be in the original principal amount of the amount advanced to the Project Fund created under the Indenture by the Purchaser on the Issue Date, and each amount subsequently advanced to the Project Fund at the request of the Tenant on each subsequent Draw Date, made by presenting to the Trustee a completed requisition for payment of Project Costs in the form attached to the Lease, but not exceeding an aggregate principal amount set forth above. Pending advancement by the Purchaser of the entire authorized principal amount of the Bonds, or receipt from the Tenant of a Certificate of Completion as provided by the Lease, whichever comes first, the Trustee shall retain custody of all Bond certificates. The Trustee shall endorse the Schedule of Principal Amount Advanced attached to the Bond certificate to reflect an increase in principal amount Outstanding each time the Purchaser advances money to the Project Fund to pay Project Costs as requested by the Tenant. All Bonds must be issued, if at all, by the Completion Date. The Bonds shall be payable, shall be dated, bear interest, and be subject to redemption and transfer as set forth in the Indenture and the Bond certificate.

The Bonds and the interest and redemption premium, if any, thereon will not be a general obligation of the Issuer, but shall be payable solely out of the earnings derived by the Issuer from the Project (except to the extent payable from moneys paid pursuant to the Guaranty Agreement).

The closing on the Bonds will be at the offices of Gilmore & Bell, P.C., Wichita, Kansas at 10:00 a.m., prevailing local time, on \_\_\_\_\_, 2014 (the "Closing" or "Issue Date"), or at such other place or other date or time as may be agreed to by the Parties.

### **SECTION 3. REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF THE PURCHASER**

By the execution hereof the Purchaser hereby represents, warrants and agrees with the Issuer, the Tenant and the Subtenant that as of the date hereof and at the Closing Time:

(a) Purchaser is knowledgeable and experienced in financial and business matters and is capable of evaluating investment merit and risks associated with its purchase of the Bonds. The Purchaser has been furnished and has reviewed the provisions of the Ordinance, Indenture and Lease relating to the authorization of and security for payment of the Bonds. Prior to the execution hereof Purchaser also obtained and examined such financial records and information necessary in order to enable itself to fully evaluate the terms and provisions of the Bonds and of the Indenture and Lease authorizing their issuance and providing for the payment thereof and the financial and investment merits and risks associated with the purchase of the Bonds. On the basis of such information materials and Purchaser's investigation, Purchaser has made the decision to purchase the Bonds and has not relied upon any representations of the Issuer or any of its officers or employees with respect to the Project, the Tenant, the Subtenant or security for payment of the Bonds.

(b) Purchaser is purchasing the Bonds as an investment for its own account and not with a view to the sale, redistribution or other disposition thereof in the ordinary course of business in a transaction not amounting to a public offering as contemplated by Section 4(2) of the Securities Act of 1933, as amended. Purchaser acknowledges that (1) the Bonds will not be registered under the Securities Act of 1933, as amended or any applicable state securities law, (2) the Bonds may not be transferred unless, in the opinion of counsel acceptable to the Issuer and the Trustee, such transfer will not cause a violation of the Securities Act of 1933, as amended, or any applicable state securities law and that (3) language consistent with the foregoing restrictions will appear in the registration and transfer provisions of the Indenture.

#### **SECTION 4. ISSUER'S REPRESENTATIONS.**

The Issuer represents, covenants and warrants, to the best of its knowledge and belief, as follows, all of which will continue in effect subsequent to the Closing:

(a) The Issuer is a municipal corporation incorporated as a city of the third class under the laws of the State of Kansas.

(b) The governing body of the Issuer did enact the Ordinance; it has been approved and signed by a duly authorized official of the Issuer, it has been published once in the official city newspaper as required by law, and it is presently in full force and effect and has not been amended or modified.

(c) The Issuer has full power and authority to execute and deliver the Indenture, the Lease, the Bond Purchase Agreement and any and all other documents reasonably necessary in connection with the Indenture, the Lease and the Bond Purchase Agreement (the "Issuer Documents"); the Issuer Documents have been duly executed and delivered by the Issuer in the manner authorized and constitute legal, valid and binding obligations of the Issuer in accordance with their terms, except to the extent limited by or subject to bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights, principles of equity or the exercise of judicial discretion.

(d) The execution, delivery and performance of the Issuer Documents will not conflict with or constitute on the part of the Issuer a material breach or default under any agreement, indenture or instrument known to it to which the Issuer is a party or by which it is bound.

(e) The Issuer has duly and validly authorized the taking on its behalf of any and all actions necessary to carry out and give effect to the transactions contemplated to be performed on its part by the Ordinance and the Issuer Documents.

(f) There is not now pending or, to the knowledge of the officials of the Issuer, threatened any litigation seeking to restrain or enjoin the issuance or delivery of the Bonds, or contesting or questioning (i) the validity of the Bonds, (ii) the proceedings or authority under which they are issued, (iii) the existence of the Issuer, (iv) the authority of the Issuer to enact the Ordinance or enter into the Issuer Documents, or (v) the Issuer's pledge of the Project, the revenues therefrom and the Trust Estate under the Indenture as security for the payment of the Bonds.

(g) Any certificate signed by an official of the Issuer and delivered to the Purchaser shall be deemed a representation by the Issuer to the Purchaser as to the truth of the statements made in such certificate.

#### **SECTION 5. REPRESENTATIONS OF THE TENANT AND THE SUBTENANT.**

The Tenant and the Subtenant make the following representations as of the Closing, all of which will continue in effect subsequent to the Closing:

(a) The Tenant is a duly formed Kansas limited liability company, duly authorized to do business under the laws of the State of Kansas.

(b) The Tenant has full power and authority to enter into, execute and deliver the Lease, the Sublease, the Guaranty Agreement and this Bond Purchase Agreement (the "Tenant Documents"), and to perform its obligations thereunder, all of which have been duly authorized by all proper and necessary

corporate action, and no consent or approval of parties not signatories to this Bond Purchase Agreement or of any public authority other than the Issuer is necessary to carry out the same.

(c) The execution, delivery and performance by the Tenant of the Tenant Documents will not conflict with or constitute a material violation or breach of or a default under articles of organization or operating agreement, or any mortgage, indenture, deed of trust, contract, instrument or agreement binding on it or affecting its property, or any provision of law or order, rule, regulation, ordinance or decree of any court, government or governmental body having jurisdiction over the Tenant or any of its property.

(d) The Subtenant is a duly formed Kansas limited liability company.

(e) The Subtenant has full power and authority to enter into, execute and deliver the Sublease, the Guaranty Agreement and this Bond Purchase Agreement (the "Subtenant's Documents"), and to perform its obligations thereunder, all of which have been duly authorized by all proper and necessary corporate action, and no consent or approval of parties not signatories to this Bond Purchase Agreement or of any public authority other than the Issuer is necessary to carry out the same.

(f) The execution, delivery and performance by the Subtenant of the Subtenant Documents will not conflict with or constitute a material violation or breach of or a default under its articles of organization or operating agreement, or any mortgage, indenture, deed of trust, contract, instrument or agreement binding on it or affecting its property, or any provision of law or order, rule, regulation, ordinance or decree of any court, government or governmental body having jurisdiction over the Subtenant or any of its property.

(g) To the actual knowledge of the members of the Tenant and Subtenant signing this Bond Purchase Agreement, there is no litigation, proceeding or investigation by or before any court, public board or body, pending, or threatened, against or affecting the Tenant or the Subtenant, their officers or property, challenging the validity of the Tenant Documents or the Subtenant Documents, or seeking to enjoin any of the transactions contemplated by such instruments or the performance by the Tenant or the Subtenant of their obligations thereunder, or challenging the acquisition or operation of the Project. Further, no litigation, proceeding, or investigation is pending or, to the knowledge of the officers of the Tenant or Subtenant signing this Bond Purchase Agreement, threatened, against the Tenant or the Subtenant, their members or property except (i) that arising in the normal course of the their business operations, and being defended by or on behalf of the Tenant and the Subtenant, in which the probable ultimate recovery and estimated defense costs and expenses, in the opinion of the management of the Tenant and Subtenant will be entirely within applicable insurance policy limits (subject to applicable self-insurance, retentions and deductibles), or (ii) that which, if determined adversely to the Tenant or Subtenant, would not, in the opinion of the management of the Tenant and Subtenant, materially adversely affect the Tenant's or Subtenant's operations or condition, financial or otherwise.

(h) The financial statements of the Tenant and Subtenant presented to the Purchaser, except as noted therein, present fairly and accurately the financial condition of the Tenant and Subtenant as of the dates indicated and the results of their operations for the periods specified, and such financial statements are prepared in conformity with generally accepted accounting principles consistently applied in all material respects for the periods involved. The Tenant or Subtenant has not, since the date of such financial statements, incurred any material liabilities and there has been no material adverse change in the condition of the Tenant and Subtenant, financial or otherwise, other than as set forth in such financial statements.

## **SECTION 6. TENANT'S COVENANT.**

The Tenant will promptly notify the Purchaser of any material adverse change in the business, properties or financial condition of the Tenant or the Subtenant, or with respect to the Project, occurring before Closing or within 90 days thereafter, which would require a change in the Official Statement or be necessary in order to make the information contained therein not misleading in connection with the sale of the Bonds.

## **SECTION 7. REPRESENTATIONS TO SURVIVE CLOSING.**

The representations, warranties, agreements, and indemnities of the Issuer, the Tenant, the Subtenant and the Purchaser contained herein will survive the Closing and any investigation made by or on behalf of the Issuer, the Purchaser, the Tenant or the Subtenant of any matters described in, or related to, the transactions contemplated hereby and by the Official Statement, the Lease, the Sublease and Guaranty Agreement.

## **SECTION 8. CONDITIONS OF CLOSING.**

The Purchaser's obligations to purchase the Bonds are subject to fulfillment of the following conditions at or before Closing:

- (a) The representations of the Issuer the Tenant and the Subtenant hereunder must be true on and as of the Closing date and must be confirmed by certificates dated as of the Closing;
- (b) Neither the Issuer, the Tenant nor the Subtenant has defaulted in the performance of any of their respective covenants hereunder;
- (c) The Purchaser must receive at the Closing:
  - (i) an opinion of Bond Counsel, dated as of the Closing, in form and substance satisfactory to the Purchaser and its counsel.
  - (ii) an opinion of counsel for the Tenant and the Subtenant, dated as of the Closing, in form and substance satisfactory to Bond Counsel and to the Purchaser and its counsel confirming the Company's representations as set forth in paragraphs (a) and (g) inclusive of *Section 5* of this Bond Purchase Agreement,
  - (iii) an opinion of counsel for the Issuer, dated as of the Closing, in form and substance satisfactory to Bond Counsel and to the Purchaser and its counsel, confirming the Issuer's representations set forth in paragraphs (a) and (f) inclusive of *Section 4* of this Bond Purchase Agreement.
  - (iv) a certificate or certificates, satisfactory in form and substance to Bond Counsel and the Purchaser and its counsel, of an authorized official of the Issuer dated the date of the Closing to the effect that (A) each of the representations of the Issuer set forth in *Section 4* hereof is true, accurate and complete in all material respects as of the Closing, and each of the agreements of the Issuer set forth in this Bond Purchase Agreement to be complied with at or prior to the Closing has been complied with; and (B) no litigation is pending, or to such official's knowledge, threatened, to restrain or enjoin the issuance or delivery of the Bonds, or contesting or questioning the validity of the Bonds, the proceedings or authority under which

they are issued, the existence of the Issuer, the authority of the Issuer to enact the Ordinance or enter into the Indenture, the Lease or the Bond Purchase Agreement, or the Issuer's pledge of the Project, the revenues therefrom and the Trust Estate under the Indenture as security for the payment of the Bonds, and (C) that none of the proceedings authorizing issuance of the Bonds or execution and delivery of the bond documents has been repealed, revoked or rescinded.

- (v) a certificate or certificates, satisfactory in form and substance to Bond Counsel and to the Purchaser and its counsel, of an authorized member of the Tenant and Subtenant, dated the date of Closing to the effect that each of the representations of the Tenant and the Subtenant set forth in *Section 5* hereof is true, accurate and complete in all material respects as of the Closing, and each of the agreements of the Tenant and the Subtenant set forth in this Bond Purchase Agreement to be complied with at or prior to the Closing has been complied with as of such time;
- (vi) Such additional certificates, legal and other documents, listed on a closing agenda to be approved by Bond Counsel and counsel to the Purchaser, as the Purchaser may reasonably request to evidence performance or compliance with the provisions hereof and the transactions contemplated hereby and by the Indenture and Lease, or as Bond Counsel shall require in order to render its opinion, all such certificates and other documents to be satisfactory in form and substance to the Purchaser.

(d) At Closing, there shall not have been any adverse change in the business, property or financial condition of the Company from that furnished to the Purchaser which, in the judgment of the Purchaser, is material and makes it inadvisable to proceed with the sale of the Bonds; and the Purchaser shall have received a certificate from the Tenant and the Subtenant that no material adverse change has occurred or, if such a change has occurred, full information with respect thereto.

## **SECTION 9. PAYMENT OF EXPENSES**

Whether or not the Bonds are sold by the Issuer to the Purchaser, except as hereinafter set forth, all expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bonds shall be paid by the Tenant out of the proceeds of the Bonds or other Tenant funds. Such expenses and costs shall include, but not be limited to: (1) the fees and disbursements of Bond Counsel; (2) the fees and disbursements of the Issuer's legal counsel; (3) fees and disbursements of the Tenant and Subtenant's legal counsel; (4) the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Bonds, this Bond Purchase Agreement and all other agreements and documents contemplated hereby; (5) fees of the Trustee; and (6) all costs and expenses of the Issuer relating to the issuance of the Bonds.

## **SECTION 10. NOTICES AND OTHER ACTIONS.**

All notices, demands and formal actions hereunder will be in writing mailed, faxed or delivered to:

|             |  |
|-------------|--|
| The Issuer: | City of Maize, Kansas<br>10100 Grady Avenue<br>P.O. Box 245<br>Maize, Kansas 67101 |
|-------------|--|

The Company: OBS Properties, LLC  
10501 W. Hampton Lakes Street  
Maize, Kansas 67101

The Subtenant: Optometric Billing Solutions LLC  
10501 W. Hampton Lakes Street  
Maize, Kansas 67101

The Purchaser: OBS Properties, LLC  
10501 W. Hampton Lakes Street  
Maize, Kansas 67101

## **SECTION 11. MISCELLANEOUS**

(a) This Bond Purchase Agreement shall be binding upon the Parties and their respective successors. This Bond Purchase Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that the representations, warranties, indemnities and agreements of the Issuer, the Tenant and the Subtenant contained in this Bond Purchase Agreement shall also be deemed to be for the benefit of the person or persons, if any, who control the Purchaser (within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act). Nothing in this Bond Purchase Agreement is intended or shall be construed to give any person, other than the persons referred to in this Paragraph, any legal or equitable right, remedy or claim under or in respect of this Bond Purchase Agreement or any provision contained herein. All of the representations, warranties and agreements of the Issuer contained herein shall remain in full force and effect, regardless of: (1) any investigation made by or on behalf of the Purchaser, (2) delivery of and payment for the Bonds; or (3) any termination of this Bond Purchase Agreement.

(b) For purposes of this Bond Purchase Agreement, “business day” means any day on which the New York Stock Exchange is open for trading.

(c) This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Kansas.

(d) This Bond Purchase Agreement may be executed in one or more counterparts, and if executed in more than one counterpart, the executed counterparts shall together constitute a single instrument.

(e) This Bond Purchase Agreement may not be assigned by either party without the express written consent of the other party.

## **SECTION 12. EFFECTIVE DATE**

This Bond Purchase Agreement shall become effective upon acceptance hereof by the Issuer.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Upon your acceptance of the offer, the foregoing agreement will be binding upon you and the Purchaser. Please acknowledge your agreement with the foregoing by executing the enclosed copy of this Bond Purchase Agreement and returning it to the undersigned.

**OBS PROPERTIES, LLC**  
**MAIZE, KANSAS**  
as Purchaser

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title:

Accepted and agreed to as of  
the date first above written.

**OBS PROPERTIES, LLC**  
as Tenant

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title:

**OPTOMETRIC BILLING SOLUTIONS LLC**  
as Subtenant

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title:

**CITY OF MAIZE, KANSAS**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Mayor

ATTEST: (Seal)

By: \_\_\_\_\_  
City Clerk

**CITY OF MAIZE, KANSAS**

**AS ISSUER**

**AND**

**OBS PROPERTIES, LLC**

**AS TENANT**

**LEASE**

**DATED AS OF THE ISSUE DATE OF THE BONDS**

**NOT EXCEEDING \$1,600,000  
TAXABLE INDUSTRIAL REVENUE BONDS  
SERIES 2014  
(OPTOMETRIC BILLING SOLUTIONS)**

**LEASE**

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## LEASE

**THIS LEASE**, made and entered into as of the Issue Date of the Bonds between the City of Maize, Kansas (the "Issuer"), and OBS Properties, LLC, a Kansas limited liability company (the "Tenant").

### WITNESSETH:

**WHEREAS**, the Issuer is a municipal corporation incorporated as a city of the third class, duly organized and existing under the laws of the State, with full lawful power and authority to enter into this Lease by and through its governing body; and

**WHEREAS**, the Issuer, in furtherance of the purposes and pursuant to the provisions of the laws of the State, particularly K.S.A. 12-1740 et seq. (the "Act"), and in order to provide for the economic development and welfare of the Issuer and its environs and to provide employment opportunities for its citizens and to promote the economic stability of the State, has proposed and does hereby propose that it shall:

- (a) Acquire the Project;
- (b) Lease the Project to the Tenant for the rentals and upon the terms and conditions hereinafter set forth; and
- (c) Issue, for the purpose of paying Project Costs, the Bonds under and pursuant to and subject to the provisions of the Act and the Indenture, said Indenture being incorporated herein by reference and authorized by an Ordinance of the governing body of the Issuer; and

**WHEREAS**, the Tenant, pursuant to the foregoing proposals of the Issuer, desires to lease the Project from the Issuer for the rentals and upon the terms and conditions hereinafter set forth;

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements herein set forth, Issuer and the Tenant do hereby covenant and agree as follows:

## ARTICLE I

**Section 1.1. Definitions.** Capitalized terms not otherwise defined in this Lease shall have the meanings set forth in the Indenture. In addition to the words, terms and phrases defined in the Indenture and elsewhere in this Lease, the capitalized words, terms and phrases as used herein shall have the meanings set forth below, unless some other meaning is plainly intended:

**"Additional Rent"** means all fees, charges, costs and expenses of the Bank or the Issuer (including reasonable attorney's fees), all Impositions, all Default Administration Costs, all other payments of whatever nature payable or to become payable pursuant to the Indenture or which the Tenant has agreed to pay or assume under the provisions of this Lease and any and all expenses (including reasonable attorney's fees) incurred by the Issuer or the Bank in connection with the issuance of the Bonds or the administration or enforcement of any rights under this Lease or the Indenture. The fees, charges, costs and expenses of the Bank shall include all costs incurred in connection with the issuance, transfer, exchange, registration, redemption or payment of the Bonds and the administration or enforcement of any rights or obligations under this Lease, the Indenture or the Guaranty Agreement except (a) the reasonable fees and expenses in connection with the replacement of a Bond or Bonds mutilated, stolen, lost or destroyed or (b) any tax or other government charge imposed on the Bank in relation to the transfer, exchange, registration, redemption

or payment of the Bonds. The fees, charges, costs and expenses of the Issuer shall include, but not be limited to, any and all costs incurred by the Issuer in connection with the administration or enforcement of any rights, duties, or obligations under this Lease, the exercise or pursuit of any remedy upon an Event of Default, the amendment of this Lease, the granting of consents, easements or similar actions or any other action required of or available to the Issuer under the terms of this Lease.

**"Additional Term"** shall mean that term commencing on the last day of the Basic Term and terminating 5 years thereafter.

**"Bankruptcy Code"** means Title 11 of the United States Code, as amended.

**"Basic Rent"** means the pro rata amount which, when added to Basic Rent Credits, will be sufficient to pay, on each Payment Date, all principal of, redemption premium, if any, and interest on all Outstanding Bonds which is due and payable on such Payment Date. If for any reason on any Payment Date the Bank does not have on deposit in the Debt Service Fund sufficient moneys to pay all principal and interest due on the Bonds on such Payment Date, then the Tenant shall pay, as Basic Rent, on such Payment Date, the amount of such deficiency.

**"Basic Rent Credits"** means all funds on deposit in the Debt Service Fund and available for the payment of principal of, redemption premium, if any, and interest on the Bonds on any Basic Rent Payment Date.

**"Basic Rent Payment Date"** means each Payment Date until the principal of, redemption premium, if any, and interest on all Outstanding Bonds have been fully paid or provision made for their payment in accordance with the provisions of the Indenture.

**"Basic Term"** means that term commencing as of the delivery of this Lease and ending on January 1, 2018, subject to prior termination as specified in this Lease, but ending, in any event, when all of the principal of, redemption premium, if any, and interest on all Outstanding Bonds shall have been paid in full or provision made for their payment in accordance with the provisions of the Indenture.

**"CERCLA"** means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601, et seq.

**"Certificate of Completion"** means a written certificate signed by the Authorized Tenant Representative stating that (1) the Improvements have been substantially completed in accordance with the plans and specifications prepared or approved by the Issuer or the Tenant, as the case may be; (2) the Improvements have been substantially completed in a good and workmanlike manner; (3) no mechanic's or materialmen's liens have been filed, nor is there any basis for the filing of such liens, with respect to the Project; (4) all Improvements constituting a part of the Project are located or installed upon the Land; and (5) if required by ordinances duly adopted by the Issuer or by applicable building codes, that an appropriate certificate of occupancy has been issued with respect to the Improvements. A form of Certificate of Completion is attached as *Appendix B*.

**"Completion Date"** means the date on which the Improvements are certified as substantially completed in accordance with *Section 5.5* of this Lease.

**"Default"** means any event or condition the occurrence of which, with the lapse of time or the giving of notice or both, may constitute an Event of Default.

**"Environmental Assessment"** means an environmental assessment with respect to the Project conducted by an independent consultant satisfactory to the Issuer and the Bank which reflects the results of such inspections, records reviews, soil tests, groundwater tests and other tests requested, which assessment and results shall be satisfactory in scope, form and substance to the Issuer and the Bank.

**"Environmental Law"** means CERCLA, SARA, and any other federal, state or local environmental statute, regulation or ordinance presently in effect or coming into effect during the Term of this Lease.

**"Event of Bankruptcy"** means an event whereby the Tenant shall: (i) admit in writing its inability to pay its debts as they become due; or (ii) file a petition in bankruptcy or for reorganization or for the adoption of an arrangement under the Bankruptcy Code as now or in the future amended, or file a pleading asking for such relief; or (iii) make an assignment for the benefit of creditors; or (iv) consent to the appointment of a trustee or receiver for all or a major portion of its property; or (v) be finally adjudicated as bankrupt or insolvent under any federal or state law; or (vi) suffer the entry of a final and nonappealable court order under any federal or state law appointing a receiver or trustee for all or a major part of its property or ordering the winding-up or liquidation of its affairs, or approving a petition filed against it under the Bankruptcy Code, which order, if the Tenant has not consented thereto, shall not be vacated, denied, set aside or stayed within 60 days after the day of entry; or (vii) suffer a writ or warrant of attachment or any similar process to be issued by any court against all or any substantial portion of its property, and such writ or warrant of attachment or any similar process is not contested, stayed, or is not released within 60 days after the final entry or levy or after any contest is finally adjudicated or any stay is vacated or set aside.

**"Event of Default"** means any one of the following events:

(a) Failure of the Tenant to make any payment of Basic Rent at the time and in the amounts required hereunder; or

(b) Failure of the Tenant to make any payment of Additional Rent at the times and in the amounts required hereunder, or failure to observe or perform any other covenant, agreement, obligation or provision of this Lease on the Tenant's part to be observed or performed, and the same is not remedied within thirty (30) days after the Issuer or the Bank has given the Tenant written notice specifying such failure (or such longer period as shall be reasonably required to correct such default; provided that (i) the Tenant has commenced such correction within said 30-day period, and (ii) the Tenant diligently prosecutes such correction to completion); or

(c) An Event of Bankruptcy; or

(d) Abandonment of the Project by the Tenant.

**"Existing Facilities"** means all buildings and building improvements existing on the Land on the date of issuance of the Bonds.

**"Full Insurable Value"** means full actual replacement cost less physical depreciation.

**"Hazardous Substances"** shall mean "hazardous substances" as defined in CERCLA.

**"Impositions"** means all taxes and assessments, general and special, which may be lawfully taxed, charged, levied, assessed or imposed upon or against or payable for or in respect of the Project or any part thereof, or any improvements at any time thereon or the Tenant's interest therein, including any new lawful taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made,

levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and further including all water and sewer charges, assessments and other governmental charges and impositions whatsoever, foreseen or unforeseen, which, if not paid when due, would encumber the Issuer's title to the Project.

**"Indenture"** means the Trust Indenture delivered concurrently with this Lease, as from time to time amended and supplemented by Supplemental Indentures in accordance with the provisions of *Article XI* of the Indenture.

**"Land"** means the real property (or interests therein) described in *Schedule I* hereto.

**"Lease"** means this Lease between the Issuer and the Tenant, as from time to time supplemented and amended in accordance with the provisions hereof.

**"Net Proceeds"** means the gross proceeds from the insurance (including without limitation title insurance) or condemnation award with respect to which that term is used remaining after the payment of all expenses (including without limitation attorneys' fees and any expenses of the Issuer, the Tenant, the Bank or any other owner of the Bonds) incurred in the collection of such gross proceeds.

The term **"Notice Address"** shall mean:

(1) With respect to the Tenant:

OBS Properties, LLC  
10501 W. Hampton Lakes Street  
Maize, Kansas 67101  
Attn: [\_\_\_\_\_]

(2) With respect to the Issuer:

City of Maize, Kansas  
10100 Grade Avenue  
P.O. Box 245  
Maize, Kansas 67101  
Attention: City Clerk

(3) With respect to the Trustee:

Security Bank of Kansas City  
701 Minnesota Avenue, Suite 206  
P.O. box 171297  
Kansas City, Kansas 66101  
Attention: Corporate Trust Department

**"Owner's Title Policy"** means that certain owner's policy of title insurance insuring the Issuer's fee simple title in the Project as required by *Section 6.4* of the Lease.

**"Permitted Encumbrances"** easements and rights-of-way of record at the time of conveyance of the Land to the Issuer, and any mortgages, liens or other encumbrances or title exceptions referenced in the Owner's Title Policy, including but not limited to [describe INTRUST/SBA mortgages].

**"Project Contracts"** means a contract or contracts with respect to the acquisition and/or construction of the Improvements entered into by the Tenant or the Issuer.

**"SARA"** means the Superfund Amendments and Reauthorization Act of 1986, as now in effect and as hereafter amended.

**"State"** means the State of Kansas.

**"Term"** means, collectively, the Basic Term and any Additional Term of the Lease.

**Section 1.2. Representations and Covenants by the Tenant.** The Tenant makes the following covenants and representations as the basis for the undertakings on its part herein contained:

(a) The Tenant is a Kansas limited liability company, duly organized and existing under the laws of said state, and is duly authorized and qualified to do business in the State, with lawful power and authority to enter into this Lease, acting by and through its duly authorized officers.

(b) Except as otherwise permitted herein, the Tenant shall (1) maintain and preserve its existence and organization as a limited liability company and its authority to do business in the State and to operate the Project; and (2) not initiate any proceedings of any kind whatsoever to dissolve or liquidate without (A) securing the prior written consent thereto of the Issuer and (B) making provision for the payment in full of the principal of and interest and redemption premium, if any, on the Bonds. If, at any time during the term of this Lease or the Indenture, the Tenant changes its state of organization, changes its form of organization, changes its name, or takes any other action which could affect the proper location for filing Uniform Commercial Code financing statements or continuation statements or which could render existing filings seriously misleading or invalid, the Tenant shall immediately provide written notice of such change to the Trustee, and thereafter promptly deliver to the Trustee such amendments and/or replacement financing statements, together with an Opinion of Counsel to the effect that such amendments and/or replacement financing statements have been properly filed so as to create a perfected security interest in the collateral securing the Indenture, and such additional information or documentation regarding such change as the Trustee may reasonably request.

(c) Neither the execution and/or delivery of this Lease, the consummation of the transactions contemplated hereby or by the Indenture, nor the fulfillment of or compliance with the terms and conditions of this Lease contravenes in any material respect any provisions of its articles of organization or operating agreement, or conflicts in any material respect with or results in a material breach of the terms, conditions or provisions of any mortgage, debt, agreement, indenture or instrument to which the Tenant is a party or by which it is bound, or to which it or any of its properties is subject, or would constitute a material default (without regard to any required notice or the passage of any period of time) under any of the foregoing, or would result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of the Tenant under the terms of any mortgage, debt, agreement, indenture or instrument, or violates in any material respect any existing law, administrative regulation or court order or consent decree to which the Tenant is subject.

(d) This Lease constitutes a legal, valid and binding obligation of the Tenant enforceable against the Tenant in accordance with its terms.

(e) The Tenant agrees to operate and will operate the Project, or cause the Project to be operated as a "facility," as that term is contemplated in the Act, from the date of the Issuer's acquisition of the Project to the end of the Term.

(f) The Tenant has obtained or will obtain any and all permits, authorizations, licenses and franchises necessary to construct the Improvements to enable it to operate and utilize the Project for the purposes for which it was leased by the Tenant under this Lease.

(g) The estimated total cost of the Improvements to be financed by the proceeds of the Bonds, plus interest on the Bonds during acquisition, construction and installation of the Improvements, and Costs of Issuance of the Bonds, will not be less than the original aggregate principal amount of the Bonds.

(g) After reasonable inquiry and investigation, the Tenant is not aware of (i) any Hazardous Substances generated from or located on the Project; (ii) any prior use of the Land which might reasonably involve Hazardous Substances; or (iii) any investigations, complaints or inquiries of any kind, from any source, concerning Hazardous Substances with respect to the Project or properties adjoining the Project.

(h) The Tenant will not use or permit the Project to be used by any other person or entity in any manner which would involve the generation, storage, disposal or transportation of Hazardous Substances, except in strict compliance with applicable Environmental Laws.

(i) The proceeds of the Bonds are to be used (i) to acquire, construct, install, equip and furnish the Project, and (ii) to pay certain costs related to the issuance of the Bonds.

**Section 1.3. Representations and Covenants by the Issuer.** The Issuer represents, covenants and warrants, to the best of its knowledge and belief, as follows:

(a) It is a municipal corporation duly incorporated and existing as a city of the third class under the constitution and laws of the State. Under the provisions of the Act and the Ordinance, the Issuer has the power to enter into and perform the transactions contemplated by this Lease and the Indenture and to carry out its obligations hereunder and thereunder.

(b) It has not, in whole or in part, assigned, leased, hypothecated or otherwise created any other interest in, or disposed of, or caused or permitted any lien, claim or encumbrance to be placed against, the Project, except for this Lease, the assignment of this Lease to the Trustee, any Permitted Encumbrances, any Impositions, and the pledge of the Project pursuant to the Indenture.

(c) Except as otherwise provided herein or in the Indenture, it will not during the Term, in whole or in part, assign, lease, hypothecate or otherwise create any other interest in, or dispose of, or cause or permit any lien, claim or encumbrance to be placed against, the Project, except Permitted Encumbrances, this Lease, any Impositions and the pledge of the Project pursuant to the Indenture.

(d) It has pledged the Project and the net rentals therefrom generated under the Lease to payment of the Bonds in the manner prescribed by the Act, and has duly authorized the execution and delivery of this Lease and the Indenture and the issuance, sale and delivery of the Bonds.

(e) It has notified or obtained the consent to and/or approval of the issuance of the Bonds by each municipal corporation and political subdivision the notification, consent or approval of which is required by the provisions of the Act and the Code.

## ARTICLE II

**Section 2.1. Granting of Leasehold.** The Issuer by these presents hereby rents, leases and lets the Project unto the Tenant and the Tenant hereby rents, leases and hires the Project for the Basic Term from the Issuer, for the rentals and upon and subject to the terms and conditions hereinafter set forth.

## ARTICLE III

**Section 3.1. Basic Rent.** The Issuer reserves and the Tenant covenants and agrees to pay Basic Rent to the Trustee, as assignee of the Issuer, for the account of the Issuer, for deposit in the Debt Service Fund, on each Basic Rent Payment Date. Basic Rent shall be payable by check or draft of the Tenant due at the principal corporate trust office of the Trustee in immediately available funds on each Basic Rent Payment Date.

**Section 3.2. Additional Rent.** Within 30 days after receipt of written notice thereof, the Tenant shall pay any Additional Rent required to be paid pursuant to this Lease not already paid.

**Section 3.3. Rent Payable Without Abatement or Setoff.** The Tenant covenants and agrees with and for the express benefit of the Issuer and the Owner(s) of Bonds that all payments of Basic Rent and Additional Rent shall be made by the Tenant as the same become due, and that the Tenant shall perform all of its obligations, covenants and agreements hereunder without notice or demand and without abatement, deduction, setoff, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Improvements shall have been acquired, started or completed, or whether the Issuer's title to the Project or any part thereof is defective or non-existent, and notwithstanding any failure of consideration or commercial frustration of purpose, the eviction or constructive eviction of the Tenant or any subtenant, any Change of Circumstances, any change in the tax or other laws of the United States of America, the State, or any municipal corporation of either, any change in the Issuer's legal organization or status, or any default of the Issuer hereunder, and regardless of the invalidity of any action of the Issuer or any other event or condition whatsoever, and regardless of the invalidity of any portion of this Lease, and the Tenant hereby waives the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under this Lease or which releases or purports to release the Tenant therefrom. Nothing in this Lease shall be construed as a waiver by the Tenant of any rights or claims the Tenant may have against the Issuer under this Lease or otherwise, but any recovery upon such rights and claims shall be had from the Issuer separately, it being the intent of this Lease that the Tenant shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Lease (including the obligation to pay Basic Rent and Additional Rent) for the benefit of the Owner(s) of Bonds.

**Section 3.4. Prepayment of Basic Rent.** The Tenant may at any time prepay all or any part of the Basic Rent. Prepayments of Basic Rent will be applied to redemption of Bonds (other than mandatory sinking fund redemption), including payment of redemption premium, as directed in writing by the Tenant, to the extent that Bonds are subject to optional redemption at the time of prepayment. Otherwise, prepayments of Basic Rent will be deposited in the Debt Service Fund to be applied to purchase of Bonds as provided in the Indenture, or to optional redemption of Bonds (including redemption premium and interest) at the earliest date on which Bonds are subject to optional redemption.

**Section 3.5. Deposit of Rent by the Trustee.** As assignee of the Issuer's rights hereunder, the Trustee shall deposit, use and apply all payments of Basic Rent and Additional Rent in accordance with the provisions of this Lease and the Indenture.

**Section 3.6. Acquisition of Bonds.** If the Tenant acquires any Outstanding Bonds, it may present the certificate(s) representing such part of the Bonds to the Trustee for cancellation, and upon such cancellation, the Tenant's obligation to pay Basic Rent shall be reduced in the same manner as provided for prepayments by the Tenant of Basic Rent. In no event, however, shall the Tenant's obligation to pay Basic Rent be reduced in such a manner that the Trustee shall not have on deposit in the Debt Service Fund, on the next succeeding Payment Date, immediately available funds sufficient to pay the maturing principal of, redemption premium, if any, and interest on Outstanding Bonds as and when the same shall become due and according to the terms of the Bonds.

## ARTICLE IV

**Section 4.1. Disposition of Original Proceeds; Project Fund.** The Original Proceeds shall be paid over to the Trustee for the account of the Issuer as the Bonds are issued and applied as set forth in *Section 5.02* of the Indenture.

## ARTICLE V

**Section 5.1. Acquisition of Land and Improvements.** The Tenant shall prior to or concurrently with the issuance of the Bonds, assign or cause to be conveyed to the Issuer by warranty deed, subject to Permitted Encumbrances, the Land and the Existing Facilities as described in *Schedule I*, and by bill of sale such of the Improvements as are then completed, installed or in progress. The Tenant shall also concurrently with such conveyance make provisions for the discharge or subordination to the interests acquired by the Issuer of any liens or encumbrances incurred by it in connection with the construction, installation or development of the Improvements, other than Permitted Encumbrances.

**Section 5.2. Project Contracts.** Prior to the delivery of this Lease, the Tenant may have entered into a contract or contracts with respect to the acquisition and/or construction of the Improvements. Those contracts, and any such contracts entered into by the Tenant or the Issuer after delivery of this Lease, are hereinafter referred to as the "Project Contracts." Prior to the delivery hereof, certain work has been or may have been performed on the Improvements pursuant to said Project Contracts or otherwise. The Tenant hereby covenants with the Issuer to perform the Project Contracts for the benefit of the Issuer as holder of title to the Project as well as its own benefit as tenant under this Lease, and the Issuer hereby designates the Tenant as the Issuer's agent for the purpose of executing and performing the Project Contracts. After the execution hereof, the Tenant shall cause the Project Contracts to be fully performed by the contractor(s), subcontractor(s) and supplier(s) thereunder in accordance with the terms thereof, and the Tenant covenants to cause the Improvements to be acquired, constructed, installed and/or completed in accordance with the Project Contracts. The Tenant warrants that the construction and/or acquisition of the Improvements in accordance with said Project Contracts will result in the Project being suitable for use by the Tenant as a commercial facility. Any and all amounts received by the Issuer, the Trustee or the Tenant from any of the contractors or other suppliers by way of breach of contract, refunds or adjustments shall become a part of and be deposited in the Project Fund.

**Section 5.3. Payment of Project Costs for Buildings and Improvements.** The Issuer hereby agrees to pay for the acquisition or construction of the Improvements or any repairs or replacements to be made pursuant to *Article XVIII* of this Lease, but solely from Original Proceeds of the Bonds (or Net Proceeds, as applicable) as deposited in the Project Fund, and hereby authorizes and directs the Trustee to pay for the same, but solely from the Project Fund, from time to time, after issuance of the Bonds while the Tenant is in compliance with the requirements of *Section 6.1* hereof, upon receipt by the Trustee of a requisition certificate signed by the Authorized Tenant Representative in the form set forth as *Appendix A*

hereto which is incorporated herein by reference. With regard to materials and/or labor furnished to the Project at the order of the Tenant without formal contract, or by subcontract with the Tenant acting as general contractor, which could form the basis of a statutory mechanic's or subcontractor's lien, the Trustee may disburse payment therefor only upon receipt of releases or waivers of statutory mechanic's or subcontractor's liens by all vendors or subcontractors receiving payment or furnishing labor or materials as a subcontractor of the vendor or subcontractor receiving payment.

The sole obligation of the Issuer under this paragraph shall be to cause the Trustee to make such disbursements upon receipt of such certificates and releases or waivers. The Trustee may rely fully on any such certificates and shall not be required to make any investigation in connection therewith, except that the Trustee shall investigate requests for reimbursements directly to the Tenant and shall require such supporting evidence as would be required by a reasonable and prudent fiduciary.

**Section 5.4. Payment of Project Costs for Machinery and Equipment.** The Issuer hereby agrees to pay for the purchase and acquisition of any machinery and equipment constituting a part of the Improvements, but solely from the Project Fund, from time to time, upon receipt by the Trustee of a certificate signed by the Authorized Tenant Representative in the form provided by *Appendix A* hereto which is incorporated herein by reference and accompanied by the following specific information:

- (a) Name of seller;
- (b) Name of the manufacturer;
- (c) A copy of the seller's invoice, purchase order or other like document evidencing the purchase by the Tenant of such machinery and/or equipment;
- (d) Common descriptive name of machinery or equipment;
- (e) Manufacturer's or seller's technical description of machinery or equipment;
- (f) Capacity or similar designation;
- (g) Serial number, if any;
- (h) Model number, if any; and
- (i) A written statement by the Seller that the machinery or equipment purchased is not subject to any liens or security interest, or, in the alternative, a bill of sale warranting title to be free of all liens, encumbrances or security interests.

The sole obligation of the Issuer under this Section shall be to cause the Trustee to make such disbursements upon receipt of said certificates and proof of mechanic's or subcontractor's lien waiver or release, if the item is to become a fixture on the Land. The Trustee may rely fully on any such certificate and supporting documentation and shall not be required to make any independent investigation in connection therewith. All machinery, equipment and/or personal property acquired, in whole or in part, from funds deposited in the Project Fund pursuant to this Section will be considered a part of the Project. With respect to items of machinery and equipment constituting a part of the Improvements, the Tenant shall maintain a running master list of such machinery and equipment, and within 30 days after the Completion Date, the Tenant shall prepare an accurate detailed final list of machinery and equipment constituting a part of the Improvements (but not installed as fixtures therein or thereon), which list shall be filed with the Trustee, and shall constitute a part of this Lease by reference. All machinery and equipment constituting a part of the

Improvements shall be appropriately identified by separate schedule or other means acceptable to the Trustee.

**Section 5.5. Completion of Project .** The Tenant warrants that the Project, when completed, will be occupied and used by the Tenant for its lawful business purposes. The Tenant covenants and agrees to proceed diligently to complete or acquire the Improvements. Upon completion of the Improvements, the Tenant shall cause the Authorized Tenant Representative to deliver a Certificate of Completion, in the form substantially as attached hereto as *Appendix B*, to the Trustee. In the event funds remain on hand in the Project Fund on the date the Certificate of Completion is furnished to the Trustee, such remaining funds shall be transferred by the Trustee to the Debt Service Fund on the Completion Date and shall be applied in accordance with the provisions of the Indenture.

**Section 5.6. Deficiency of Project Fund.** If Bond Proceeds in the Project Fund are insufficient to pay fully all Project Costs (including reimbursements to the Tenant for Project Costs advanced by the Tenant prior to issuance of the Bonds) and to fully complete the Improvements ,lien free (except for Permitted Encumbrances), the Tenant covenants to pay the full amount of any such deficiency by making payments directly to the contractors and to the suppliers of materials, machinery, equipment, property and services as the same become due, and the Tenant shall save the Issuer and the Trustee whole and harmless from any obligation to pay such deficiency.

**Section 5.7. Right of Entry by the Issuer and the Trustee.** The duly authorized agents of the Issuer and/or the Trustee shall have the right (but shall not be required) at any reasonable time and upon reasonable notice to the Tenant prior to the completion of the Improvements to have access to the Project or any part thereof for the purpose of inspecting the acquisition, installation or construction thereof.

**Section 5.8. Machinery and Equipment Purchased by the Tenant.** If no part of the purchase price of an item of machinery, equipment or personal property is paid from Original Proceeds deposited in the Project Fund pursuant to the terms of this Lease, then such item of machinery, equipment or personal property will not be considered a part of the Project.

**Section 5.9. Project Property of the Issuer.** All Improvements, all work and materials on Improvements as such work progresses, any Project Additions, anything under this Lease which becomes, is deemed to be, or constitutes a part of the Project, and the Project as fully completed, repaired, rebuilt, rearranged, restored or replaced by the Tenant under the provisions of this Lease, except as otherwise specifically provided herein, shall immediately when erected or installed become the absolute property of the Issuer. Any Improvements which become a part of the real estate as fixtures shall remain separate from the Tenant's property unless and until purchased by the Tenant from the Issuer as provided in this Lease.

**Section 5.10. Kansas Retailers' Sales Tax.** The parties have entered into this Lease in contemplation that, under the existing provisions of K.S.A. 79-3606, subsections (b) and (d) and other applicable laws, sales of tangible personal property or services purchased in connection with construction of the Improvements are entitled to exemption from the tax imposed by the Kansas Retailers' Sales Tax Act. The parties agree that the Issuer shall, upon the request of and with the Tenant's assistance, promptly obtain from the State and furnish to the contractors and suppliers a project exemption certificate for the construction of the Improvements. The Tenant covenants that said exemption certificate shall be used only in connection with the purchase of tangible personal property or services becoming a part of the Project. The Issuer shall not be responsible for any failure on the part of the State to issue such project exemption certificate.

## ARTICLE VI

**Section 6.1. Insurance as a Condition to Disbursement.** As a condition precedent to payment of Costs of Issuance or disbursement of Project Costs (other than Costs of Issuance) from the Project Fund pursuant to *Article V* hereunder, the following policies of insurance shall be in full force and effect:

(a) General accident and public liability insurance covering the Tenant's operations in or upon the Project (including coverage for losses arising from the ownership, maintenance, use or operation of any automobile, truck or other vehicle in or upon the Project) under which the Tenant shall be insured and the Issuer and the Trustee shall be additional insureds or mortgagees, as their interests in the Project appear, in an amount not less than the then maximum liability of a governmental entity for claims arising out of a single occurrence as provided by the Kansas tort claims act or other similar future law (currently \$500,000 per occurrence); which policy shall provide that such insurance may not be canceled by the issuer thereof without at least 30 days' advance written notice to the Issuer, the Tenant and the Trustee, such insurance to be maintained throughout the Term of this Lease;

(b) Statutory workers' compensation insurance;

(c) With regard to new buildings and improvements constituting a part of the Improvements, insurance insuring the Improvements while under construction against fire, lightning and all other risks covered by the broadest form extended coverage endorsement then and from time to time thereafter in use in the State to the Full Insurable Value of such Improvements. Such insurance coverage shall name the Tenant as insured and the Issuer and the Trustee as additional insureds or mortgagees and loss payees, as their respective interests appear, and all Net Proceeds received under such policy or policies by the Issuer or the Tenant shall be paid over to the Trustee and be applied as set forth in *Article XVIII* hereof; and

(d) With regard to new buildings and improvements constituting a part of the Improvements and constructed by contractors other than the Tenant, performance and labor and material payment bonds (with sureties authorized to do business in Kansas and approved by the Issuer) with respect to applicable Project Contracts and in the full amount of the Project Contracts. The performance and payment bonds must be furnished to the Trustee before any disbursements are made from the Project Fund for Project Costs incurred pursuant to the bonded contract. Said bonds shall name the Issuer, the Tenant and the Trustee as obligees. All payments received by the Issuer, the Tenant and/or the Trustee under said bonds shall become a part of and be deposited in the Project Fund. In lieu of furnishing the payment and statutory bonds required by this paragraph, with the consent of the Issuer and the Trustee which will not be unreasonably withheld, Original Proceeds may be disbursed to pay Project Costs upon receipt by the Trustee of waivers of statutory mechanic's and materialmen's liens signed by the contractor and all vendors and subcontractors being paid from such disbursement, in the manner and to the extent required by *Section 5.4* of this Lease for disbursements made for materials or labor furnished to the Project site by direct contract with the Tenant.

**Section 6.2. Insurance After Completion.** The Tenant shall and covenants and agrees that it will, prior to or simultaneously with the expiration of the insurance provided for in the preceding section and throughout the Term at its sole cost and expense, keep the Improvements continuously insured against loss or damage by fire, lightning and all other risks covered by the broadest form extended coverage insurance endorsement then in use in the State in an amount equal to the Full Insurable Value thereof in such insurance company or companies as it may select and shall at all times maintain general accident and public liability insurance required pursuant to *Section 6.1(a)*, all of which policies shall name the Tenant, the Issuer, and the Trustee as insureds or mortgagees, as their interests appear.

### **Section 6.3. General Insurance Provisions.**

(a) All policies of insurance and all renewals thereof shall name the Tenant as insured and the Issuer and the Trustee as additional insureds or mortgagees and loss payees as their respective interests may appear, shall contain a provision that such insurance may not be canceled or amended by the issuer thereof without at least 30 days' written notice to the Issuer, the Tenant and the Trustee and shall be payable to the Issuer, the Tenant and the Trustee as their respective interests appear. The Issuer and the Tenant each hereby agree to do anything necessary, be it the endorsement of checks or otherwise, to cause any payment of insurance proceeds to be made to the Trustee, as long as such payment is required by this Lease to be made to the Trustee. Any charges made by the Trustee for its services in connection with insurance payments shall be paid by the Tenant.

(b) Each policy of insurance hereinabove referred to shall be issued by a nationally recognized responsible insurance company authorized under the laws of the State to assume the risks covered therein, except that the Tenant may be self-insured as to any required insurance coverages under a program of self-insurance approved by the State Commissioner of Insurance or other applicable State regulatory authority.

(c) Each policy of insurance hereinabove referred to may be subject to a reasonable deductible or self-insured retention.

(d) Each policy of insurance required herein may be provided through blanket policies maintained by the Tenant.

(e) Anything in this Lease to the contrary notwithstanding, the Tenant shall be liable to the Issuer and the Trustee pursuant to the provisions of this Lease or otherwise, as to any loss or damage which may have been occasioned by the negligence of the Tenant, its agents, licensees, contractors, invitees or employees.

**Section 6.4. Evidence of Title.** The Tenant shall furnish evidence of title in the form of a policy of owner's title insurance, insuring the Issuer's fee simple title to the Land, as of the date and time immediately prior to conveyance to the Issuer, subject to Permitted Encumbrances, in an amount equal to \$1,600,000. Such title insurance policy shall contain no exceptions, other than the title insurance company's standard printed exceptions, Permitted Encumbrances, and the encumbrance created by this Lease. The Issuer and the Tenant agree that any and all proceeds therefrom during the Basic Term (a) if received before the completion of the building Improvements shall be paid into and become a part of the Project Fund, (b) if received thereafter but before the Bonds and interest thereon have been paid in full, shall be paid into and become a part of the Debt Service Fund, and (c) if received after the Bonds, redemption premium, if any, and interest thereon have been paid in full, shall belong and be paid to the Tenant.

## **ARTICLE VII**

**Section 7.1. Impositions.** The Tenant shall, during the Term of this Lease, bear, pay and discharge, before the delinquency thereof, any and all Impositions. In the event any Impositions may be lawfully paid in installments, the Tenant shall be required to pay only such installments thereof as become due and payable during the term of this Lease as and when the same become due and payable.

### **Section 7.2. Reserved.**

**Section 7.3. Contest of Impositions.** The Tenant shall have the right, in its own or the Issuer's name or both, to contest the validity or amount of any Imposition by appropriate legal proceedings instituted

before the Imposition complained of becomes delinquent if, and provided, the Tenant (i) before instituting any such contest, shall give the Issuer and the Trustee written notice of its intention to do so and, if requested in writing by the Issuer or the Trustee, shall deposit with the Trustee a surety bond of a surety company acceptable to the Issuer as surety, in favor of the Issuer and the Trustee, as their interests may appear, or cash, in a sum of at least the amount of the Imposition so contested, assuring the payment of such contested Impositions together with all interest and penalties to accrue thereon and court costs, (ii) diligently prosecutes any such contest and at all times effectively stays or prevents any official or judicial sale therefor, under execution or otherwise, and (iii) promptly pays any final judgment enforcing the Imposition so contested and thereafter promptly procures record release or satisfaction thereof. The Tenant shall indemnify and hold the Issuer whole and harmless from any costs and expenses the Issuer may incur related to any such contest.

**Section 7.4. Ad Valorem Taxes.** The parties acknowledge that under the existing provisions of K.S.A. 79-201a, as amended, the property acquired, constructed or purchased with the proceeds of the Bonds (except such property used for certain retail uses) is eligible to receive exemption from *ad valorem* taxation for a period up to 10 calendar years after the calendar year in which the Bonds are issued, provided the Issuer has complied with certain notice, hearing and procedural requirements established by law, and proper application has been made. The Issuer represents that such notice, hearing and procedural requirements will have been complied with at the Issue Date. The Issuer will, at the Tenant's request, with information furnished by Tenant and the Trustee, make all necessary filings regarding the application for 100% *ad valorem* tax exemption for a three-year period beginning in the calendar year following the calendar year in which the Bonds were issued, and will renew said application from time to time and take any other action as may be necessary to maintain such *ad valorem* tax exemption in full force and effect, in accordance with K.S.A. 79-201a, 79-210 *et seq.* and the requirements of the State Court of Tax Appeals. If it becomes necessary to litigate the issue of availability or applicability of the *ad valorem* tax exemption, the Issuer will cooperate fully with Tenant in pursuing such litigation, but all litigation costs and reasonable attorney fees must be paid by Tenant, either directly or as Additional Rent.

## ARTICLE VIII

**Section 8.1. Use of Project.** Subject to the provisions of this Lease, the Tenant shall have the right to use the Project for any and all purposes allowed by law and contemplated by the constitution of the State and the Act. The Tenant shall comply in all material respects with all statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Project or to any adjoining public ways, as to the manner of use or the condition of the Project or of adjoining public ways. The Tenant shall comply with the mandatory requirements, rules and regulations of all insurers under the policies required to be carried under the provisions of this Lease. The Tenant shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the Tenant to comply with the provisions of this Article.

### **Section 8.2. Environmental Provisions.**

(a) The Tenant hereby covenants that it will not cause and will use reasonable efforts and take such reasonable action as may be necessary so as to not permit any Hazardous Substances (as defined herein) to be placed, held, located or disposed of, on, under or at the Facility, other than in the ordinary course of business and in compliance with all applicable Environmental Laws.

(b) In furtherance and not in limitation of any indemnity elsewhere provided to the Issuer hereunder and in the Indenture, the Tenant hereby agrees to indemnify and hold harmless the Issuer, the

Trustee and the Owner(s) of Bond(s) from time to time from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment, costs of investigation, consultants, testing, sampling, cleanup, or defense, and claims of any and every kind paid, incurred or suffered, with respect to, or as a direct or indirect result of, the actual or alleged presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the Facility of any Hazardous Substance (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under any federal, state or local Environmental Law or so-called "Superfund" or "Super lien" law, or any other applicable Environmental Law, rule, regulation, order or decree regulating, relating to or imposing liability, including strict liability, or standard of conduct concerning, any Hazardous Substance) regardless of whether or not caused by or within the control of the Tenant.

(c) The provisions of this *Section 8.2* shall survive the termination of this Lease or exercise of the Tenant's option to purchase the Facility, except with respect to obligations which arise solely and exclusively as a result of the use, spill, release, leak, seepage or discharge of Hazardous Substances on the Facility after the Facility is no longer occupied by the Tenant.

## ARTICLE IX

**Section 9.1. Sublease by the Tenant.** The Tenant may sublease the Project to a single party or entity, with the prior written consent of the Issuer. The Tenant may sublease portions of the Project for use by others in the normal course of its business without the Issuer's prior consent or approval. In the event of any such subleasing, the Tenant shall remain fully liable for the performance of its duties and obligations hereunder, and no such subleasing and no dealings or transactions between the Issuer or the Trustee and any such subtenant shall relieve the Tenant of any of its duties and obligations hereunder. Any such sublease shall be subject and subordinate in all respects to the provisions of this Lease. The Sublease with the Subtenant is hereby approved. . In addition, the Tenant may sublease up to 3000 square feet of the Project to any person or entity for use as an optometric practice office for which Subtenant will provide accounting and billing services and in connection with which Subtenant will engage in educational and training activities for Subtenant's employees as a part of Subtenant's operations. Such a sublease will not require the prior written consent of Issuer. However, Tenant agrees to provide Issuer with a copy of any such sublease at least thirty (30) days prior to entering into such sublease.

**Section 9.2. Assignment by the Tenant.** The Tenant may assign, mortgage, sell, or otherwise transfer its interest in this Lease only with the prior written consent of the Issuer. Collateral assignment by the Tenant of its leasehold interest in this Lease to INTRUST Bank, N.A., is hereby acknowledged and approved by the Issuer. In the event of any such assignment, the Tenant shall remain fully liable for the performance of its duties and obligations hereunder, except to the extent hereinafter provided, and no such assignment and no dealings or transactions between the Issuer and any such assignee shall relieve the Tenant of any of its duties and obligations hereunder, except as may be otherwise provided in the following Section.

**Section 9.3. Release of the Tenant.** If, in connection with an assignment by the Tenant of its interest in this Lease, (a) the Issuer and the Owners of at least seventy-five percent (75%) in aggregate principal amount of the Outstanding Bonds (including any Additional Bonds) shall file with the Trustee their prior written consent to such assignment, and (b) the proposed assignee shall expressly assume and agree to perform all of the obligations of the Tenant under this Lease and the Guaranty Agreement with regard to the Bonds; then the Tenant shall be fully released from all obligations accruing hereunder after the date of such assignment.

**Section 9.4. Mergers and Consolidations.** Notwithstanding the provisions of *Sections 9.2 and 9.3* above, if the Tenant shall assign or transfer, by operation of law or otherwise, its interests in this Lease in connection with a transaction involving the merger or consolidation of the Tenant with or into, or a sale, lease or other disposition of all or substantially all of the property of the Tenant as an entirety to another person, association, corporation or other entity, and (a) the Issuer shall file with the Trustee its prior written consent to such assignment, transfer or merger, (b) the proposed assignee, transferee or surviving entity shall expressly assume and agree to perform all of the obligations of the Tenant under this Lease and the Guaranty Agreement with regard to the Bonds, and (c) the Tenant shall furnish the Trustee and the Issuer with evidence in the form of financial statements accompanied by a proforma balance sheet prepared by an independent certified public accountant of recognized standing showing that the net worth of such proposed assignee, transferee or surviving entity immediately following such assignment, transfer or merger will be at least equal to the net worth of the Tenant as shown by the most recent financial statements of the Tenant furnished to the Trustee pursuant to this Lease; then and in such event the Tenant shall be fully released from all obligations accruing hereunder after the date of such assignment, transfer or merger.

**Section 9.5. Covenant Against Other Assignments.** The Tenant will not assign or in any manner transfer its interests under this Lease, nor will it suffer or permit any assignment thereof by operation of law, except in accordance with the limitations, conditions and requirements set forth in this *Article IX*.

## ARTICLE X

**Section 10.1. Repairs and Maintenance.** The Tenant covenants and agrees that it will, during the Term of this Lease, at its own expense, keep and maintain the Project and all parts thereof in good condition and repair (ordinary wear and tear excepted), including but not limited to the furnishing of all parts, mechanisms and devices required to keep the machinery, equipment and personal property constituting a part of the Project in good mechanical and working order (ordinary wear and tear excepted).

**Section 10.2. Removal, Disposition and Substitution of Machinery or Equipment.** The Tenant shall have the right, provided the Tenant is not in Default, to remove and sell or otherwise dispose of any machinery or equipment which constitutes a part of the Project and which is no longer used by the Tenant or, in the opinion of the Tenant, is no longer useful to the Tenant in its operations (whether by reason of changed processes, changed techniques, obsolescence, depreciation or otherwise), subject, however, to the following conditions:

(a) With respect only to such items of machinery or equipment that originally cost \$[\_\_\_\_\_] or more, to the following:

(1) Prior to any such removal, the Tenant shall deliver to the Trustee a certificate signed by the Authorized Tenant Representative (A) containing a complete description, including the make, model and serial numbers, if any, of any machinery and equipment constituting a part of the Project which it proposes to remove, (B) stating the reason for such removal, (C) stating what disposition, if any, of the machinery or equipment is to be made by the Tenant after such removal and the names of the party or parties to whom such disposition is to be made and any consideration to be received by the Tenant therefor, if any, and (D) setting forth the original cost and the current fair market value of such machinery and equipment.

(2) Prior to any such removal, the Tenant shall pay the current fair market value of such machinery or equipment as set forth in said certificate to the Trustee, provided, however, that in no event shall the amount paid be less than the consideration to be received by the Tenant upon the

disposition thereof and the Trustee shall deposit such amount in the Debt Service Fund. Any money deposited in the Debt Service Fund pursuant to this Section shall be used to redeem Outstanding Bonds at their earliest optional redemption date.

(3) The Tenant may remove any machinery or equipment constituting a part of the Project without first complying with the provisions of subparagraph (2) above if the Tenant promptly replaces any such machinery or equipment so removed with machinery or equipment of the same or a different kind but which is capable of performing the same function, efficiently, as the machinery or equipment so removed. The machinery or equipment so acquired by the Tenant to replace such machinery or equipment thereafter shall be deemed a part of the Project. Within 30 days after any such replacement by the Tenant, the Tenant shall deliver to the Trustee a certificate of the Authorized Tenant Representative setting forth a complete description, including make, model and serial numbers, if any, of the machinery or equipment which the Tenant has acquired to replace the machinery or equipment so removed by the Tenant, the cost thereof and that said machinery and equipment have been installed.

(b) With respect to such items of machinery or equipment that originally cost less than \$[\_\_\_\_\_], the Tenant may obtain release of any such items without any payment to the Trustee upon delivery of a certificate setting forth the facts provided for in subparagraph (a)(1) above. In no event shall the Tenant pursuant to the preceding sentence remove an aggregate amount of machinery or equipment having an aggregate original cost of more than \$[\_\_\_\_\_], without making payment for it.

All machinery or equipment constituting a part of the Project and removed by the Tenant in compliance with this Section shall become the absolute property of the Tenant and may be sold or otherwise disposed of by the Tenant without otherwise accounting to the Issuer. In all cases, the Tenant shall pay all the costs and expenses of any such removal and shall immediately repair at its expense all damage caused thereby. The Tenant's rights under this Section to remove machinery or equipment constituting a part of the Project is intended only to permit the Tenant to maintain an efficient operation by the removal of such machinery and equipment no longer suitable to the Tenant's use for any of the reasons set forth in this Section and such right is not to be construed to permit a removal under any other circumstances and shall not be construed to permit the wholesale removal of such machinery or equipment by the Tenant.

## ARTICLE XI

**Section 11.1. Alteration of Project.** The Tenant shall have and is hereby given the right, at its sole cost and expense, to make such additions, changes and alterations in and to any part of the Project as the Tenant from time to time may deem necessary or advisable, provided however, the Tenant shall not make any major addition, change or alteration which will adversely affect the intended use or structural strength or value of any part of the Improvements. All additions, changes and alterations made by the Tenant pursuant to the authority of this Article shall (a) be made in a workmanlike manner and in strict compliance with all laws and ordinances applicable thereto, (b) when commenced, be prosecuted to completion with due diligence, and (c) when completed, shall be deemed a part of the Project; provided, however, that additions of machinery, equipment and/or personal property of the Tenant, not purchased or acquired from proceeds of the Bonds and not constituting a part of the Project shall remain the separate property of the Tenant and may be removed by the Tenant prior to or as provided in *Section 22.1* hereof.

## ARTICLE XII

**Section 12.1. Additional Improvements.** The Tenant shall have and is hereby given the right, at its sole cost and expense, to construct on the Land or within areas occupied by the Improvements, or in airspace above the Project, such additional buildings and improvements as the Tenant from time to time may deem necessary or advisable. All additional buildings and improvements constructed by the Tenant pursuant to the authority of this Article shall, during the Term, remain the property of the Tenant and may be added to, altered or razed and removed by the Tenant at any time during the Term hereof. The Tenant covenants and agrees (a) to make all repairs and restorations, if any, required to be made to the Project because of the construction of, addition to, alteration or removal of, said additional buildings or improvements, (b) to keep and maintain said additional buildings and improvements in good condition and repair, ordinary wear and tear excepted, (c) to promptly and with due diligence either raze and remove from the Land, in a good, workmanlike manner, or repair, replace or restore such of said additional buildings or improvements as may from time to time be damaged by fire or other casualty, and (d) that all additional buildings and improvements constructed by the Tenant pursuant to this Article which remain in place after the termination of this Lease for any cause other than the purchase of the Project pursuant to *Article XVII* hereof shall, upon and in the event of such termination, become the separate and absolute property of the Issuer.

### **ARTICLE XIII**

**Section 13.1. Securing of Permits and Authorizations.** The Tenant shall not do or permit others under its control to do any work in or in connection with the Project or related to any repair, rebuilding, restoration, replacement, alteration of or addition to the Project, or any part thereof, unless all requisite municipal and other governmental permits and authorizations shall have first been procured and paid for. All such work shall be done in a good and workmanlike manner and in compliance with all applicable building, zoning and other laws, ordinances, governmental regulations and requirements and in accordance with the requirements, rules and regulations of all insurers under the policies required to be carried under the provisions of this Lease.

**Section 13.2. Mechanic's Liens.** The Tenant shall not do or suffer anything to be done whereby the Project, or any part thereof, is encumbered by any mechanic's or other similar lien. Should any mechanic's or other similar lien ever be filed against the Project, or any part thereof, the Tenant shall discharge the same of record within 30 days after the date of filing. Notice is hereby given that the Issuer does not authorize or consent to and shall not be liable for any labor or materials furnished to the Tenant or anyone claiming by, through or under the Tenant upon credit, and that no mechanic's or similar liens for any such labor, services or materials shall attach to or affect the reversionary or other estate of the Issuer in and to the Project, or any part thereof.

**Section 13.3. Contest of Liens.** The Tenant, notwithstanding the above, shall have the right to contest any such mechanic's or other similar lien if within said 30-day period stated above it (a) notifies the Issuer and the Trustee in writing of its intention so to do, and if requested by the Trustee or the Issuer, deposits with the Trustee a surety bond issued by a surety company acceptable to the Issuer as surety, in favor of the Issuer, or cash, in the amount of the lien claim so contested, indemnifying and protecting the Issuer from and against any liability, loss, damage, cost and expense of whatever kind or nature growing out of or in any way connected with said asserted lien and the contest thereof, (b) diligently prosecutes such contest, at all times effectively staying or preventing any official or judicial sale of the Project or any part thereof or interest therein, under execution or otherwise, and (c) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim and thereafter promptly procures record release or satisfaction thereof.

**Section 13.4. Utilities.** All utilities and utility services used by the Tenant in, on or about the Project shall be contracted for by the Tenant in the Tenant's own name and the Tenant shall, at its sole cost and expense, procure any and all permits, licenses or authorizations necessary in connection therewith.

## ARTICLE XIV

**Section 14.1. Indemnity.** The Tenant agrees, whether or not the transactions contemplated by this Lease, the Bonds or the Indenture are consummated, to indemnify and hold harmless the Issuer and its officers, directors, officials, employees and agents, including the Trustee as assignee of the Issuer's rights under this Lease, and the Original Purchaser and each of its officers, directors, employees and agents (any or all of the foregoing referred to hereafter as "Indemnified Persons"), from and against all claims, actions, suits, proceedings, expenses, judgments, damages, penalties, fines, assessments, liabilities, charges or other costs (including, without limitation, all attorneys' fees and expenses incurred in connection with enforcing this Lease or collecting any sums due hereunder and any claim or proceeding or any investigations undertaken hereunder) relating to, resulting from, or in connection with (a) any cause in connection with the Project, including, without limitation, the acquisition, design, construction, installation, equipping, operating, maintenance or use thereof; (b) any act or omission of the Tenant or any of its agents contractors, servants, employees or licenses in connection with the use or operation of the Project; (c) any cause in connection with the issuance and sale of the Bonds, (d) a misrepresentation or breach of warranty by the Tenant hereunder or under any of the documents executed by the Tenant in connection with this Lease, or (e) any violation by the Tenant of any of its covenants hereunder or under any of the other documents executed by the Tenant in connection with the Bonds or this Lease. This indemnity is effective only with respect to any loss incurred by any Indemnified Person not due to willful misconduct, gross negligence, or bad faith on part of such Indemnified Person. In case any action or proceeding shall be brought against one or more Indemnified Person and with respect to which such Indemnified Person may seek indemnity as provided herein, such Indemnified Person shall promptly notify the Tenant in writing and the Tenant shall promptly assume the defense thereof, including the employment of counsel reasonable satisfactory to such Indemnified Person or Indemnified Persons, the payment of all expenses and the right to negotiate and consent to settlement; but the failure to notify the Tenant as provided shall not relieve Tenant from any liability of duty under this Section, so long as Tenant is given reasonable opportunity to defend such claim.

## ARTICLE XV

**Section 15.1. Access to Project.** The Issuer, for itself and its duly authorized representatives and agents, including the Trustee, reserves the right to enter the Project at all reasonable times during usual business hours throughout the Term, upon reasonable notice, for the purpose of (a) examining and inspecting the same, (b) performing such work made necessary by reason of the Tenant's default under any of the provisions of this Lease, and (c) after an Event of Default, for the purpose of exhibiting the Project to prospective purchasers, lessees or mortgagees. The Issuer may, during the progress of said work mentioned in (b) above, keep and store on the Project all necessary materials, supplies and equipment and shall not be liable for inconvenience, annoyances, disturbances, loss of business or other damage suffered by reason of the performance of any such work or the storage of such materials, supplies and equipment.

## ARTICLE XVI

**Section 16.1. Option to Extend Basic Term.** The Tenant shall have and is hereby given the right and option to extend the Basic Term of this Lease for the Additional Term provided that (a) the Tenant shall

give the Issuer written notice of its intention to exercise the option at least 30 days prior to the expiration of the Basic Term and (b) the Tenant is not in Default hereunder at the time it gives the Issuer such notice or at the time the Additional Term commences. In the event the Tenant exercises such option, the terms, covenants, conditions and provisions set forth in this Lease shall be in full force and effect and binding upon the Issuer and the Tenant during the Additional Term except that the Basic Rent during any extended term herein provided for shall be the sum of \$100.00 per year, payable in advance on the first Business Day of such Additional Term.

## ARTICLE XVII

**Section 17.1. Option to Purchase Project.** Subject to the provisions of this Article, the Tenant shall have the right and option to purchase the Project at any time during the Term hereof and for 120 days thereafter. The Tenant shall exercise its option by giving the Issuer written notice of the Tenant's election to exercise its option and specifying the date, time and place of closing, which date (the "Purchase Date") shall neither be earlier than 30 days nor later than 180 days after the notice is given. The Tenant may not, however, exercise such option if the Tenant is in Default hereunder on the Purchase Date unless all Defaults are cured upon payment of the purchase price specified in *Section 17.2*.

**Section 17.2. Quality of Title and Purchase Price.** If said notice of election to purchase is given, the Issuer shall sell and convey all of its interests in the Project to the Tenant on the Purchase Date free and clear of all liens and encumbrances except (a) Permitted Encumbrances, (b) those to which title was subject on the date of conveyance to the Issuer of the Land, or to which title became subject with the Tenant's written consent, or which resulted from any failure of the Tenant to perform any of its covenants or obligations under this Lease, (c) taxes and assessments, general and special, if any, and (d) the rights of any party having condemned or who is attempting to condemn title to, or the use for a limited period of, all or any part of the Project, for a price determined as follows (which the Tenant agrees to pay in cash at the time of delivery of the Issuer's deed or other instrument or instruments of transfer of the Project to the Tenant as hereinafter provided):

(1) The full amount which is required to provide the Issuer and the Trustee with funds sufficient, in accordance with the provisions of the Indenture, to pay at maturity or to redeem and pay in full (A) the principal of all of the Outstanding Bonds, (B) all interest due thereon to date of maturity or redemption, whichever first occurs, and (C) all costs, expenses and premiums incident to the redemption and payment of said Bonds in full, plus

(2) \$100.00.

Nothing in this Article shall release or discharge the Tenant from its duty or obligation under this Lease to make any payment of Basic Rent or Additional Rent which, in accordance with the terms of this Lease, becomes due and payable prior to the Purchase Date, or its duty and obligation to fully perform and observe all covenants and conditions herein stated to be performed and observed by the Tenant prior to the Purchase Date.

**Section 17.3. Closing of Purchase.** On the Purchase Date the Issuer shall deliver to the Tenant its special warranty deed and/or other appropriate instrument or instruments of conveyance or assignment, properly executed and conveying the Project to the Tenant free and clear of all liens and encumbrances except as set forth in the preceding section above, or conveying such other title to the Project as may be acceptable to the Tenant, and the Tenant shall pay the full purchase price for the Project as follows: (a) the amount specified in clause (1) of *Section 17.2* shall be paid to the Trustee for deposit in the Debt Service Fund to be used to pay or redeem Bonds and the interest thereon as provided in the Indenture, and (b) the

amount specified in clause (2) of said *Section 17.2* shall be paid to the Issuer; provided, however, nothing herein shall require the Issuer to deliver its appropriate instrument or instruments of assignment or conveyance to the Tenant until after all duties and obligations of the Tenant under this Lease to the date of such delivery have been fully performed and satisfied or adequate provision made for such performance and satisfaction. Upon the delivery to the Tenant of the Issuer's appropriate instrument or instruments of assignment or conveyance, payment of the purchase price by the Tenant and legal defeasance of the Bonds, this Lease shall *ipso facto* terminate, subject to the provisions of *Section 20.2* hereof.

**Section 17.4. Effect of Failure to Complete Purchase.** If, for any reason, the purchase of the Project by the Tenant pursuant to valid notice of election to purchase is not effected on the Purchase Date, this Lease shall be and remain in full force and effect according to its terms the same as though no notice of election to purchase had been given, except that if such purchase is not effected on the Purchase Date because the Issuer does not have or is unable to convey to the Tenant such title to the Project as the Tenant is required to accept, the Issuer shall use its best efforts to cure any such defect in its title to the Project. In the event the Issuer is unable to cure such defect in its title to the Project, or if the Issuer's failure to close would be a breach of its obligations hereunder, the Tenant shall have the right to cancel this Lease forthwith if, but only if, the principal of and interest on the Bonds and all costs incident to the redemption and payment of the Bonds have been paid in full. The Tenant shall also have the right to exercise any legal or equitable remedies, in its own name or in the name of the Issuer, to obtain acceptable title to the Project.

**Section 17.5. Application of Condemnation Awards if the Tenant Purchases Project.** The right of the Tenant to exercise its option to purchase the Project under the provisions of this Article shall remain unimpaired notwithstanding any condemnation of title to, or the use for a limited period of, all or any part of the Project. If the Tenant shall exercise its said option and pay the purchase price as provided in this Article, all of the condemnation awards received by the Issuer after the payment of said purchase price, less all attorneys' fees and other expenses and costs incurred by the Issuer as the owner of the Project in connection with such condemnation, shall belong and be paid to the Tenant.

**Section 17.6. Option to Purchase Unimproved Portions of Land.** The Tenant shall have the option to purchase at any time and from time to time during the Term any vacant part or vacant parts of the unimproved Land constituting a part of the Project; provided, however, the Tenant shall furnish the Issuer and the Trustee with a certificate of an Authorized Tenant Representative, dated not more than thirty (30) days prior to the date of the purchase and stating that, in the opinion of the Authorized Tenant Representative, (a) the portion of said Land with respect to which the option is exercised is not needed for the operation of the Project for the purposes herein stated, (b) the purchase will not impair the usefulness or operating efficiency or materially impair the value of the Project and will not destroy or materially impair the means of ingress thereto and egress therefrom, and (c) the purchase will not materially adversely affect compliance of the remaining Land and any Improvements with applicable zoning laws or regulations. The Tenant shall exercise this option by giving the Issuer and the Trustee written notice of the Tenant's election to exercise its option and specifying (i) the legal description, (ii) the date, time and place of closing, which date shall neither be earlier than 45 days nor later than 60 days after the notice is given, (iii) the appraised current fair market value of the portions of the Land with respect to which the Tenant's option is exercised as determined by an independent, qualified appraiser whose report shall be furnished to the Trustee together with the Tenant's notice of election to purchase, and (iv) a certificate signed by the chief executive or chief financial officer of the Tenant stating that no event has occurred and is continuing which, with notice or lapse of time or both, would constitute an Event of Default; provided, however, that the Tenant may not exercise this option if there has occurred and is continuing any event which, with notice or lapse of time or both, would constitute an Event of Default at the time said notice is given and may not purchase said real property on the specified closing date if any such event has occurred and is continuing on said date unless all defaults are cured. The option hereby given shall include the right to purchase a perpetual easement for right-of-way to and from the public roadway and the right to purchase such land as is necessary to assure

that there will always be access between the real property purchased pursuant to these *Sections 17.6* through *17.10* and the public roadway.

**Section 17.7. Quality of Title - Purchase Price.** If said notice of election to purchase is given as provided in *Section 17.6* the Issuer shall convey the real property described in the Tenant's notice to the Tenant on the specified date free and clear of all liens and encumbrances except (a) Permitted Encumbrances, (b) those to which the title was subject on the date of conveyance to the Issuer of the Land, or to which title became subject with the Tenant's written consent, or which resulted from any failure of the Tenant to perform any of its covenants or obligations under this Lease, (c) taxes and assessments, general and special, if any, and (d) the interests of any party having condemned or who is attempting to condemn title to, or the use for a limited period of, all or any part of the real property described in the Tenant's notice. The purchase price shall be an amount equal to the then current fair market value thereof, as determined with reference to the independent appraiser's report furnished to the Trustee.

**Section 17.8. Closing of Purchase.** If the Issuer has title to such vacant real property free and clear of all liens and encumbrances except as stated above or has such other title to the such real property as may be acceptable to the Tenant, then on the specified date, the Issuer shall deliver to the Tenant its special warranty deed, properly executed and conveying such real property to the Tenant free and clear of all liens and encumbrances except as stated above, and the Tenant shall pay the purchase price for such real property, said purchase price to be paid to the Trustee for the account of the Issuer and deposited by the Trustee in the Debt Service Fund and shall be used to redeem Bonds on any date the Bonds are subject to optional redemption as provided in the Indenture. Nothing herein shall require the Issuer to deliver its special warranty deed to the Tenant until after all duties and obligations of the Tenant under this Lease to the date of such delivery have been fully performed and satisfied.

**Section 17.9. Effect of Purchase on Lease.** The exercise by the Tenant of the option granted under these *Sections 17.6* to *17.10* and the purchase and sale and conveyance of a portion or portions of the Land constituting a part of the Project pursuant hereto shall in no way whatsoever affect this Lease, and all the terms and provisions hereof shall remain in full force and effect the same as though no notice of election to purchase had been given, and specifically, but not in limitation of the generality of the foregoing, exercise of such option shall not affect, alter, diminish, reduce or abate the Tenant's obligations to pay all Basic Rent and Additional Rent required hereunder.

**Section 17.10. Effect of Failure to Complete Purchase.** If, for any reason whatsoever, the purchase by the Tenant of the real property described in said notice is not effected on the specified date, this Lease shall be and remain in full force and effect according to its terms the same as though no notice of election to purchase had been given.

## ARTICLE XVIII

### Section 18.1. Damage and Destruction.

(a) If, during the Term, any Improvements are damaged or destroyed, in whole or in part, by fire or other casualty, the Tenant shall promptly notify the Issuer and the Trustee in writing as to the nature and extent of such damage or loss and whether it is practicable and desirable to rebuild, repair, restore or replace such damage or loss.

(b) If the Tenant shall determine that such rebuilding, repairing, restoring or replacing is practicable and desirable, the Tenant shall forthwith proceed with and complete with reasonable dispatch such rebuilding, repairing, restoring or replacing. In such case, any Net Proceeds of property and/or

casualty insurance required by this Lease and received with respect to any such damage or loss to the Improvements shall be paid to the Trustee and shall be deposited in the Project Fund and shall be used and applied for the purpose of paying the cost of such rebuilding, repairing, restoring or replacing such damage or loss. Any amount remaining in the Project Fund after such rebuilding, repairing, restoring or replacing shall be paid to the Tenant.

(c) If the Tenant shall reasonably determine that rebuilding, repairing, restoring or replacing the Improvements is not practicable and desirable, any Net Proceeds of property and/or casualty insurance required by this Lease and received with respect to any such damage or loss to the Project shall be paid into the Debt Service Fund. Such moneys shall be used to redeem Bonds at their earliest optional redemption date. The Tenant agrees that it shall be reasonable in exercising its judgment pursuant to this subsection (c).

(d) The Tenant shall not, by reason of its inability to use all or any part of the Improvements during any period in which the Improvements are damaged or destroyed, or are being repaired, rebuilt, restored or replaced nor by reason of the payment of the costs of such rebuilding, repairing, restoring or replacing, be entitled to any reimbursement or any abatement or diminution of the Basic Rent or Additional Rent payable by the Tenant under this Lease nor of any other obligations of the Tenant under this Lease except as expressly provided in this Section.

#### **Section 18.2. Condemnation.**

(a) If, during the Term title to, or the temporary use of, all or any part of the Project shall be condemned by any authority exercising the power of eminent domain (other than the Issuer), the Tenant shall, within 30 days after the date of entry of a final order in any eminent domain proceedings granting condemnation, notify the Issuer and the Trustee in writing as to the nature and extent of such condemnation and whether it is practicable and desirable to acquire substitute land or construct substitute Improvements.

(b) If the Tenant shall determine that such substitution is practicable and desirable, the Tenant shall forthwith proceed with and complete with reasonable dispatch the acquisition or construction of such substitute Land or Improvements. In such case, any Net Proceeds received from any award or awards with respect to the Project or any part thereof made in such condemnation or eminent domain proceedings shall be paid to the Trustee for the account of the Tenant and shall be deposited in the Project Fund and shall be used and applied for the purpose of paying the cost of such substitution. Any amount remaining in the Project Fund after such acquisition or construction shall be paid to Tenant.

(c) If the Tenant shall reasonably determine that it is not practicable and desirable to acquire or construct substitute Improvements, any Net Proceeds of condemnation awards received by the Tenant shall be paid into the Debt Service Fund. Such moneys shall be used to redeem Bonds at their earliest optional redemption date. The Tenant agrees that it shall be reasonable in exercising its judgment pursuant to this subsection.

(d) The Tenant shall not, by reason of its inability to use all or any part of the Improvements during any such period of restoration or acquisition nor by reason of the payment of the costs of such restoration or acquisition, be entitled to any reimbursement or any abatement or diminution of the Basic Rent or Additional Rent nor of any other obligations hereunder payable by the Tenant under this Lease.

(e) The Issuer shall cooperate fully with the Tenant in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project or any part thereof so long as the Issuer is not the condemning authority. In no event will the Issuer voluntarily settle or consent to the

settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Tenant and the Trustee.

**Section 18.3. Effect of Tenant's Defaults.** Anything in this Article to the contrary notwithstanding, the Issuer and the Trustee shall have the right at any time and from time to time to withhold payment of all or any part of the Net Proceeds from the Project Fund attributable to damage, destruction or condemnation of the Project to the Tenant or any third party if an Event of Default has occurred and is continuing, or the Issuer or the Trustee has given notice to the Tenant of any Default which, with the passage of time, will become an Event of Default. In the event the Tenant shall cure any Defaults specified herein, the Trustee shall make payments from the Net Proceeds to the Tenant in accordance with the provisions of this Article. However, if this Lease is terminated or the Issuer or the Trustee otherwise re-enters and takes possession of the Project without terminating this Lease, the Trustee shall pay all the Net Proceeds held by it into the Debt Service Fund and all rights of the Tenant in and to such Net Proceeds shall cease.

## ARTICLE XIX

**Section 19.1. Change of Circumstances.** If at any time during the Basic Term, a Change of Circumstances occurs, then the Tenant shall have the option to purchase the Project pursuant to *Article XVII* or the option to terminate this Lease by giving the Issuer notice of such termination within 90 days after the Tenant has actual knowledge of the event giving rise to such option. Such termination shall become effective when all of the Bonds Outstanding are paid or payment is provided for pursuant to the Indenture.

## ARTICLE XX

**Section 20.1. Remedies on Default.** Whenever any Event of Default shall have happened and be continuing, the Trustee (acting on behalf of the Issuer, as assignee of the Issuer's rights hereunder) may take any legal action, including but not limited to, one or more of the following remedial actions:

(a) By written notice to the Tenant upon acceleration of maturity of the Bonds as provided in the Indenture, the Trustee acting on behalf of the Issuer may declare the aggregate amount of all unpaid Basic Rent or Additional Rent then or thereafter required to be paid under this Lease by the Tenant to be immediately due and payable as liquidated damages from the Tenant, whereupon the same shall become immediately due and payable by the Tenant.

(b) The Trustee acting on behalf of the Issuer may give the Tenant written notice of intention to terminate this Lease on a date specified therein, which date shall not be earlier than 30 days after such notice is given and, if all Events of Default have not then been cured on the date so specified, the Tenant's rights to possession of the Project shall cease, and this Lease shall thereupon terminate. The Trustee acting on behalf of the Issuer may thereafter re-enter and take possession of the Project and pursue all its available remedies, including sale of the Project and judgment against the Tenant for possession of the Project and/or all Basic Rent and Additional Rent then owing, including costs and attorney fees.

(c) Without terminating the Term hereof, or this Lease, the Trustee acting on behalf of the Issuer may conduct inspections or an Environmental Assessment of the Project, and re-enter the Project or take possession thereof pursuant to legal proceedings or any notice provided for by law and this Lease. The Issuer or the Trustee acting on behalf of the Issuer may refuse to re-enter or take possession of the Project if it has reasonable cause for such refusal. "Reasonable cause" shall include the presence on the Project of

conditions which are in violation of any Environmental Law or the existence or threat of a remedial action against the Tenant under any Environmental Law resulting from conditions on the Project.

(d) Having elected to re-enter or take possession of the Project pursuant to subsection 20.1(c), the Trustee acting on behalf of the Issuer may relet the Project, or parts thereof, for such term or terms and at such rental and upon such other terms and conditions as are deemed advisable, with the right to make alterations and repairs to the Project, and no such re-entry or taking of possession of the Project shall be construed as an election to terminate this Lease, and no such re-entry or taking of possession shall relieve the Tenant of its obligation to pay Basic Rent or Additional Rent (at the time or times provided herein), or of any of its other obligations under this Lease, all of which shall survive such re-entry or taking of possession. The Tenant shall continue to pay the Basic Rent and Additional Rent provided for in this Lease until the end of the Term, whether or not the Project shall have been relet, less the net proceeds, if any, of reletting the Project.

(e) Having elected to reenter or take possession of the Project pursuant to subsection 20.1(c), the Trustee acting on behalf of the Issuer may, by notice to the Tenant given at any time thereafter while the Tenant is in Default in the payment of Basic Rent or Additional Rent or in the performance of any other obligation under this Lease, elect to terminate this Lease in accordance with subsection 20.1(b) and thereafter proceed to exercise any remedies lawfully available.

(f) If, in accordance with any of the foregoing provisions of this Article, the Issuer shall have the right to elect to re-enter and take possession of the Project, the Issuer or the Trustee acting on behalf of the Issuer, may enter and expel the Tenant and those claiming through or under the Tenant and remove the property and effects of both or either by all lawful means without being guilty of any manner of trespass and without prejudice to any remedies for arrears of Basic Rent or Additional Rent or preceding breach of contract by the Tenant.

(g) Net proceeds of any reletting or sale of the Project shall be deposited in the Debt Service Fund for application to pay the Bonds and interest thereon. "Net proceeds" shall mean the receipts obtained from reletting or sale after deducting all expenses incurred in connection with such reletting or sale, including without limitation, all repossession costs, brokerage commissions, legal fees and expenses, expenses of employees, alteration costs and expenses of preparation of the Project for reletting or sale.

(h) The Issuer or the Trustee acting on behalf of the Issuer may recover from the Tenant any attorney fees or other expense incurred in exercising any of its remedies under this Lease.

**Section 20.2. Survival of Obligations.** The Tenant covenants and agrees with the Issuer, the Trustee and any other Owner(s) of Bonds that until all Bonds and the interest thereon and redemption premium, if any, are paid in full or provision is made for the payment thereof in accordance with the Indenture, its obligations under this Lease shall survive the cancellation and termination of this Lease for any cause and/or sale of the Project, and that the Tenant shall be obligated to pay Basic Rent and Additional Rent (reduced by any net income the Issuer or the Trustee may receive from the Project after such termination) and perform all other obligations provided for in this Lease, all at the time or times provided in this Lease. Notwithstanding any provision of this Lease or the Indenture, the Tenant's obligations under *Sections 8.2 and 14.1* hereof shall survive any termination, release or assignment of this Lease, the Indenture or Guaranty Agreement and payment or provision for payment of the Bonds.

**Section 20.3. No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute, subject to the provisions of the Indenture. No delay or omission to

exercise any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice required herein.

## ARTICLE XXI

**Section 21.1. Performance of the Tenant's Obligations by the Issuer.** If the Tenant shall fail to keep or perform any of its obligations as provided in this Lease, then the Issuer may (but shall not be obligated to do so) upon the continuance of such failure on the Tenant's part for 90 days after notice of such failure is given the Tenant by the Issuer or the Trustee and without waiving or releasing the Tenant from any obligation hereunder, as an additional but not exclusive remedy, make any such payment or perform any such obligation, and the Tenant shall reimburse the Issuer for all sums so paid by the Issuer and all necessary or incidental costs and expenses incurred by the Issuer in performing such obligations through payment of Additional Rent. If such Additional Rent is not so paid by the Tenant within 10 days of demand, the Issuer shall have the same rights and remedies provided for in *Article XX* in the case of Default by the Tenant in the payment of Basic Rent.

## ARTICLE XXII

**Section 22.1. Surrender of Possession.** Upon accrual of the Issuer's right of reentry as the result of the Tenant's Default hereunder or upon the cancellation or termination of this Lease by lapse of time or otherwise (other than as a result of the Tenant's purchase of the Project), the Tenant shall peacefully surrender possession of the Project to the Trustee, as assignee of the Issuer in good condition and repair, ordinary wear and tear excepted; provided, however, the Tenant shall have the right, prior to or within 30 business days after the termination of this Lease, to remove from on or about the Project the buildings, improvements, machinery, equipment, personal property, furniture and trade fixtures which the Tenant owns under the provisions of this Lease and are not a part of the Project. All repairs to and restorations of the Project required to be made because of such removal shall be made by and at the sole cost and expense of the Tenant. All buildings, improvements, machinery, equipment, personal property, furniture and trade fixtures owned by the Tenant and which are not so removed from on or about the Project prior to or within 30 business days after such termination of this Lease shall become the separate and absolute property of the Issuer.

## ARTICLE XXIII

**Section 23.1. Notices.** All notices required or desired to be given hereunder shall be in writing and shall be delivered in person to the Notice Representative or mailed by registered mail to the Notice Address. All notices given by registered mail as aforesaid shall be deemed duly given as of the date three days after they are so mailed. When mailed notices are given, the party giving notice will use reasonable diligence to contact the party being notified by telephone, electronic mail or facsimile on or before the date such notice is mailed.

## ARTICLE XXIV

**Section 24.1. Triple-Net Lease.** The parties hereto agree (a) that this Lease is intended to be a triple-net lease, (b) that the payments of Basic Rent and Additional Rent are designed to provide the Issuer and the Trustee with funds adequate in amount to pay all principal of and interest on all Bonds as the same become due and payable and to pay and discharge all of the other duties and requirements set forth herein, and (c) that to the extent that the payments of Basic Rent and Additional Rent are not adequate to provide the Issuer and the Trustee with funds sufficient for the purposes aforesaid, the Tenant shall be obligated to pay, and it does hereby covenant and agree to pay, upon demand therefor, as Additional Rent, such further sums of money as may from time to time be required for such purposes.

**Section 24.2. Funds Held by the Trustee After Payment of Bonds.** If, after the principal of and interest on all Bonds and all costs incident to the payment of Bonds have been paid in full, the Trustee holds unexpended funds received in accordance with the terms hereof, such unexpended funds shall, except as otherwise provided in this Lease and the Indenture and after payment therefrom to the Issuer of any sums of money then due and owing by the Tenant under the terms of this Lease, be the absolute property of and be paid over forthwith to the Tenant.

## ARTICLE XXV

**Section 25.1. Rights and Remedies.** The rights and remedies reserved by the Issuer and the Tenant hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. The Issuer and the Tenant shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Lease, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity.

**Section 25.2. Waiver of Breach.** No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the nondefaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such Default or Defaults which were in existence at the time such payment or payments or performance were accepted by it.

**Section 25.3. The Issuer Shall Not Unreasonably Withhold Consents and Approvals.** Wherever in this Lease it is provided that the Issuer shall, may or must give its approval or consent, or execute supplemental agreements, exhibits or schedules, the Issuer shall not unreasonably or arbitrarily withhold or refuse to give such approvals or consents or refuse to execute such supplemental agreements, exhibits or schedules.

## ARTICLE XXVI

**Section 26.1. The Issuer May Not Sell.** The Issuer covenants that unless an Event of Default under this Lease has occurred and is continuing, and the remaining Term of this Lease has been terminated, it will not, without the Tenant's written consent, unless required by law, sell or otherwise part with or encumber its fee title interest in the Project at any time during the Term of this Lease.

**Section 26.2. Quiet Enjoyment and Possession.** The Tenant shall enjoy peaceable and quiet possession of the Project as long as no Event of Default has occurred and is continuing.

**Section 26.3. Financial Report; Furnishing of Financial Information.** So long as any Bonds are Outstanding and unpaid and subject to the terms of the Indenture, the Tenant shall furnish or cause to be furnished to the Trustee the financial statements and other financial information required by *Article V* of the Guaranty Agreement.

**Section 26.4. Issuer's Obligations Limited.** Except as otherwise expressly provided in this Lease, no recourse upon any obligation or agreement contained in this Lease or in any Bond or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise under any circumstances, under or independent of the Indenture, shall be had against the Issuer and its officers, employees and agents.

Notwithstanding anything in this Lease to the contrary, it is expressly understood and agreed by the parties hereto that (a) the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Tenant, an Owner(s) of Bonds or the Trustee as to the existence of any fact or state of affairs required to be noticed by the Issuer hereunder; (b) the Issuer shall not be under any obligation to perform any record-keeping or to provide any legal services, it being understood that such services shall be performed or provided either by the Tenant, the Trustee or the Owner(s) of Bonds; and (c) that none of the provisions of this Lease shall require the Issuer to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless it shall have first been adequately indemnified to its satisfaction against the costs, expenses and liability which may be incurred by such action.

Notwithstanding anything in this Lease to the contrary, any obligation the Issuer may incur under this Lease or under any instrument or document executed by the Issuer in connection with this Lease that entails the expenditure of any money by the Issuer shall be only a limited obligation of the Issuer payable solely from the revenues derived by the Issuer under the Lease and shall not be, under any circumstances, a general obligation of the Issuer.

## ARTICLE XXVII

**Section 27.1. Investment Tax Credit; Depreciation.** The Tenant shall be entitled to claim the full benefit of (1) any investment credit against federal or state income tax allowable with respect to expenditures of the character contemplated hereby under any federal or state income tax laws now or from time to time hereafter in effect, and (2) any deduction for depreciation with respect to the Project from federal or state income taxes. The Issuer agrees that it will upon the Tenant's request execute all such elections, returns or other documents which may be reasonably necessary or required to more fully assure the availability of such benefits to the Tenant.

## ARTICLE XXVIII

**Section 28.1. Amendments.** This Lease may be amended, changed or modified in writing in the following manner:

(a) With respect to an amendment, change or modification which reduces the Basic Rent or Additional Rent, or any amendment which reduces the percentage of Owner(s) of Bonds whose consent is required for any such amendment, change or modification, by an agreement in writing executed by the

Issuer and the Tenant and consented to in writing by the Trustee and by Owner(s) of Bonds owning at least 90% of the aggregate principal amount of the Bonds then Outstanding;

(b) With respect to any other amendment, change or modification which will materially adversely affect the security or rights of the Owner(s) of Bonds, by an agreement in writing executed by the Issuer and the Tenant and consented to in writing by the Trustee and by Owner(s) of Bonds owning at least 66-2/3% of the aggregate principal amount of the Bonds then Outstanding; and

(c) With respect to all other amendments, changes, or modifications, by an agreement in writing executed by the Issuer and the Tenant.

At least 30 days prior to the execution of any agreement pursuant to (c) above, the Issuer and the Tenant shall furnish the Trustee and the Original Purchaser of the Bonds with a copy of the amendment, change or modification proposed to be made.

**Section 28.2. Granting of Easements.** If no Event of Default under this Lease shall have happened and be continuing, the Tenant may, at any time or times, (a) grant easements, licenses and other rights or privileges in the nature of easements with respect to any property included in the Project, free from any rights of the Issuer or the Owner(s) of Bonds, or (b) release existing easements, licenses, rights-of-way and other rights or privileges, all with or without consideration and upon such terms and conditions as the Tenant shall determine, and the Issuer agrees, to the extent that it may legally do so, that it will execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege or any such agreement or other arrangement, upon receipt by the Issuer of: (1) a copy of the instrument of grant or release or of the agreement or other arrangement, (2) a written application signed by the Authorized Tenant Representative requesting such instrument, and (3) a certificate executed by the Tenant stating (A) that such grant or release is not detrimental to the proper conduct of the business of the Tenant, and (B) that such grant or release will not impair the effective use or interfere with the efficient and economical operation of the Project and will not materially adversely affect the security of the Owner(s) of Bonds. Any consideration received by the Tenant for the grant or release must be paid to the Trustee to be deposited in the Debt Service Fund and used to redeem Bonds at the earliest practicable date, at their principal amount, plus accrued interest, without premium. If the instrument of grant shall so provide, any such easement or right and the rights of such other parties thereunder shall be superior to the rights of the Issuer and the Owner(s) of Bonds and shall not be affected by any termination of this Lease or default on the part of the Tenant hereunder. If no Event of Default shall have happened and be continuing, any payments or other consideration received by the Tenant for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of the Tenant, but, in the event of the termination of this Lease because of an Event of Default, all rights then existing of the Tenant with respect to or under such grant shall inure to the benefit of and be exercisable by the Issuer.

**Section 28.3. Security Interests.** (a) The Issuer and the Tenant agree to execute and deliver all instruments (including financing statements and statements of continuation thereof) necessary for perfection of and continuance of the security interest of the Issuer in and to the Project. The Tenant hereby authorizes the Issuer to file or cause to be filed all such instruments required to be so filed and the Trustee to continue or cause to be continued the filings or liens of such instruments for so long as the Bonds shall be Outstanding.

(b) Under the Collateral Assignment of Lease, the Issuer will, as additional security for the Bonds assign, transfer, pledge and grant a security interest in its rights under this Lease to the Trustee. The Issuer hereby authorizes the Trustee to file financing statements or any other instruments necessary to perfect its security interest. The Trustee is hereby given the right to enforce, either jointly with the Issuer or separately, the performance of the obligations of the Tenant, and the Tenant hereby consents to the same and agrees that

the Trustee may enforce such rights as provided in the Collateral Assignment of Lease and the Tenant will make payments required hereunder directly to the Trustee.

**Section 28.4. Construction and Enforcement.** This Lease shall be construed and enforced in accordance with the laws of the State. The provisions of this Lease shall be applied and interpreted in accordance with the rules of interpretation set forth in the Indenture. Wherever in this Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

**Section 28.5. Invalidity of Provisions of Lease.** If, for any reason, any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

**Section 28.6. Covenants Binding on Successors and Assigns.** The covenants, agreements and conditions herein contained shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

**Section 28.7. Section Headings.** The section headings hereof are for the convenience of reference only and shall not be treated as a part of this Lease or as affecting the true meaning of the provisions hereof. The reference to section numbers herein or in the Indenture shall be deemed to refer to the numbers preceding each section.

**Section 28.8. Execution of Counterparts; Electronic Transactions.** This Lease may be executed simultaneously in multiple counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument. The transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the Issuer has caused this Lease to be signed by an authorized official, such signature to be attested by an authorized officer, and its official seal to be applied, as of the date first above written.

**CITY OF MAIZE, KANSAS**

By: \_\_\_\_\_  
Mayor

[SEAL]

ATTEST:

By: \_\_\_\_\_  
City Clerk

"ISSUER"

**ACKNOWLEDGMENT**

STATE OF KANSAS                    )  
  ) SS:  
COUNTY OF SEDGWICK            )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2014, by Clair Donnelly, Mayor, and Jocelyn Reid, City Clerk, of the City of Maize, Kansas, a municipal corporation.

[SEAL]

\_\_\_\_\_  
Notary Public

My Appointment Expires:  
\_\_\_\_\_



**APPENDIX A**

**FORM OF REQUISITION FOR PAYMENT OF PROJECT COSTS**

**CITY OF MAIZE, KANSAS**  
**Project Fund**  
**(Optometric Billing Solutions)**  
**Payment Order No. \_\_\_\_\_**

Security Bank of Kansas City  
Kansas City, Kansas  
Attn: Corporate Trust Department

You are hereby authorized and directed by the undersigned, the Authorized Tenant Representative, acting on behalf of OBS Properties, LLC (the "Tenant") to disburse funds held by you as fiscal and paying agent in the above mentioned Project Fund for the purposes and in the amounts set forth in the Payment Schedules attached hereto and incorporated herein by reference (the "Payment Schedules").

I hereby certify that the amounts requested in the attached Payment Schedules have either been advanced by the Tenant or are justly due to contractors, subcontractors, suppliers, vendors, materialmen, engineers, architects or other persons named in the Payment Schedules who have performed necessary and appropriate work in connection with any installation of machinery, equipment or personal property, or have furnished necessary and appropriate materials in the construction or acquisition of land, buildings and improvements constituting a part of the Project. I further certify that the fair value of such work or materials, machinery and equipment, is not exceeded by the amount requested, and such cost is one which may be capitalized for federal income tax purposes.

I further certify that, except for the amounts set forth in the Payment Schedules, there are no outstanding debts now due and payable for labor, wages, materials, supplies or services in connection with the construction of said buildings and improvements or the purchase and/or installation of machinery, equipment and personal property which, if unpaid, might become the basis of a vendor's, mechanic's, laborer's or materialmen's statutory or other similar lien upon the Land, the Project or any part thereof.

I further certify that no part of the amounts set forth in the Payment Schedules have been the basis for any previous withdrawal of any moneys from the said Project Fund.

I further certify that each of the representations and covenants on the part of the Tenant contained in the Lease dated as of the Issue Date of the Bonds by and between the City of Maize, Kansas, as the Issuer, and the Tenant are now true and correct in all material respects and are now being materially complied with.

I further certify that the amounts set forth in the Payment Schedules constitute Project Costs, as said term is defined in the Lease, and that all insurance policies which are required to be in force as a condition precedent to disbursement of funds from the Project Fund pursuant to the provisions of *Section 6.1* of the Lease are in full force and effect.

DATED \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Authorized Tenant Representative

EXHIBIT A - Payment Order No. \_\_\_\_\_

**PAYMENT SCHEDULE  
FOR BUILDINGS, IMPROVEMENTS AND  
MISCELLANEOUS PROJECT COSTS**

I hereby request payment of the amounts specified below to the payees whose names and addresses are stated below, and I certify that the description of the purchase or nature of each payment is reasonable, accurate and complete:

PAYMENT SCHEDULE

| <u>Payee Name</u> | <u>Payee Address</u> | <u>Purpose or Nature of Payment</u> | <u>Amount</u> |
|-------------------|----------------------|-------------------------------------|---------------|
|-------------------|----------------------|-------------------------------------|---------------|

\_\_\_\_\_  
Initials

EXHIBIT B - Payment Order No. \_\_\_\_\_

**PAYMENT SCHEDULE  
FOR MACHINERY AND EQUIPMENT**

I hereby request payment of the amounts specified below to the payees whose names and addresses are stated below. I certify that the description of the purchase or nature of each payment is reasonable, accurate and complete. I further certify that the items described are free and clear of any liens or security interests. I have attached to this schedule a copy of the purchase order or seller's invoice for each item, and, to the extent any payment is a reimbursement to the Tenant, a copy of the check tendered in payment for such item.

PAYMENT SCHEDULE

| <u>Payee Name</u> | <u>Description of Equipment</u>   | <u>Amount</u> |
|-------------------|---|---------------|
|                   | (include name and address of seller, manufacturer, descriptive name, technical description, capacity, serial number of model number as appropriate) |               |

\_\_\_\_\_  
Initials



**APPENDIX C**

**FORM OF REQUISITION FOR PAYMENT OF COSTS OF ISSUANCE**

**Request No.** \_\_\_\_\_

**Date:** \_\_\_\_\_

**WRITTEN REQUEST FOR DISBURSEMENT FROM  
CITY OF MAIZE, KANSAS  
(OPTOMETRIC BILLING SOLUTIONS)  
PROJECT FUND**

To: Security Bank of Kansas City  
Kansas City, Kansas  
Attention: Corporate Trust Department

as Trustee under the Trust Indenture dated as of the Issue Date of the Bonds. Capitalized terms not otherwise defined herein shall have the meanings set forth in such Trust Indenture.

The undersigned hereby requests payment to the following payees the following amounts for the following Cost of Issuance:

| <u>Payee</u> | <u>Amount</u> | <u>Description of<br/>Cost of Issuance</u> |
|--------------|---------------|--|
|--------------|---------------|--|

The amount of this requisition is justly due and owing and has not been the subject of another requisition which was paid and is a proper Cost of Issuance incurred in connection with the issuance of the Bonds.

Invoices, statements, vouchers or bills for the amounts requested are attached hereto.

**OBS PROPERTIES, LLC**

By: \_\_\_\_\_  
Authorized Tenant Representative

## *SCHEDULE I*

The following property acquired by the City of Maize, Kansas (the "Issuer") in connection with the issuance by the City of its Taxable Industrial Revenue Bonds, Series 2014 (Optometric Billing Solutions) (the "Bonds"):

(a) The following described real estate in Sedgwick County, Kansas:

Lots 3 & 4, Block 1, Hampton Lakes Office Park South Addition, an Addition to the City of Maize, Sedgwick County, Kansas,

said real property constituting the "Land" as referred to in the Lease entered into by the Issuer concurrently with the issuance of the Bonds (the "Lease"), subject to Permitted Encumbrances:

(b) All buildings, building additions, improvements, machinery and equipment constructed, located or installed on the Land, all or any portion of the costs of which were paid from the proceeds of the Bonds, and which constitute "Improvements" referred to in the Lease, together with any substitutions or replacements therefor, the property described in paragraphs (a) and (b) of this *Schedule I* together constituting the "Project" as referred to in the Lease.

**CITY OF MAIZE, KANSAS**

**AS ISSUER**

**AND**

**SECURITY BANK OF KANSAS CITY  
KANSAS CITY, KANSAS**

**AS TRUSTEE**

**TRUST INDENTURE**

**DATED AS OF THE ISSUE DATE OF THE BONDS**

**NOT EXCEEDING \$1,600,000  
TAXABLE INDUSTRIAL REVENUE BONDS  
SERIES 2014  
(OPTOMETRIC BILLING SOLUTIONS)**

**TRUST INDENTURE**

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## **TRUST INDENTURE**

**THIS TRUST INDENTURE** (the "Indenture") dated as of the Issue Date of the Bonds (as hereinafter defined), between the City of Maize, Kansas (the "Issuer"), and Security Bank of Kansas City, Kansas City, Kansas, as Trustee (the "Trustee");

### **WITNESSETH:**

**WHEREAS**, the Issuer is authorized by K.S.A. 12-1740 et seq. (the "Act"), to acquire, construct, improve and equip certain facilities (as defined in the Act) for commercial, industrial and manufacturing purposes, and to enter into leases and lease-purchase agreements with any person, firm or corporation for said facilities, and to issue revenue bonds for the purpose of paying the cost of any such facilities; and

**WHEREAS**, pursuant to such authorization, the Issuer's governing body has passed an ordinance authorizing the Issuer to issue its Taxable Industrial Revenue Bonds, Series 2014 (Optometric Billing Solutions), in the principal amount of not to exceed \$1,600,000 (the "Series 2014 Bonds"), for the purpose of providing funds for the acquisition, remodeling and equipping of a commercial facility (the "Project" as hereinafter more fully described), and authorizing the Issuer to lease the Project to OBS Properties, LLC, a Kansas limited liability company (the "Tenant"); and

**WHEREAS**, pursuant to such ordinance, the Issuer is authorized (i) to execute and deliver this Indenture for the purpose of issuing and securing the Series 2014 Bonds and any Additional Bonds (collectively the "Bonds"), as hereinafter provided, and (ii) to enter into a Lease Agreement of even date herewith (the "Lease"), between the Issuer and the Tenant, under which the proceeds of the Original Proceeds (as hereinafter defined) shall be used for the acquisition, remodeling and equipping of the Project and pursuant to which Issuer shall lease the Project to the Tenant, in consideration of rentals which are intended to be sufficient to provide for the payment of the principal of, premium, if any, and interest on the Series 2014 Bonds as the same become due; and

**WHEREAS**, all things necessary to make the Series 2014 Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid and legally binding limited obligations of the Issuer, and to make this Indenture a valid and legally binding pledge and assignment of the Trust Estate herein made for the security of the payment of the principal of, premium, if any, and interest on the Bonds issued hereunder, have been done and performed, and the execution and delivery of this Indenture and the execution and issuance of the Series 2014 Bonds, subject to the terms hereof, have in all respects been duly authorized;

### **NOW, THEREFORE, THIS INDENTURE WITNESSETH:**

#### **GRANTING CLAUSES**

That the Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Series 2014 Bonds by the Original Purchaser thereof, and of other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on all of the Bonds issued and Outstanding under this Indenture from time to time according to their tenor and effect, and to secure the performance and observance by the Issuer of all the covenants, agreements and conditions herein and in the Bonds contained, does hereby pledge and assign unto the Trustee and its successors and assigns, and grant to the Trustee and its successors and assigns a security interest in the property described in paragraphs (a), (b) and (c) below (said property being herein referred to as the "Trust Estate"), to wit:

(a) The real property or interests therein situated in Sedgwick County, Kansas, described in *Schedule I* attached hereto and constituting the Land (as defined herein), with all Improvements (as defined herein) now or hereafter located thereon, to the extent and subject to the limitations provided in the Lease, with the tenements, hereditaments, appurtenances, rights, privileges and immunities thereunto belonging or appertaining;

(b) All right, title and interest of the Issuer in, to and under the Lease (including, but not limited to, the right to enforce any of the terms thereof but excluding the Unassigned Issuer's Rights), and all rents, revenues and receipts derived by the Issuer from the Project including, without limitation, all Basic Rent derived by the Issuer under and pursuant to and subject to the provisions of the Lease;

(c) All moneys and securities from time to time received by the Trustee pursuant to the Guaranty Agreement, or held by the Trustee under the terms of this Indenture, and any and all other real or personal property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the Issuer, by the Tenant or by anyone in their behalf, or with their written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

**TO HAVE AND TO HOLD**, all and singular, the Trust Estate with all rights and privileges hereby pledged and assigned, or agreed or intended so to be, to the Trustee and its successors in trust and assigns;

**IN TRUST NEVERTHELESS**, upon the terms and subject to the conditions herein set forth, for (i) the equal and proportionate benefit, protection and security of the Series 2014 Bonds and any Additional Bonds issued and Outstanding under this Indenture, without preference, priority or distinction as to lien or otherwise of any of the Bonds over any other of the Bonds except as expressly provided in or permitted by this Indenture;

**PROVIDED, HOWEVER**, that if the Issuer shall pay, or cause to be paid, the principal of, premium, if any, and interest on all the Bonds, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, or shall provide for the payment thereof (as provided in *Article XII* hereof), and shall pay or cause to be paid to the Trustee all other sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture shall be and remain in full force and effect.

**THIS INDENTURE FURTHER WITNESSETH**, and it is hereby expressly declared, covenanted and agreed by and between the parties hereto, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and that all the Trust Estate is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer does hereby agree and covenant with the Trustee and with the respective Owners from time to time of the Bonds, as follows:

## ARTICLE I

### DEFINITIONS

**Section 1.01. Definitions of Words and Terms.** In addition to the words and terms defined elsewhere in this Indenture and the Lease, the following words and terms as used in this Indenture shall have the following meanings, unless some other meaning is plainly intended:

**"Act"** means K.S.A. 12-1740 et seq.

**"Additional Bonds"** means any Bonds issued in addition to the Series 2014 Bonds pursuant to *Section 2.09* of this Indenture.

**"Authorized Denomination"** means \$100 or any integral multiples thereof.

**"Authorized Tenant Representative"** means the [\_\_\_\_\_] of the Tenant, or such other person as is designated to act on behalf of the Tenant as evidenced by written certificate furnished to the Trustee, containing the specimen signature of such person and signed on behalf of the Tenant by its [\_\_\_\_\_] or any Member of the Tenant. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized Tenant Representative.

**"Bond"** or **"Bonds"** means the Series 2014 Bonds and any Additional 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 Issuer and Tenant.

**"Bond Purchase Agreement"** means the Bond Purchase Agreement dated \_\_\_\_\_, 2014, between the Issuer and the Original Purchaser.

**"Bond Registrar"** means the Trustee.

**"Business Day"** means a day which is not 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 banks in the State are not authorized to be closed.

**"Change of Circumstances"** means the occurrence of any of the following events:

(a) title to, or the temporary use of, all or any substantial part of the Project shall be condemned by any authority exercising the power of eminent domain;

(b) title to all or any substantial portion of the Land is found to be deficient or nonexistent to the extent that the Project is untenable or the efficient utilization of the Project by the Tenant is substantially impaired;

(c) all or a substantial portion of the Improvements are damaged or destroyed by fire or other casualty; or

(d) as a result of: (i) changes in the constitution of the State; or (ii) any legislative or administrative action by the State or any political subdivision thereof, or by the United States; or (iii) any action instituted in any court, the Lease shall become void or unenforceable, or impossible of performance without unreasonable delay, or in any other way by reason of such changes of circumstances, unreasonable burdens or excessive liabilities are imposed upon Issuer or Tenant.

**"Construction Period"** means the period from the beginning of acquisition or construction of Improvements to their Completion Date.

**"Costs of Issuance"** means any and all expenses of whatever nature incurred in connection with the issuance and sale of Bonds, including, but not limited to, underwriting fees and expenses, underwriting discount, initial fees of the Trustee, administrative fees or expenses of the Issuer, bond and other printing expenses and legal fees and expenses of Bond Counsel, Issuer's counsel and counsel for the Tenant.

**"Dated Date"** means the Issue Date.

**"Debt Service Fund"** means the "City of Maize, Kansas Debt Service Fund (Optometric Billing Solutions)" authorized and established with the Trustee pursuant to the Indenture.

**"Default Administration Costs"** means the reasonable fees, charges, costs, advances and expenses of the Trustee incurred in anticipation of an Event of Default, or after the occurrence of an Event of Default, including, but not limited to, counsel fees, litigation costs and expenses, the expenses of maintaining and preserving the Project and the expenses of re-letting or selling the Project.

**"Draw Date"** means each date following the Issue Date on which the Original Purchaser makes payment of all or part of the Purchase Price.

**"Event of Default"** means one of the following events:

- (a) Default in the due and punctual payment of any interest on any Bond;
- (b) Default in the due and punctual payment of the principal of or premium, if any, on any Bond on the Stated Maturity or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;
- (c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer in this Indenture or in any Bonds contained, and the continuance thereof for a period of 30 days after written notice thereof shall have been given to the Issuer and the Tenant by the Trustee, or to the Trustee, the Issuer and the Tenant by Owner(s) of Bonds owning not less than 25% in aggregate principal amount of Bonds then Outstanding; provided, however, if any default shall be such that it cannot be corrected within such 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer or the Tenant within such period and diligently pursued until such default is corrected; or
- (d) An "Event of Default" as defined in the Lease.

**"Funds and Accounts"** means funds and accounts created pursuant to or referred to in *Section 5.01* hereof.

**"Government Securities"** means direct obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America.

**"Guarantor"** means any person or entity (whether one or more) which is a guarantor under the Guaranty Agreement.

**"Guaranty Agreement"** means the separate Guaranty Agreement dated as of the Issue Date of the Bonds of the Guarantor or Guarantors named therein and in favor of the Trustee for the benefit of the Owner(s) of Bonds, delivered concurrently with the issuance of the Series 2014 Bonds.

**"Improvements"** means all buildings, building improvements, machinery and equipment purchased in whole or in part from the proceeds of the Bonds.

**"Indenture"** means this Trust Indenture, as from time to time amended and supplemented by Supplemental Indentures in accordance with the provisions of *Article XI* of this Indenture.

**"Interest Payment Date"** means any date on which any interest is payable on any Bond.

**"Investment Contract"** means an agreement to deposit all or any portion of the proceeds of the sale of the Bonds with a bank, with the deposits to bear interest at an agreed rate.

**"Investment Securities"** means any of the following securities, and to the extent the same are at the time permitted for investment of funds held by the Trustee pursuant to this Indenture:

- (a) Government Securities;
- (b) obligations of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, National Bank for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Association;
- (c) savings or other depository accounts or certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee and its affiliates), provided that such deposits shall be either of a bank, trust company or national banking association continuously and fully insured by the Federal Deposit Insurance Corporation, or continuously and fully secured by excess deposit insurance purchased through a private insurer, or such securities as are described above in clauses (a) or (b), which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such deposits and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association accepting such deposit or issuing such certificate of deposit;
- (d) any Investment Contract or repurchase agreement with any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee) or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities described in clauses (a) or (b) above;
- (e) any investment in shares or units of a money market fund or trust rated "AAAm" or "AAAm-G" or better by Standard & Poor's (including one offered, managed or otherwise made available through the Trustee or any affiliate);
- (f) investments in shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in clauses (a), (b) or (c) above.

**"Issue Date"** means the date when the Issuer delivers the Bonds to the Original Purchaser in exchange for the initial payment of all or part of the Purchase Price.

**"Issuer"** means the City of Maize, Kansas, a city of the third class organized under the laws of the State, and its successors and assigns.

**"Land"** means the real property (or interests therein) described in *Schedule I* to the Lease.

**"Lease"** means the Lease Agreement delivered concurrently with this Indenture between the Issuer and the Tenant, as from time to time amended and supplemented in accordance with the provisions thereof and of *Article XI* of this Indenture.

**"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.

**"Notice Representative"** means:

(1) With respect to the Tenant, its [Managing Member] at its Notice Address (as defined in the Lease).

(2) With respect to the Issuer, its duly acting clerk at its Notice Address (as defined in the Lease).

(3) With respect to the Trustee, any corporate trust officer at its Notice Address (as defined in the Lease).

**"Original Proceeds"** means all sale proceeds, including accrued interest, from sale of the Series 2014 Bonds to the Original Purchaser and all investment earnings credited to the Project Fund prior to the Completion Date.

**"Original Purchaser"** means OBS Properties, LLC, Wichita, Kansas.

**"Outstanding"** means, as of a particular date all Bonds issued, authenticated and delivered under this Indenture (including any Supplemental Indentures), except:

(a) Bonds canceled by the Trustee or delivered to the Trustee for cancellation pursuant to this Indenture;

(b) Bonds for the payment or redemption of which moneys or investments have been deposited in trust with the Trustee and irrevocably pledged to such payment or redemption in accordance with the provisions of *Section 12.02* of this Indenture; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture.

**"Owner"** means the owner of any Bond as shown on the registration books of the Trustee maintained as provided in this Indenture.

**"Paying Agent"** means the Trustee.

**"Payment Date"** means any Interest Payment Date or any Principal Payment Date.

**"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.

**"Principal Payment Date"** means any date on which principal on any Bond is due and payable, whether at the Stated Maturity or earlier required redemption thereof.

**"Project"** means the Land and the Improvements, together with any Project Additions.

**"Project Additions"** means any Improvements acquired, constructed or installed from proceeds of any series of Additional Bonds authorized and issued pursuant to this Indenture. It also includes any alterations or additions made to the Project to the extent provided in *Articles XI* and *XII* of the Lease.

**"Project Costs"** means those costs incurred in connection with the Land, and the construction or installation of any Improvements, including:

(a) all costs and expenses necessary or incident to the acquisition of the Land and such of the Improvements as are acquired, constructed or in progress at the date of such issuance of the Series 2014 Bonds;

(b) fees and expenses of architects, appraisers, surveyors, engineers and other professional consultants for estimates, surveys, soil borings and soil tests and other preliminary investigations and items necessary to the commencement of acquisition, construction, preparation of plans, drawings and specifications and supervision of construction and installation, as well as for the performance of all other duties of architects, appraisers, surveyors, engineers and other professional consultants in relation to the acquisition, construction or installation of the Improvements or the issuance of Bonds;

(c) all costs and expenses incurred in constructing, acquiring or installing the Improvements;

(d) payment of interest actually incurred on any interim financing obtained from a lender unrelated to the Tenant for acquisition or performance of work on the Improvements prior to the issuance of the Bonds;

(e) the cost of the title insurance policies and the cost of any insurance and performance and payment bonds maintained during the Construction Period in accordance with *Article VI* of the Lease, respectively; and

(f) Costs of Issuance.

**"Project Fund"** means the "City of Maize, Kansas Project Fund (Optometric Billing Solutions)" authorized and established with the Trustee pursuant to the Indenture.

**"Purchase Price"** means the amount set forth in the Bond Purchase Agreement.

**"Record Date"** means the fifteenth day of the month preceding each Interest Payment Date, or if such date is not a Business Day, the Business Day immediately preceding such 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 Indenture.

**"Rental Payments"** means the aggregate of the Basic Rent and Additional Rent payments provided for pursuant to *Article III* of the Lease.

**"Series 2014 Bonds"** means the City of Maize, Kansas Taxable Industrial Revenue Bonds, Series 2014 (Optometric Billing Solutions) dated as of the Issue Date in the aggregate principal amount of not to exceed \$1,600,000.

**"State"** means the State of Kansas.

**"Stated Maturity"** when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and this Indenture as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

**"Sublease"** means that certain Sublease dated as of the Issue Date of the Bonds between the Tenant, as sublessor, and the Subtenant, as sublessee, for the use and operation of the Project.

**"Subtenant"** means Optometric Billing Solutions LLC, a Kansas limited liability company, as Subtenant under the Sublease.

**"Supplemental Indenture"** means any indenture supplementing or amending this Indenture entered into by the Issuer and the Trustee pursuant to *Article XI* of this Indenture.

**"Tenant"** means OBS Properties, LLC, a Kansas limited liability company, its successors and assigns.

**"Trust Estate"** means the Trust Estate described in the Granting Clauses of this Indenture.

**"Trustee"** means Security Bank of Kansas City, Kansas City, Kansas, a banking corporation or association incorporated under the laws of the United States or one of the states thereof, in its capacity as trustee, bond registrar and paying agent, and its successor or successors serving as Trustee under this Indenture.

**"Unassigned Issuer's Rights"** mean the rights of the Issuer pursuant to the Lease to indemnification, to consent, to receive notice, to receive purchase option payments, to be insured or to receive money for its own account for payment of fees or expenses advanced by the Issuer in connection with the Lease, all in accordance with the terms of the Lease.

#### **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. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations, trusts and corporations, including public bodies, as well as natural persons.

(b) Wherever in this Indenture it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

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

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

## **ARTICLE II**

### **THE BONDS**

**Section 2.01. Title and Amount of Bonds.** No Bonds may be issued under this Indenture except in accordance with the provisions of this Article. The Bonds authorized to be issued under this Indenture shall be designated as "City of Maize, Kansas Taxable Industrial Revenue Bonds, Series 2014 (Optometric Billing Solutions)," with such other appropriate particular designation added to or incorporated in such title for the Bonds of any particular series of Additional Bonds as the Issuer may determine. The total principal amount of Bonds that may be issued hereunder is hereby expressly limited to the \$1,600,000 principal amount of Series 2014 Bonds and any Additional Bonds permitted hereunder.

#### **Section 2.02. Limited Nature of Obligations.**

(a) The Bonds and the interest thereon shall be limited obligations of the Issuer payable solely and only from the net earnings and revenues derived by the Issuer from the Project, including but not limited to the rents, revenues and receipts under the Lease (including, in certain circumstances, Bond proceeds and income from the temporary investment thereof and proceeds from sale of the Project, insurance proceeds and condemnation awards, if any, or payments received pursuant to the Guaranty Agreement), and are secured by a pledge and assignment of the Trust Estate to the Trustee in favor of the Owner(s) of Bonds, as provided in this Indenture. The Bonds and the interest thereon shall not be a debt or general obligation of the Issuer or the State, or any municipal corporation thereof, and neither the Bonds, the interest thereon, nor any judgment thereon or with respect thereto, are payable in any manner from tax revenues of any kind or character. The Bonds shall not constitute an indebtedness or a pledge of the faith and credit of the Issuer, the State or any municipal corporation thereof, within the meaning of any constitutional or statutory limitation or restriction.

(b) The full and prompt payment of the principal of, premium, if any, and interest on the Series 2014 Bonds has been unconditionally guaranteed to the Trustee for the benefit of the Owner(s) of the Series 2014 Bonds under the terms of the Guaranty Agreement (including realization upon any collateral securing the undertakings under the Guaranty Agreement). The Trustee shall enforce the Guaranty Agreement for the benefit and protection of the Owner(s) of Bonds so long as any of the Series 2014 Bonds remain Outstanding. The Trustee shall not permit or consent to any change, amendment, modification or termination of the Guaranty Agreement except to the extent provided for therein.

(c) No provision, covenant or agreement contained in this Indenture or the Bonds, or any obligation herein or therein imposed upon the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge upon its general credit or powers of taxation. In making the agreements, provisions and covenants set forth in this Indenture, the Issuer has not obligated itself except with respect to the Project and the application of the payments, revenues and receipts therefrom as hereinabove provided. Neither the officers of the Issuer nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

**Section 2.03. Denomination, Numbering and Dating of Bonds.**

(a) The Bonds shall consist of fully registered Bonds in an Authorized Denomination. The Bonds shall be substantially in the form set forth in *Article IV* of this Indenture. The Bonds of each series of Bonds shall be numbered in such manner as the Trustee shall determine.

(b) The Bonds of each series of Bonds shall be dated as provided in this Indenture or the Supplemental Indenture authorizing the issuance of such series of Bonds. The Bonds shall bear interest from their effective date of registration. The effective date of registration shall be the Interest Payment Date next preceding the date of authentication thereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case the effective date of registration shall be as of such date of authentication, or unless the date of authentication shall be prior to the first Interest Payment Date for such series of Bonds, in which case the effective date of registration shall be the dated date of such series of Bonds; provided, however, that if payment of the interest on any Bonds of any series shall be in default at the time of authentication of any Bond certificates issued in lieu of Bonds surrendered for transfer or exchange, the effective date of registration shall be as of the date to which interest has been paid in full on the Bonds surrendered.

**Section 2.04. Method and Place of Payment of Bonds.** The principal of, redemption premium, if any, 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 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 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.

Final payment of principal and redemption premium, if any, on all Bonds shall be made by check or draft upon the presentation and surrender of the certificate(s) representing such Bonds at the Maturity thereof at the principal corporate trust office of the Paying Agent.

**Section 2.05. Execution and Authentication of Bonds.**

(a) Bond certificates shall be executed on behalf of the Issuer by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of its City Clerk, and shall have the corporate seal of the Issuer affixed thereto or imprinted thereon. In case any officer whose signature or facsimile thereof appears on any Bond certificates shall cease to be such officer before the delivery of such Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any Bond certificate may be signed by such persons as at the actual time of the execution of such Bond certificate shall be the proper officers to sign although on the date of issuance of such Bond such persons may not have been such officers.

(b) The Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in *Article IV* hereof, which shall be manually executed by the Trustee. No Bond shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed. Such executed Certificate of

Authentication upon any Bond certificate shall be conclusive evidence that the Bonds described in such Bond certificate have been duly authenticated and delivered under this Indenture. The Certificate of Authentication on any Bond certificate shall be deemed to have been duly executed if signed by any authorized officer or employee of the Trustee, but it shall not be necessary that the same officer or employee sign the Certificate of Authentication on all of the Bond certificates that may be delivered hereunder at any one time.

**Section 2.06. Registration, Transfer and Exchange of Bonds.**

(a) The Trustee shall keep books for the registration and for the transfer of the Series 2014 Bonds and any Additional Bonds as provided in this Indenture.

(b) Bonds may be transferred only upon the books maintained by Trustee for the registration and transfer of Bonds upon surrender of the certificate(s) representing such Bonds to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Owner(s) of Bonds or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the Issuer shall execute and the Trustee shall authenticate and deliver in exchange for such Bonds new Bond certificate(s), registered in the name of the transferee, of any Authorized Denomination in an aggregate principal amount equal to the principal amount of such Bonds, of the same series and maturity and bearing interest at the same rate. In the event that any Owner(s) of Bonds fails to provide a certified taxpayer identification number to the Trustee, the Trustee may make a charge against such Owner(s) of Bonds sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to any Owner(s) of Bonds.

(c) In all cases in which Bonds shall be exchanged or transferred hereunder, the Issuer shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bond certificates in accordance with the provisions of this Indenture. All Bond certificates surrendered in any such exchange or transfer shall forthwith be canceled by the Trustee. The Issuer or the Trustee may make a charge for every such exchange or transfer of Bonds sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, and such charge shall be paid by the Owner(s) of Bonds before any such new Bond certificate shall be delivered. Neither the Issuer nor the Trustee shall be required to make any such exchange or transfer of Bonds on or after the Record Date preceding a Payment Date on the Bonds or, in the case of any proposed redemption of Bonds, during the 15 days immediately preceding the selection of Bonds for such redemption or after such Bonds or any portion thereof has been selected for redemption.

(d) Any proposed transfer of Series 2014 Bonds shall be made by the Trustee only upon delivery to the Trustee, the Issuer and the Tenant of an opinion of counsel to the proposed transferor either (1) that the proposed transfer is a part of a transaction exempt from the application of the Securities Act of 1933, as amended (the "1933 Act"), or (2) that the transfer is a part of a transaction that is in compliance with the registration provisions of the 1933 Act, which opinion shall be in form and substance acceptable to both the Trustee, the Issuer and the Tenant.

(e) All of the duties of the Trustee set forth in this *Section 2.06* may be performed by any co-trustee or co-paying agent appointed by the Trustee, to the extent specified in the instrument appointing such co-trustee or co-paying agent.

**Section 2.07. Persons Deemed Owners of Bonds.** The person in whose name any Bond shall be registered as shown on the registration books required to be maintained by the Trustee by this Article shall be deemed and regarded as the absolute owner thereof for all purposes. Payment of, or on account of

the principal of and premium, if any, and, interest on any such Bond shall be made only to or upon the order of such registered Owner or a duly constituted legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

**Section 2.08. Authorization of Series 2014 Bonds.**

(a) The Series 2014 Bonds shall be issued by the Issuer in an aggregate principal amount not exceeding \$1,600,000 and shall be purchased by the Original Purchaser thereof at their par principal amount for the purpose of providing the funds to pay, or reimburse the Tenant, for payment of Project Costs. The Series 2014 Bonds shall be in substantially the form attached hereto as *Exhibit A*. The Series 2014 Bonds shall be in the aggregate original principal amount of the amount advanced to the Project Fund by the Original Purchaser of the Series 2014 Bonds on the Issue Date, and each amount subsequently advanced to the Project Fund on each Draw Date, made by presenting to the Trustee a completed requisition for payment of Project Costs in the form attached as *Exhibit A* to the Lease, but not exceeding an aggregate principal amount of \$1,600,000. Advances on the Series 2014 Bonds shall be made on the Issue Date and on each Draw Date; provided, however, that all advances of additional principal for the Series 2014 Bonds must occur, if at all, by the Completion Date.

Pending advancement by the Original Purchaser of the entire authorized principal amount of Series 2014 Bonds, or receipt from the Tenant of a Certificate of Completion, whichever comes first, the Trustee shall retain custody of all Series 2014 Bond certificates. The Trustee shall endorse the Schedule of Principal Amounts Advanced attached to the Series 2014 Bond certificate to reflect an increase in principal amount Outstanding each time the Original Purchaser advances money to the Project Fund to pay Project Costs as requested by the Tenant. Each such endorsement reflecting an increase in Outstanding principal amount shall constitute the Trustee's authentication of the issuance of Series 2014 Bonds reflected by such endorsement. The Issuer hereby irrevocably authorizes the Trustee to so endorse each Series 2014 Bond certificate; however, failure by the Trustee to effect any such endorsement or any error in such endorsement shall not limit the Issuer's obligations under the Series 2014 Bond certificate with respect to principal amounts which are in fact Outstanding. The Trustee shall, upon request, send written confirmation to the Tenant and the Issuer of the amount of Series 2014 Bonds Outstanding on any date. The Trustee agrees that immediately upon the making of any endorsement on the Schedule of Principal Amounts Advanced attached to the Series 2014 Bond certificate, the Trustee will forward a copy of such Schedule of Principal Amounts Advanced to Bond Counsel, via fax, email or overnight delivery, to the address set forth below:

Gilmore & Bell, P.C.  
100 North Main, Suite 800  
Wichita, Kansas 67202  
Attention Kim A. Bell, Esq.  
Fax: (316) 262-6523  
Email: [kbell@gilmorebell.com](mailto:kbell@gilmorebell.com)

The Series 2014 Bonds shall be payable as set forth in *Exhibit A* and shall be dated, bear interest, and be subject to redemption and transfer as set forth in such forms. All of the terms and provisions of the Series 2014 Bonds as set forth in *Exhibit A* are incorporated into this Indenture by reference. The Series 2014 Bonds and the interest and redemption premium, if any, thereon will not be a general obligation of the Issuer, but shall be payable solely out of the revenues derived by the Issuer pursuant to the Lease (except to the extent payable from proceeds of sale or re-letting of the Project or from moneys paid pursuant to the Guaranty Agreement).

(b) Interest on the Series 2014 Bonds shall be payable to the Owners thereof in accordance with the provisions of *Article II* hereof.

(c) The Trustee is hereby designated as the Issuer's Paying Agent for the payment of the principal of, premium, if any, and interest on the Series 2014 Bonds. The Trustee may appoint one or more financial institutions to act as co-paying agent for the Series 2014 Bonds.

(d) Upon the original issuance and delivery of the Series 2014 Bonds, the effective date of registration thereof shall be their Dated Date.

(e) The Series 2014 Bonds shall be substantially in the form and manner set forth in *Article IV* hereof and delivered to the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of the Bonds by the Trustee, there shall be filed with the Trustee the following:

- (i) An original or certified copy of the Ordinance enacted by the Issuer's governing body authorizing the issuance of the Series 2014 Bonds and the execution of this Indenture and the Lease.
- (ii) An original executed counterpart of this Indenture.
- (iii) An original executed counterpart of the Lease.
- (iv) An original executed counterpart of the Guaranty Agreement.
- (v) An opinion of Bond Counsel to the effect that the Series 2014 Bonds constitute valid and legally binding obligations of the Issuer.
- (vi) Such other certificates, statements, receipts and documents as the Trustee shall reasonably require for the delivery of the Series 2014 Bonds.

(f) When the documents specified in subsection (e) of this Section shall have been filed with the Trustee, and when certificates representing all the Series 2014 Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver the Series 2014 Bonds to or upon the order of the Original Purchaser thereof, but only upon payment to the Trustee of the Purchase Price of the Series 2014 Bonds. The Original Proceeds, including accrued interest and premium thereon, if any, shall be immediately paid over to the Trustee, and the Trustee shall deposit and apply such proceeds as provided in *Article V* hereof.

#### **Section 2.09. Authorization of Additional Bonds.**

(a) Additional Bonds may be issued under and equally and ratably secured by this Indenture on a parity with the Series 2014 Bonds and any other Additional Bonds Outstanding at any time and from time to time, upon compliance with the conditions hereinafter provided in this Section, for any of the following purposes:

- (i) To provide funds to pay the costs of completing the Improvements, the total of such costs to be evidenced by a certificate signed by the Authorized Tenant Representative.
- (ii) To provide funds to pay all or any part of the costs of repairing, replacing or restoring Improvements in the event of damage, destruction or condemnation thereto or thereof.

(iii) To provide funds to pay all or any part of the costs of acquisition, purchase or construction of such additions, improvements, extensions, alterations, expansions or modifications of the Project (including additional Land or Improvements) or any part thereof as the Tenant may deem necessary or desirable and as will not impair the nature of the Project as a "facility" within the meaning and purposes of the Act.

(iv) To provide funds for refunding all or any part of the Bonds of any series then Outstanding, including the payment of any premium thereon and interest to accrue to the designated Redemption Date and any expenses in connection with such refunding.

(b) Before any Additional Bonds shall be issued under the provisions of this Section, the Original Purchaser shall be given written notice thereof by Issuer or Tenant, and the Issuer's governing body shall enact an Ordinance (i) authorizing the issuance of such Additional Bonds, fixing the amount and terms thereof and describing the purpose or purposes for which such Additional Bonds are being issued or describing the Bonds to be refunded, (ii) authorizing the Issuer to enter into a Supplemental Indenture for the purpose of providing for the issuance of and securing such Additional Bonds and, if required, (iii) authorizing the Issuer to enter into a supplemental lease with the Tenant to provide for rental payments at least sufficient to pay the principal of, premium, if any, and interest on the Bonds then to be Outstanding (including the Additional Bonds to be issued) as the same become due, for the acquisition, purchase, construction or installation of additional Improvements, for the inclusion of any such addition, expansion or modification as a part of the Project, and for such other matters as are appropriate because of the issuance of the Additional Bonds proposed to be issued which, in the judgment of the Issuer, is not to the prejudice of the Issuer or the owners of the Bonds previously issued.

(c) Such Additional Bonds shall have the same designation as the Series 2014 Bonds, except for an identifying series letter or date and the addition of the word "Refunding" when applicable, shall be dated, shall be stated to mature on Principal Payment Dates in such year or years, shall bear interest at such rate or rates not exceeding the maximum rate then permitted by law, and shall be redeemable at such times and prices (subject to the provisions of *Article III* of this Indenture), all as may be provided by the Supplemental Indenture authorizing the issuance of such Additional Bonds. Except as to any difference in the date, the maturity or maturities, the rate or rates of interest or the provisions for redemption, such Additional Bonds shall be on a parity with and shall be entitled to the same benefit and security of this Indenture as the Series 2014 Bonds and any other Additional Bonds Outstanding at the time of the issuance of such Additional Bonds.

(d) Such Additional Bonds shall be substantially in the form and executed in the manner set forth in this Article and *Article IV* hereof and certificates representing such Bonds shall be deposited with the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of such Bond certificates by the Trustee, there shall be filed with the Trustee the following:

(i) An original or certified copy of the ordinance enacted by the Issuer's governing body authorizing the issuance of such Additional Bonds and the execution of such Supplemental Indenture and the appropriate amendments or supplements to the Lease.

(ii) An original executed counterpart of the Supplemental Indenture providing for the issuance of the Additional Bonds.

(iii) An original executed counterpart of the amendment or supplement to the Lease, if required.

(iv) An opinion of Bond Counsel to the effect that the Additional Bonds constitute valid and legally binding obligations of the Issuer.

(v) In the case of Additional Bonds being issued to refund Outstanding Bonds, such additional documents as shall be reasonably required by the Trustee to establish that provision has been duly made for the payment of all of the Bonds to be refunded in accordance with the provisions of *Article XII* of this Indenture.

(vi) A copy of the written notice to the Original Purchaser.

(vii) Such other instructions, certificates, statements, receipts and documents as the Trustee shall reasonably require for the delivery of such Additional Bonds.

(e) When the documents mentioned in subsection (d) of this Section shall have been filed with the Trustee, and when such Additional Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver such Additional Bonds to or upon the order of the purchasers thereof, but only upon payment to the Trustee of the purchase price of such Additional Bonds. The proceeds of the sale of such Additional Bonds (except Additional Bonds issued to refund Outstanding Bonds), including accrued interest and premium thereon, if any, shall be immediately paid over to the Trustee and shall be deposited and applied by the Trustee as provided in *Article V* hereof and in the Supplemental Indenture authorizing the issuance of such Additional Bonds. The proceeds (excluding accrued interest and premium, if any, which shall be deposited in the Debt Service Fund) of all Additional Bonds issued to refund Outstanding Bonds shall be deposited by the Trustee, after payment or making provision for payment of all expenses incident to such financing, to the credit of a special trust fund, appropriately designated, to be held in trust for the sole and exclusive purpose of paying the principal of, premium, if any, and interest on the Bonds to be refunded, as provided in *Section 12.02* hereof and in the Supplemental Indenture authorizing the issuance of such refunding Bonds.

(f) Except as provided in this Section, the Issuer will not otherwise issue any obligations ratably secured and on a parity with the Bonds, but the Issuer may issue other obligations specifically subordinate and junior to the Bonds with the express written consent of the Tenant.

#### **Section 2.10. Temporary Bonds.**

(a) Until definitive Bonds of any series are available for delivery, the Issuer may execute, and upon request of the Issuer, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same limitations and conditions as definitive Bonds, temporary printed, engraved, lithographed or typewritten Bonds, in the form of fully registered Bonds in denominations of \$5,000 or any integral multiple thereof, substantially of the tenor hereinabove set forth and with such appropriate omissions, insertions and variations as may be required with respect to such temporary Bonds.

(b) If temporary Bonds shall be issued, the Issuer shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it at its principal office of any temporary Bond shall cancel the same and authenticate and deliver in exchange therefor, without charge to the Owner thereof, a definitive Bond or Bonds of an equal aggregate principal amount, of the same series and maturity and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged the temporary Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds to be issued and authenticated hereunder.

**Section 2.11. Mutilated, Lost, Stolen or Destroyed Bonds.** In the event any Bond certificate shall become mutilated, or be lost, stolen or destroyed, the Issuer shall execute and the Trustee shall

authenticate and deliver a new Bond certificate of like series, date and tenor as the Bond certificate mutilated, lost, stolen or destroyed. In the case of any mutilated Bond certificate, such mutilated Bond shall first be surrendered to the Trustee; and in the case of any lost, stolen or destroyed Bond certificate, there shall be first furnished to the Issuer and the Trustee evidence of such loss, theft or destruction satisfactory to the Issuer and the Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a substitute Bond certificate the Issuer may pay or authorize the payment of the same without surrender thereof. Upon the issuance of any substitute Bond certificate, the Issuer and the Trustee may require the payment of an amount sufficient to reimburse the Issuer and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

#### **Section 2.12. Cancellation and Destruction of Bonds Upon Payment.**

(a) All Bonds which have been paid or redeemed or which the Trustee has purchased or the certificates of which have otherwise been surrendered to the Trustee under this Indenture, either at or before Maturity, shall be canceled by the Trustee immediately upon the payment, redemption or purchase of such Bonds and the surrender of the certificates thereof to the Trustee.

(b) All Bonds canceled under any of the provisions of this Indenture shall be delivered by the Trustee to the Issuer, or, upon request of the Issuer, shall be destroyed by the Trustee.

**Section 2.13. Payments Due on Saturdays, Sundays and Holidays.** In any case where the Maturity of any Bonds shall not be a Business Day, then payment of principal, premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of Maturity, and no interest shall accrue for the period after such date.

**Section 2.14. Nonpresentment of Bonds.** In the event that any Bond shall not be presented for payment when the principal thereof becomes due, either at its Stated Maturity or Redemption Date, or the Trustee is unable to locate the Owner for the payment of accrued interest or an accrued interest check remains uncashed, if funds sufficient to pay such Bond and accrued interest shall have been made available to the Trustee, all liability of the Issuer to the Owner(s) of Bonds for the payment of such Bond and accrued interest shall cease and be completely discharged, and the Trustee shall hold such funds, without interest, for the benefit of such Owner(s) of Bonds, who shall thereafter be restricted exclusively to such funds for any claim on, or with respect to, such Bond and interest. If any Bond shall not be presented for payment within four years following the date when it becomes due, whether by Maturity or otherwise, or the accrued interest cannot be paid as set out above, the Trustee shall repay to the Tenant the funds theretofore held by it for payment of such Bond and interest, and such Bond and interest shall thereafter be an unsecured obligation of the Tenant, subject to the defense of any applicable statute of limitation, and the Owner thereof shall be entitled to look only to the Tenant for payment, and then only to the extent of the amount so repaid, and the Tenant shall not be liable for any additional interest thereon.

### **ARTICLE III**

#### **REDEMPTION OF BONDS**

**Section 3.01. Redemption of Bonds Generally.** The Series 2014 Bonds shall be subject to redemption prior to Stated Maturity in accordance with the terms and provisions of this Article. Additional Bonds shall be subject to redemption prior to Stated Maturity in accordance with the terms and provisions

contained in this Article and as may be specified in the Supplemental Indenture authorizing such Additional Bonds.

**Section 3.02. Redemption of Series 2014 Bonds.** The Series 2014 Bonds shall be subject to redemption as follows:

*Optional Redemption.* Series 2014 Bonds shall be subject to redemption and payment prior to Stated Maturity, at the option of the Issuer, upon instructions from the Tenant, as a whole or in part on any date, at the redemption price of the par value of the principal amount thereof, without premium.

**Section 3.03. Selection of Bonds to be Redeemed.**

(a) Bonds shall be redeemed only in Authorized Denominations. If less than all of the Outstanding Bonds of any series are to be redeemed and paid prior to Stated Maturity, such Bonds shall be redeemed as directed in writing by the Tenant. Bonds of less than a full Stated Maturity are to be selected by the Trustee in such equitable manner as it may determine.

(b) If any Series 2014 Bond is redeemed in part, the Trustee may note such partial redemption by endorsing the acknowledgment provided on each Bond; provided, however, at the option of the Owner of any Series 2014 Bonds, such Bond certificate need not be delivered to the Trustee to note such partial redemption, but such Owner may note such partial redemption by endorsing the acknowledgment provided on each Bond and providing a copy of such endorsement to the Trustee. Any redemption in part of any series of Series 2014 Bonds shall be applied to reduce the installments of principal thereof in inverse order of their maturity.

**Section 3.04. Trustee's Duty to Redeem Bonds.** The Trustee shall call Bonds for redemption and payment as herein provided and shall give notice of redemption as provided in Section 305 hereof upon receipt by the Trustee at least 30 days prior to the proposed redemption date (unless waived) of a written request of the Issuer together with a copy of the redemption instructions of the Tenant. Such instructions shall specify the principal amount and the respective maturities of Bonds to be called for redemption, the applicable redemption price or prices and the provision or provisions of this Indenture pursuant to which such Bonds are to be called for redemption.

**Section 3.05. Notice of Redemption.** Notice of the call for any redemption identifying the Bonds or portions thereof to be redeemed shall be given by the Trustee, in the name of the Issuer, by mailing by first class mail, postage prepaid, a copy of the redemption notice at least 10 days prior to the date fixed for redemption to the Owner of each Bond to be redeemed at the address shown on the registration books maintained by the Trustee; provided, however, that failure to give such notice by mailing as aforesaid, or any defect therein, shall not affect the validity of any proceedings for the redemption of the Bonds. Any notice of redemption shall state the Redemption Date, the place or places at which such Bonds shall be presented for payment, the series, maturities and numbers of the Bonds or portions of Bonds to be redeemed (and in the case of the redemption of a portion of any Bond the principal amount thereof being redeemed), the redemption price and shall state that interest on the Bonds described in such notice will cease to accrue from and after the Redemption Date. A copy of each such notice of redemption shall be provided to any authorized co-paying agent appointed by the Trustee.

**Section 3.06. Effect of Call for Redemption.** Prior to the date fixed for redemption, funds or Government Securities maturing on or before the date fixed for redemption shall be deposited with the Trustee in amounts sufficient to provide for payment of the Bonds called for redemption, accrued interest thereon to the Redemption Date and the redemption premium, if any. Upon the deposit of such funds or Government Securities, and notice having been given as provided in *Section 3.05* hereof, the Bonds or the

portions of the principal amount of Bonds thus called for redemption shall cease to bear interest on the specified Redemption Date, and shall no longer be entitled to the protection, benefit or security of this Indenture and shall not be deemed to be Outstanding under the provisions of this Indenture.

## ARTICLE IV

### FORM OF BONDS

**Section 4.01. Forms Generally.** The Series 2014 Bonds, and the Trustee's certificate of authentication to be endorsed thereon shall be, respectively, in substantially the form set forth in *Appendix A*. Any Additional Bonds, and the Trustee's Certificate of Authentication to be endorsed thereon shall also be in substantially such form, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture or any Supplemental Indenture. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

**Section 4.02. Bond Counsel's Approving Opinion.** If printed on the Bond certificates, Bond Counsel's approving opinion with respect to the authorization and issuance of the Bonds shall be preceded by the following certificate:

I, the undersigned, City Clerk of the City of Maize, Kansas hereby certify that the following is a true and correct copy of the complete final legal opinion of Gilmore & Bell, P.C., Bond Counsel, on the within Bond and the series of which said Bond is a part, except that it omits the date of such opinion, that said legal opinion was manually executed and was dated and issued as of the date of delivery of and payment for such Bonds, and is on file with Security Bank of Kansas City, Kansas City, Kansas.

(facsimile signature)  
City Clerk of the  
City of Maize, Kansas

## ARTICLE V

### CUSTODY AND APPLICATION OF BOND PROCEEDS

**Section 5.01. Creation of Funds and Accounts.** There are hereby authorized to be established in the custody of the Trustee the following Funds and Accounts:

- (a) "City of Maize, Kansas Project Fund (Optometric Billing Solutions)"
- (b) "City of Maize, Kansas Debt Service Fund (Optometric Billing Solutions)"

The Trustee may create separate subaccounts in any Fund or Account for each series of Bonds issued pursuant to the Indenture.

**Section 5.02. Deposit of Bond Proceeds.** The net proceeds received from the sale of the Series 2014 Bonds shall be deposited simultaneously with the delivery of the Series 2014 Bonds into the Project Fund.

## ARTICLE VI

### REVENUES AND FUNDS

**Section 6.01. Deposits into the Project Fund.** In addition to the amounts required to be paid into the Project Fund pursuant to *Section 5.02* hereof, the following funds shall be paid over to and deposited by the Trustee into the Project Fund, as and when received:

(a) The earnings accrued on the investment of moneys in the Project Fund and required to be deposited into the Project Fund pursuant to *Section 7.02* hereof.

(b) If required by a Supplemental Indenture authorizing the issuance of Additional Bonds, additional amounts from the proceeds of such Additional Bonds required to acquire, construct and install the Project Additions.

(c) The Net Proceeds of casualty insurance, condemnation awards or title insurance required to be deposited into the Project Fund pursuant to the Lease.

(d) Any and all payments from any contractors or other suppliers by way of breach of contract, refunds or adjustments required to be deposited into the Project Fund pursuant to the Lease.

(e) Except as otherwise provided herein or in the Lease, any other money received by or to be paid to the Trustee from any other source for the purchase or construction of the Improvements, when accompanied by directions by the Tenant that such moneys are to be deposited into the Project Fund

**Section 6.02. Disbursements from the Project Fund.**

(a) The moneys in the Project Fund shall be disbursed by the Trustee for the payment of Project Costs (other than Costs of Issuance) in accordance with the provisions of *Article V* of the Lease. The Trustee hereby covenants and agrees to disburse such moneys in accordance with such provisions. If the Issuer so requests, a copy of each requisition certificate submitted to the Trustee for payment under this Section shall be promptly provided by the Trustee to the Issuer.

Moneys in the Project Fund to be disbursed for payment of Costs of Issuance shall be paid out from time to time by the Trustee upon the written request of the Tenant, in substantially the form of *Appendix C* to the Lease, in amounts equal to the amount of Costs of Issuance certified in such request. The Trustee may rely conclusively on any such requisition certificate and shall not be required to make any independent investigation in connection therewith.

(b) The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom, and after the Improvements have been completed the Trustee, if requested, shall file a statement of receipts and disbursements with respect thereto with the Issuer and the Tenant.

(c) The completion of the Improvements and payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee by the Tenant of the Certificate of Completion

required by *Section 5.5* of the Lease. Any balance remaining in the Project Fund shall without further authorization be deposited in the Debt Service Fund and applied by the Trustee solely to the payment of principal of the Bonds through the payment or redemption thereof on any Redemption Date specified in the optional redemption provisions of *Section 3.02* hereof or as otherwise permissible in the opinion of Bond Counsel.

**Section 6.03. Disposition Upon Acceleration.** If the principal of the Bonds shall have become due and payable pursuant to *Section 9.01* of this Indenture, upon the date of payment by the Trustee of any moneys due as hereinafter provided in *Article IX*, any balance remaining in the Project Fund shall, without further authorization, be deposited in the Debt Service Fund by the Trustee.

**Section 6.04. Deposits into the Debt Service Fund.** In addition to the amounts required to be paid into the Debt Service Fund pursuant to *Section 5.02* hereof, the Trustee shall deposit into the Debt Service Fund, as and when received, the following:

(a) If required by a Supplemental Indenture authorizing the issuance of Additional Bonds, proceeds of such Additional Bonds in an amount not to exceed the sum which, when added to the accrued interest and premium, if any, received from the sale of such Additional Bonds, will be sufficient to pay the interest accruing on such Additional Bonds during the estimated period of construction of the Project Additions financed through the issuance of such Additional Bonds.

(b) All Basic Rent payable by the Tenant to the Issuer specified in *Section 3.1* of the Lease.

(c) Any amount in the Project Fund to be transferred to the Debt Service Fund pursuant to the provisions of this Indenture

(d) All interest and other income derived from investments of Debt Service Fund moneys as provided in *Section 7.02* hereof.

(g) All other moneys received by the Trustee under and pursuant to any of the provisions of the Lease, except Additional Rent, or when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Debt Service Fund.

**Section 6.05. Application of Moneys in the Debt Service Fund.**

(a) Except as provided in subsection (d) of this Section, moneys in the Debt Service Fund shall be expended solely for the payment of the principal of, premium, if any, and interest on the Outstanding Bonds as the same mature and become due or upon the redemption thereof prior to maturity.

(b) The Issuer hereby authorizes and directs the Trustee to withdraw sufficient funds from the Debt Service Fund to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable and to make said funds so withdrawn available to the Paying Agent for the purpose of paying said principal, premium, if any, and interest.

(c) The Trustee, upon written direction of the Issuer and the Tenant, shall use any excess moneys in the Debt Service Fund (other than investment earnings credited to such account) and any moneys paid to the Trustee for deposit in the Debt Service Fund pursuant to *Section 17.2* of the Lease to redeem Outstanding Bonds, interest accruing thereon prior to such redemption, and redemption premium, if any, in accordance with and to the extent permitted by *Article III* hereof so long as the Tenant is not in default with respect to payments of Basic Rent under the Lease and to the extent said moneys are in excess of amounts required for payment of Bonds theretofore matured or called for redemption and past due interest in all cases

when such Bonds have not been presented for payment. The Tenant may also direct such excess moneys in the Debt Service Fund or such part thereof or other moneys of the Tenant, as the Tenant may direct, to be applied by the Trustee for the purchase of Bonds in the open market for the purpose of cancellation.

(d) Any amount remaining in the Debt Service Fund after the principal of, premium, if any, and interest on the Bonds shall have been paid in full or provision made therefor in accordance with *Article XII* hereof, shall be paid to the Tenant by the Trustee.

## ARTICLE VII

### SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

**Section 7.01. Moneys to be Held in Trust.** All moneys deposited with or paid to the Trustee for the account of any fund or account (except the Rebate Fund) under any provision of this Indenture, and all moneys (except arbitrage rebate) deposited with or paid to the Paying Agent under any provision of this Indenture, shall be held by the Trustee or Paying Agent in trust and shall be applied only in accordance with the provisions of this Indenture and the Lease and, until used or applied as so provided, shall constitute part of the Trust Estate and be subject to the lien hereof. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon in writing.

**Section 7.02. Investment of Moneys in Funds.** Moneys held in each of the Funds and Accounts shall be separately invested and reinvested by the Trustee in accordance with the provisions hereof, at the written direction of the Authorized Tenant Representative (or in the absence of such written direction, as provided in *subsection (e)* of the definition of Investment Securities) in Investment Securities which mature or are subject to redemption by the owner prior to the date such funds will be needed. The Trustee may make any investments permitted by this Section through its own bond department or short-term investment department and may pool moneys for investment purposes, except moneys held in the yield restricted portion of any fund or account, which shall be invested separately. Any such Permitted Investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund or account in which such moneys are originally held. The interest earned on and any profit realized from Investment Securities held in any Fund or Account under this Indenture shall be deposited into the Debt Service Fund. Any loss resulting from such Investment Securities shall be charged to such Fund or Account in which such Investment Securities generating the loss are held. The Bond Trustee shall sell and reduce to cash a sufficient amount of such Investment Securities whenever the cash balance in such Fund or Account is insufficient for the purposes of such Fund or Account

**Section 7.03. Record Keeping.** The Trustee shall maintain records demonstrating compliance with the provisions of this Article and with the provisions of *Article VI* for at least six years after the payment of all of the Outstanding Bonds.

## ARTICLE VIII

### GENERAL COVENANTS AND PROVISIONS

**Section 8.01. Payment of Principal of, Premium, if any, and Interest on the Bonds.** The Issuer covenants and agrees that it will, but solely from the rents, revenues and receipts derived from the Project (as well as moneys held for such purposes hereunder) as described herein, promptly pay or cause to

be paid the principal of, premium, if any, and interest on the Bonds as the same become due and payable at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof, and to this end the Issuer covenants and agrees that it will use its best efforts to cause the Project to be continuously leased as a revenue and income producing undertaking, and that, should there be a default under the Lease with the result that the right of possession of the Project is returned to the Issuer, the Issuer shall fully cooperate with the Trustee and with the Owner(s) of Bonds to protect the rights and security of the Owner(s) of Bonds and shall diligently proceed in good faith and use its best efforts to secure another tenant for the Project to the end that at all times sufficient rents, revenues and receipts will be derived by Issuer from the Project to provide for payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable. Nothing herein shall be construed as requiring the Issuer to operate the Project as a business other than as lessor or to use any funds or revenues from any source other than funds and revenues derived from the Project.

**Section 8.02. Authority to Execute Indenture and Issue Bonds.** The Issuer covenants, to the best of its knowledge and belief, that: (i) it is duly authorized under the constitution and laws of the State to execute this Indenture, to issue the Bonds and to pledge and assign the Trust Estate in the manner and to the extent herein set forth (including the creation of a security interest therein); (ii) all action on its part for the execution and delivery of this Indenture and the issuance of the Bonds has been duly and effectively taken; and (iii) the Bonds in the hands of the Owners thereof are and will be valid and enforceable limited obligations of the Issuer according to the import thereof.

**Section 8.03. Performance of Covenants.** The Issuer covenants that it will endeavor to faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in the Bonds and in all proceedings of its governing body pertaining thereto.

**Section 8.04. Instruments of Further Assurance.** The Issuer covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments, financing statements and other documents as the Trustee may reasonably require for the better pledging and assigning unto the Trustee the property and revenues herein described to secure the payment of the principal of, premium, if any, and interest on the Bonds. The Issuer covenants and agrees that, except as herein and in the Lease provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Project or the rents, revenues and receipts derived therefrom or from the Lease, or of its rights under the Lease.

**Section 8.05. Recording and Filing.** The Issuer shall cause the Lease and all amendments to the Lease or appropriate memoranda thereof and all appropriate financing statements and other security instruments to be recorded and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the Owner(s) of Bonds and the rights of the Trustee hereunder. The Issuer hereby authorizes the Trustee to make any such filings for it. The Trustee shall cause all appropriate continuation statements of financing statements initially recorded to be recorded and filed in such manner and in such places as may be required by law to continue the effectiveness of such financing statements.

**Section 8.06. Maintenance, Taxes and Insurance.** The Issuer represents that pursuant to the provisions of *Articles VI, VII and X* of the Lease, the Tenant has agreed to cause the Project to be maintained and kept in good condition, repair and working order, to pay, as the same respectively become due, all taxes, assessments and other governmental charges at any time lawfully levied or assessed upon or against the Project or any part thereof, and to keep the Project constantly insured to the extent provided for therein, all at the sole expense of Tenant.

**Section 8.07. Inspection of Project Books.** The Issuer covenants and agrees that all books and documents in its possession relating to the Project and the rents, revenues and receipts derived from the Project shall, at all reasonable times during regular business hours, be open to inspection by such accountants or other agencies as the Trustee may from time to time designate.

**Section 8.08. Enforcement of Rights Under the Lease.** The Lease, a duly executed counterpart of which has been filed with the Trustee, sets forth the covenants and obligations of the Issuer and the Tenant, including provisions that subsequent to the issuance of the Bonds and prior to their payment in full or provision for payment thereof in accordance with the provisions hereof, the Lease may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee, and reference is hereby made to the Lease for a detailed statement of said covenants and obligations of the Tenant thereunder, and the Issuer agrees that the Trustee in its name or in the name of the Issuer may enforce all rights of the Issuer and all obligations of the Tenant under and pursuant to the Lease for and on behalf of the Owners, whether or not an Event of Default exists hereunder.

**Section 8.09. Possession and Use of Project.** So long as not otherwise provided in this Indenture, the Tenant shall be suffered and permitted to possess, use and enjoy the Project and appurtenances so as to carry out its obligations under the Lease.

## ARTICLE IX

### REMEDIES ON DEFAULT

#### **Section 9.01. Acceleration of Maturity in Event of Default.**

(a) If an Event of Default shall have occurred and be continuing, the Trustee may, and upon the written request of Owner(s) of Bonds owning not less than 25% in aggregate principal amount of Bonds then Outstanding shall, by notice in writing delivered to the Issuer and the Tenant, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

(b) If, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of principal and interest on the Bonds, together with all Default Administration Costs, all overdue installments of Basic Rent and Additional Rent under the Lease and all other sums then payable by the Issuer under this Indenture shall either be paid or provision satisfactory to the Trustee shall be made for such payment, then and in every such case the Trustee may in its discretion, and shall upon the written consent of Owner(s) of Bonds owning at least 51% in aggregate principal amount of the Bonds Outstanding, rescind such declaration and annul such default in its entirety.

(c) In case of any rescission, then and in every such case the Issuer, the Trustee and the Owner(s) of Bonds shall be restored to their former position and rights hereunder respectively, but no such rescission shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

#### **Section 9.02. Exercise of Remedies by the Trustee.**

(a) If an Event of Default shall have occurred and be continuing, the Trustee may, and if requested to do so in writing by Owner(s) of Bonds owning not less than 25% of the aggregate principal amount of Bonds Outstanding, and if indemnified to its satisfaction and satisfactory provision has been

offered as to payment of Default Administration Costs and third-party liability, shall pursue and exercise any available remedy at law or in equity by suit, action, mandamus or other proceeding or exercise such one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owner(s) of Bonds to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding, and to enforce and compel the performance of the duties and obligations of the Issuer as herein set forth.

(b) All rights of action under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without necessity of joining as plaintiffs or defendants any Owner(s) of Bonds, and any recovery of judgment shall be for the equal benefit of all Outstanding Bonds.

(c) In any litigation with the Tenant or the Guarantor, or both, after an Event of Default, the Trustee may, after obtaining the written approval of Owner(s) of Bonds owning at least 51% of the aggregate principal amount of Bonds Outstanding, enter into an agreement to settle the litigation upon such terms as the Trustee in its sole discretion determines to be in the best interest of the Owner(s) of Bonds, even if such settlement involves selling the Land and Improvements for less than the amount needed to pay the Owners of the Bonds Outstanding the full amounts of the principal and accrued interest on the Bonds and releasing the Guarantors from all liability under the Guaranty Agreement.

**Section 9.03. Surrender of Possession of Trust Estate; Rights and Duties of Trustee in Possession.** If an Event of Default shall have occurred and be continuing, the Issuer, upon demand of the Trustee, shall forthwith surrender the possession of, and the Trustee, by such officer or agent as it may appoint, may take possession of all or any part of the Trust Estate, together with the books, papers and accounts of the Issuer pertaining thereto, and including the rights and the position of the Issuer under the Lease, and to hold, operate and manage the same, and from time to time make all needful repairs and improvements; and the Trustee may lease the Project or any part thereof, in the name and for account of the Issuer, and collect, receive and sequester the rents, revenues and receipts therefrom, and out of the same and any moneys received from any receiver of any part thereof pay, and set up proper reserves for the payment of all proper costs and expenses of so taking, holding and managing the same, including (i) reasonable compensation to the Trustee, its agents and counsel, (ii) any charges of the Trustee hereunder, (iii) any taxes and assessments and other charges prior to the lien of this Indenture, (iv) any costs and expenses of the Issuer in connection with the Project and (v) all expenses of such repairs and improvements, and the Trustee shall apply the remainder of the moneys so received in accordance with *Section 9.10*. Whenever all that is due upon the Bonds shall have been paid and all defaults made good, the Trustee shall surrender possession of the Trust Estate to the Issuer, its successors and assigns, the same right of entry, however, to exist upon any subsequent Event of Default.

While in possession of such property, the Trustee shall render annually to the Issuer and the Tenant a summarized statement of receipts and expenditures in connection therewith

**Section 9.04. Sale in Event of Default.** If an Event of Default shall have occurred and be continuing, the Trustee, as assignee of the Issuer, may (but shall not be required to) sell the Issuer's interest in the Project on behalf of the Issuer in accordance with the provisions of the Lease, and the Trustee or the Owner or Owners of any of the Bonds then Outstanding, whether or not then in default in the payment of principal or interest, may become the purchaser at any such sale to the highest bidder.

In the event of such a sale, the Issuer and the Trustee shall execute and deliver any necessary or appropriate instrument of conveyance of the Issuer's interest in the Project to the purchaser or purchasers thereof, and any statement or recital of fact in such deed in relation to the nonpayment of the Bonds, default,

existence of the Bonds, notice of advertisement, sale, receipt of money, and the happening of any event whereby a prima facie evidence of the truth of such statement or recital. The Bond Trustee shall receive the proceeds of sale and pay the same in accordance with *Section 9.10(b)*.

**Section 9.05. Appointment of Receivers.** Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

**Section 9.06. Limitation on Exercise of Remedies by Owner(s) of Bonds.** No Owner(s) of Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (i) a default has occurred of which the Trustee has knowledge, (ii) such default shall have become an Event of Default, (iii) Owner(s) of Bonds owning at least 25% in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee, shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and (iv) satisfactory indemnity and provision for payment of Default Administration Costs and third-party liability shall have been offered to the Trustee and (v) the Trustee shall thereafter fail or refuse to exercise the powers granted in this section to institute such action, suit or proceeding in its own name; and such knowledge and request are hereby declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Owner(s) of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Bonds then Outstanding.

**Section 9.07. Right of Owner(s) of Bonds to Direct Proceedings.** Anything in this Indenture to the contrary notwithstanding, Owner(s) of Bonds owning at least 51% in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, and upon providing the Trustee indemnification satisfactory to it as provided above, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture, and Trustee shall have the right to decline to follow such direction if the Trustee shall in good faith, and upon the advice of counsel, determine that proceedings so directed would expose the Trustee to personal liability.

**Section 9.08. Remedies Cumulative.** No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Owner(s) of Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owner(s) of Bonds hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder, whether by the Trustee or by the Owner(s) of Bonds, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

**Section 9.09. Waivers of Events of Default.** The Trustee may in its discretion waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on Bonds, and shall do so upon the written request of Owner(s) of Bonds owning at least 51% in aggregate principal amount of all the Bonds then Outstanding and satisfaction of the conditions set forth in *Section 9.01(b)*. In case of any such waiver or rescission, or in case any proceedings taken by the Trustee under this Indenture on account of any such default shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Trustee and the Owner(s) of Bonds shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

**Section 9.10. Application of Money Received after Event of Default.**

(a) If the principal of all Bonds shall have become due and payable after the occurrence of an Event of Default, all moneys thereafter received from the Tenant, from sale or reletting of the Project, or pursuant to the Guaranty Agreement, shall be deposited in the Debt Service Fund and all moneys in the Debt Service Fund shall be applied as follows:

*first:* To the payment of Default Administration Costs

*second:* To the payment of the whole amount then due and unpaid upon the Outstanding Bonds for principal and premium, if any, and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Bonds) on overdue principal and premium, if any, and on overdue installments of interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the Bonds, then to the payment of such principal, premium and interest, without any preference or priority, ratably according to the aggregate amount so due; and

*third:* To the payment of any other amounts required to be paid under this Indenture or the Lease; and

*fourth:* To the payment of the remainder, if any, to the Tenant or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

(b) Whenever moneys are to be applied by the Issuer or the Trustee pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee in its sole discretion determines, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the Trustee in trust for the proper purpose shall constitute proper application by the Issuer; and the Issuer shall incur no liability to any Owner(s) of Bonds or to any other person for any delay in applying any such moneys, so long as the Issuer acts with reasonable diligence, having due regard to the circumstances, and moneys are applied in accordance with such provisions of this Indenture. Whenever the Trustee exercises such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to any Owner(s) of Bonds of any unpaid Bond until the Bond

certificate(s) representing Bonds owned are surrendered to the Trustee as Bond Registrar for appropriate endorsement, or for cancellation if fully paid.

(c) Whenever the principal of and premium, if any, and interest on all Bonds have been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid, any balance remaining in the Debt Service Fund shall be paid to the Tenant as provided in *Section 6.07(d)*.

## ARTICLE X

### THE TRUSTEE

**Section 10.01. Acceptance of the Trusts.** The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts in the manner in which a corporate trustee ordinarily would perform said trusts under a corporate indenture, and the Trustee shall exercise such of the rights and powers vested in it by this Indenture and shall use the same degree of care and skill in its exercise as a prudent corporate trust officer would exercise or use under the circumstances, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) Prior to the occurrence of an Event of Default and after the cure of all Events of Default which may have occurred, the Trustee's duties and responsibilities shall include only those expressly set forth in this Trust Indenture and those rights, duties, responsibilities, and obligations which are reserved to or imposed upon the Issuer under this Trust Indenture and the Lease, excepting only such of those rights, duties, responsibilities, and obligations as may only be properly and lawfully exercised by or imposed upon the Issuer.

(b) Upon the occurrence of an Event of Default the Trustee shall be and is hereby authorized to bring appropriate action for judgment or such other relief as may be appropriate and such action may be in the name of the Trustee or in the name of the Issuer and Trustee jointly; but in such case, neither the Issuer nor the Trustee shall have any obligation for any fees and expenses of such action except out of any funds available by reason of the ownership of the Project and moneys available under this Trust Indenture and the Lease. In addition, the Trustee may file such proof of claim and such other documents as may be necessary and advisable in order to have the claims of the Trustee and the Owner(s) of Bonds relative to the Bonds or the obligations relating thereto allowed in any judicial proceeding.

(c) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys or receivers. The Trustee shall be entitled to rely upon the opinion or advice of counsel, who may be counsel to the Trustee, Issuer or the Tenant, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys and receivers as may reasonably be employed in connection with the trusts hereof.

(d) The Trustee, in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights which it would have if it were not Trustee.

(e) The Trustee may rely and shall be protected in acting or refraining from acting upon any ordinance, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, affidavit, letter, telegram or other paper or document provided for under this Indenture, the Lease or the Guaranty Agreement believed by it to be genuine and correct and to have been signed, presented or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or

authority or consent of any person who, at the time of making such request or giving such authority or consent is an Owner(s) of Bonds, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or upon transfer or in substitution thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee shall be entitled to rely upon a certificate signed by the mayor of the Issuer or the Authorized Tenant Representative as sufficient evidence of the facts therein contained, the Trustee shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(h) At any and all reasonable times and upon reasonable prior notification to the Tenant, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right to inspect any and all of the Project and all books, papers and records of the Issuer and Tenant pertaining to the Project and the Bonds, and to make such notes and copies as may be desired.

(i) The Trustee shall not be required to give any bond or surety with respect to the execution of its trusts and powers hereunder or otherwise with respect to the Project.

(j) The Trustee shall have the right, but shall not be required, to demand, with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purpose of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(k) The Trustee shall not be required to take notice of, or be deemed to have notice of, any default hereunder or under the Lease, except the failure by the Issuer to cause to be made any of the payments required to be made under the Lease or in accordance with *Article VI* hereof, or the failure by the Issuer to cause compliance by the Tenant with the insurance provisions of *Article VI* of the Lease, unless the Trustee shall have been specifically notified in writing of such default by the Issuer or by Owner(s) of Bonds owning at least 25% in aggregate principal amount of all Bonds then Outstanding.

(l) The Trustee may inform the Owner(s) of Bonds of environmental hazards that the Trustee has reason to believe exist with respect to the Project, the Land or the Improvements, and the Trustee shall have the right to take no further action with respect thereto, and, in such event, no fiduciary duty shall exist which imposes any obligation for further action by the Trustee with respect to the Project, the Land, the Improvements, the enforcement of any remedies hereunder or under this Lease, the Trust Estate, or any portion thereof, if, in the reasonable opinion of the Trustee, such action would subject the Trustee to environmental or other liability for which the Trustee has not received indemnity satisfactory to it.

**Section 10.02. Fees, Charges and Expenses of the Trustee; Lien for Fees and Costs and Additional Rent.** The Trustee shall be entitled to payment of or reimbursement for reasonable fees for its

ordinary services rendered hereunder and all advances, agent and counsel fees and other ordinary costs, charges and expenses reasonably and necessarily made or incurred by the Trustee in connection with such ordinary services and, in the event that it should become necessary that the Trustee perform extraordinary services, it shall be entitled to reasonable compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the neglect or misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees, costs, expenses and charges of the Trustee as Paying Agent for the Bonds. The Trustee agrees that the Issuer shall have no liability for any fees, charges and expenses of the Trustee, and the Trustee agrees to look only to the Tenant for the payment of all fees, charges and expenses of the Trustee and any Paying Agents as provided in the Lease. Upon the occurrence of an Event of Default and during its continuance, the Trustee shall have a lien with right of payment prior to payment of principal of, redemption premium, if any, or interest on any Bond, upon all moneys in its possession under any provisions hereof (except the Rebate Fund) for the foregoing advances, fees, costs and expenses incurred, for Default Administration Costs and for any unpaid Additional Rent owing under the Lease.

**Section 10.03. Notice to Owner(s) of Bonds if Default Occurs.** If an Event of Default occurs, of which the Trustee is aware and of which it is required to take notice, the Trustee shall give written notice thereof to the Owner(s) of Bonds, as shown by the bond registration books required to be maintained by the Trustee and kept at the principal office of the Trustee.

**Section 10.04. Intervention by the Trustee.** In any judicial proceeding to which the Issuer is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the Owner(s) of Bonds, the Trustee may intervene on behalf of the Owner(s) of Bonds and shall do so if requested in writing by Owner(s) of Bonds owning at least 25% of the aggregate principal amount of Bonds then Outstanding and if provided with indemnity satisfactory to the Trustee.

**Section 10.05. Successor Trustee Upon Merger, Consolidation or Sale.** Any corporation or association into which the Trustee may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

**Section 10.06. Resignation of Trustee.** The Trustee may resign by an instrument in writing delivered by registered or certified mail to the Issuer and the Tenant to take effect not sooner than 90 days after its delivery, whereupon the Issuer, with the consent of the Tenant, shall immediately, in writing, designate a successor Trustee; provided, however, that the Trustee's resignation shall not become effective unless and until a successor Trustee is approved and qualified. In the event the Issuer and the Tenant do not promptly designate a successor trustee, then the Trustee shall have the right to petition a court of competent jurisdiction for the appointment of a successor.

**Section 10.07. Removal of Trustee.** As long as no Default or Event of Default shall have occurred and be continuing, the Trustee may be removed at any time by the Issuer or the Tenant; provided, that such removal shall not be effective unless and until a successor trustee is appointed and qualified, and provided further than such removal shall not become effective until after 60 days from the date written notice of such proposed removal is given to the Trustee by first class mail. The Issuer or the Tenant, concurrently with giving notice to the Trustee, shall give notice by first class mail of the proposed removal of the Trustee to all Owner(s) of Bonds. Unless Owner(s) of Bonds owning at least 51% in principal amount of Bonds then Outstanding object in writing to the proposed removal of the Trustee, such removal shall become effective from the date specified in the notices, provided that the successor trustee shall have

been qualified and have accepted the duties and responsibilities of the Trustee as of such date. The Trustee may be removed at any time by the written direction of Owner(s) of Bonds owning at least 51% in aggregate principal amount of Bonds then Outstanding.

**Section 10.08. Qualifications of Successor Trustee.** Every successor Trustee appointed pursuant to the provisions of this Article shall be a trust company or bank in good standing, qualified to accept such trust and acceptable to the Issuer and the Tenant.

**Section 10.09. Vesting of Trusts in Successor Trustee.** Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer and the Tenant an instrument in writing accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become fully vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, execute and deliver an instrument transferring to such successor Trustee all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereby vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer.

**Section 10.10. Right of Trustee to Pay Taxes and Other Charges.** In case any tax, assessment or governmental or other charge upon, or insurance premium with respect to, any part of the Project is not paid as required herein or in the Lease, and the Tenant has failed after 30 days written notice to make such payment, or in case in the amount required to be rebated to the United States pursuant to provisions of Section 148(f) of the Code is not paid when due, the Trustee may pay such tax, assessment or governmental charge or insurance premium or rebate amount, without prejudice, however, to any rights of the Trustee or the Owner(s) of Bonds hereunder arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment at a rate per annum equal to the Trustee's published prime rate in effect at the time, shall become an additional obligation secured by this Indenture, and the same shall be given a preference in payment over any payment of principal of, premium, if any, or interest on the Bonds, and shall be paid out of the proceeds of rents, revenues and receipts collected from the Project, if not otherwise caused to be paid; but the Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by Owner(s) of Bonds owning at least 25% of the aggregate principal amount of Bonds then Outstanding and shall have been provided adequate funds for the purpose of such payment.

**Section 10.11. Trust Estate May Be Vested in Co-trustee.**

(a) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the State) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Lease, and in particular in case of the enforcement of either a default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee, or take any other action which may be desirable or necessary in connection therewith, it may be necessary or desirable that the Trustee appoint an additional individual or institution as a co-trustee or separate trustee, and the Trustee is hereby authorized to appoint such co-trustee or separate trustee.

(b) In the event that the Trustee appoints an additional individual or institution as a co-trustee or separate trustee, each and every remedy, power, right, claim, demand, cause of action,

immunity, title, interest and lien expressed or intended by this Indenture to be exercised by the Trustee with respect thereto shall be exercisable by such co-trustee or separate trustee but only to the extent necessary to enable such co-trustee or separate trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such co-trustee or separate trustee shall run to and be enforceable by either of them.

(c) Should any deed, conveyance or instrument in writing from the Issuer be required by the co-trustee or separate trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, then any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer.

(d) In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, all the properties, rights, powers, trusts, duties and obligations of such co-trustee or separate trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a successor to such co-trustee or separate trustee.

**Section 10.12. Annual Accounting.** The Trustee shall render an annual accounting to the Tenant, to the Issuer upon request, and to any Owner(s) of Bonds requesting the same in writing and remitting reasonable charges for preparing such copies, showing in reasonable detail all financial transactions relating to the Trust Estate during the accounting period and the balance in any funds or accounts created by this Indenture as of the beginning and close of such accounting period.

**Section 10.13. Performance of Duties under the Lease and Guaranty Agreement.** The Trustee hereby accepts and agrees to perform, in such manner as is consistent with the terms of those instruments and this Indenture, all duties and obligations assigned to it under the Lease and the Guaranty Agreement.

## ARTICLE XI

### SUPPLEMENTAL INDENTURES

**Section 11.01. Supplemental Indentures Not Requiring Consent of Owner(s) of Bonds.** The Issuer and the Trustee may from time to time, without the consent of any of the Owner(s) of Bonds, enter into such Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Indenture or to make any other change not prejudicial to the Owner(s) of Bonds;

(b) To grant to or confer upon the Trustee for the benefit of the Owner(s) of Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owner(s) of Bonds or the Trustee or either of them;

(c) To more precisely identify the Project or to add additional property thereto;

(d) To subject to this Indenture additional revenues, properties or collateral;

(e) To issue Additional Bonds as provided in *Section 2.09* hereof, and

(f) To conform the provisions of this Indenture to the provisions of the Code as the same now exists or may be hereafter amended.

**Section 11.02. Supplemental Indentures Requiring Consent of Owner(s) of Bonds.**

(a) Exclusive of Supplemental Indentures described in *Section 11.01* hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Owner(s) of Bonds owning not less than 66-2/3% in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that except as provided in subparagraph (b) of this *Section 11.02*, nothing in this Section contained shall permit or be construed as permitting (1) an extension of the maturity of the principal of or the accrual of, or dates of payment of, interest on any Bond issued hereunder, or (2) a reduction in the principal amount of any Bond or the rate of interest thereon, or (3) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (4) a reduction in the aggregate principal amount of Bonds the Owners of which are required for consent to any such Supplemental Indenture.

(b) Any provision of this Indenture or the Bonds may be amended with the written consent of the Owners owning 100% in aggregate principal amount then Outstanding.

**Section 11.03. Tenant's Consent to Supplemental Indentures.** Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article which affects any rights of the Tenant shall not become effective unless and until the Tenant shall have consented in writing to the execution and delivery of such Supplemental Indenture, provided that receipt by the Trustee of an amendment to the Lease executed by the Tenant in connection with the issuance of Additional Bonds under *Section 2.09* hereof shall be deemed to constitute consent of the Tenant to the execution of a Supplemental Indenture pursuant to *Section 2.09* hereof. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture (other than a Supplemental Indenture proposed to be executed and delivered pursuant to *Section 2.09* hereof) together with a copy of the proposed Supplemental Indenture to be mailed to the Tenant at least 15 days prior to the proposed date of execution and delivery of any such Supplemental Indenture.

## ARTICLE XII

### SATISFACTION AND DISCHARGE OF INDENTURE

**Section 12.01. Satisfaction and Discharge of the Indenture.**

(a) When the principal of, premium, if any, and interest on all Bonds shall have been paid in accordance with their terms or provision has been made for such payment, as provided in *Section 12.02* hereof, and provision shall also have been made for paying all other sums payable hereunder, including the fees and expenses of the Trustee and the Paying Agent to the date of retirement of the Bonds and the rebate of arbitrage rebate to the United States as required by this Indenture, then the duties of the Trustee under this Indenture shall cease. Thereupon the Trustee shall discharge and release this Indenture and shall execute, acknowledge and deliver to the Issuer such instruments of satisfaction and discharge or release as shall be

requisite to evidence such release and the satisfaction and discharge of this Indenture, and shall assign and deliver to the Issuer any property at the time subject to this Indenture which may then be in its possession, except amounts in the Debt Service Fund required to be paid to the Tenant under *Section 6.07(d)* hereof and except funds or securities in which such funds are invested and held by the Trustee for the payment of the principal of, and interest accrued on, the Bonds or of arbitrage rebate to the United States. Notwithstanding anything otherwise provided herein, the provisions of this Indenture relating to compensation and indemnification of the Trustee shall survive satisfaction and discharge of the Indenture.

(b) The Issuer is hereby authorized to accept a certificate by the Trustee that the principal of, premium, if any, and interest due and payable upon all of the Bonds then Outstanding and all amounts required to be paid to the United States have been paid or such payment provided for in accordance with *Section 12.02* hereof as evidence of satisfaction of this Indenture, and upon receipt thereof shall deem this Indenture discharged.

### **Section 12.02. Bonds Deemed to be Paid.**

(a) Bonds shall be deemed to be paid within the meaning of this Indenture when payment of the principal of and the applicable premium, if any, on such Bonds, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (1) moneys sufficient to make such payment or (2) non-callable Government Securities maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment. Notwithstanding the foregoing, Bonds shall also be deemed paid if the Bond certificate(s) are surrendered to the Trustee, accompanied by a written communication from the registered Owner waiving payment and directing that they be cancelled without actual payment. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of any such payment from such moneys or Government Securities. As a condition to the Bonds being deemed paid, the Trustee shall have received an opinion of Bond Counsel to the effect that the conditions of this Section have been satisfied, and that the actions taken hereunder will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(b) Notwithstanding the foregoing, in the case of the redemption of Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (ii) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until proper notice of such redemption shall have been given in accordance with *Article III* of this Indenture or irrevocable instructions shall have been given to the Trustee to give such notice.

(c) Notwithstanding any provision of any other Section of this Indenture which may be contrary to the provisions of this Section, all moneys or Government Securities set aside and held in trust pursuant to the provisions of this Section for the payment of Bonds (including premium thereon, if any) and interest thereon shall be applied to and used solely for the payment of the particular Bonds (including premium thereon, if any) and interest thereon with respect to which such moneys and Government Securities have been so set aside in trust.

## ARTICLE XIII

### MISCELLANEOUS PROVISIONS

#### **Section 13.01. Consents and Other Instruments by Owner(s) of Bonds.**

(a) Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Owner(s) of Bonds may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owner(s) of Bonds 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 Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

(1) The fact and date of the execution by any person of any such instrument may be proved by the 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 him the execution thereof, or by affidavit of any witness to such execution.

(2) The fact of ownership of Bonds and the amount or amounts, number and other identification of such Bonds, and the date of holding the same shall be proved by the registration books of the Issuer maintained by the Trustee.

(b) In determining whether the Owner(s) of Bonds owning the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds owned by the Tenant or any affiliate of the Tenant shall be disregarded and deemed not to be Outstanding under this Indenture, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. For purposes of this paragraph, the word "affiliate" means any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Tenant; and for the purposes of this definition, "control" means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. 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 Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Tenant or any affiliate of the Tenant.

**Section 13.02. Limitation of Rights Under the Indenture.** With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be inferred from this Indenture or the Bonds is intended or shall be construed to give any person other than the parties hereto, and the Owner(s) of Bonds, any right, remedy or claim under or with respect to this Indenture, and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Tenant and the Owner(s) of Bonds as herein provided.

**Section 13.03. Notices.** Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Indenture shall be in writing and shall be deemed duly given or filed if the same shall be duly mailed by registered or certified mail, postage prepaid, to the Notice Representative.

All notices given by certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed. A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Tenant to the other shall also be given to the Trustee. The Issuer, the Trustee and the Tenant 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.

**Section 13.04. Suspension of Mail Service.** 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 Trustee shall constitute a sufficient notice.

**Section 13.05. Severability.** If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

**Section 13.06. Execution in Counterparts.** This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 13.07. Governing Law.** This Indenture shall be governed exclusively by and construed in accordance with the applicable laws of the State.

**Section 13.08. Electronic Transactions.** The transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the Issuer has caused this Indenture to be signed by an authorized official, such signature to be attested by an authorized officer and its official seal to be applied.

**CITY OF MAIZE, KANSAS**

[SEAL]

By: \_\_\_\_\_ r  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

"ISSUER"

**ACKNOWLEDGMENT**

STATE OF KANSAS )  
) SS:  
COUNTY OF SEDGWICK )

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2014 by Clair Donnelly as Mayor of the City of Maize, Kansas, a municipal corporation of the State of Kansas.

[SEAL]

\_\_\_\_\_  
Notary Public

My Appointment Expires:

\_\_\_\_\_

**IN WITNESS WHEREOF**, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this Indenture to be signed in its name and behalf and such signature to be attested by its duly authorized officers, and its corporate seal to be applied, all as of the date first above written.

**SECURITY BANK OF KANSAS CITY**  
Kansas City, Kansas,  
as Trustee

[SEAL]

By: \_\_\_\_\_  
Name:  
Title:

ATTEST:

\_\_\_\_\_  
Name:  
Title:

"TRUSTEE"

**ACKNOWLEDGMENT**

STATE OF KANSAS            )  
  ) SS.  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_ 2014, by \_\_\_\_\_, [Vice] President and Trust Officer of Security Bank of Kansas City, a banking corporation or association organized under the laws of the United States of America or one of the states thereof.

[SEAL]

\_\_\_\_\_  
Notary Public

My Appointment Expires:

\_\_\_\_\_

**APPENDIX A**  
**FORM OF BOND**

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE. NO TRANSFER, SALE, ASSIGNMENT OR HYPOTHECATION OF THIS SECURITY SHALL BE MADE AND THE TRUSTEE SHALL BE CONSIDERED UNDER "STOP TRANSFER" ORDERS FOR TRANSFERS FOR ALL BONDS UNLESS: (1) THERE SHALL HAVE BEEN DELIVERED TO THE TENANT, THE ISSUER AND THE TRUSTEE PRIOR TO THE TRANSFER, SALE, ASSIGNMENT OR HYPOTHECATION AN OPINION OF NATIONALLY RECOGNIZED BOND OR SECURITIES COUNSEL, SATISFACTORY TO THE TENANT, THE ISSUER AND THE TRUSTEE, TO THE EFFECT THAT REGISTRATION UNDER THE SECURITIES ACT OF 1933 AND REGISTRATION UNDER ANY APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED; OR (2) THERE SHALL BE A REGISTRATION STATEMENT IN EFFECT UNDER THE SECURITIES ACT OF 1933 AND UNDER ANY APPLICABLE STATE SECURITIES LAWS REQUIRING A STATE-LEVEL REGISTRATION STATEMENT WITH RESPECT TO THE TRANSFER, ASSIGNMENT, SALE OR HYPOTHECATION, AND, IN THE CASE OF BOTH (1) AND (2) THERE SHALL HAVE BEEN COMPLIANCE WITH ALL APPLICABLE STATE AND FEDERAL SECURITIES LAWS AND ALL APPLICABLE RULES AND REGULATIONS THEREUNDER. THE TRUSTEE SHALL NOT TRANSFER THIS BOND EXCEPT IN ACCORDANCE WITH THIS LEGEND.

No. R-\_\_

\$1,600,000

UNITED STATES OF AMERICA  
STATE OF KANSAS

**CITY OF MAIZE, KANSAS**

TAXABLE INDUSTRIAL REVENUE BOND  
SERIES 2014  
(OPTOMETRIC BILLING SOLUTIONS)

The City of Maize, Kansas (the "Issuer"), hereby promises to pay, solely out of the sources hereinafter specified, \_\_\_\_\_, the registered Owner hereof, or registered assigns (an "Owner"), the principal sum of

**ONE MILLION SIX HUNDRED THOUSAND DOLLARS**

or such lesser principal sum as is actually advanced hereunder pursuant to the Lease to pay Project Costs (both hereinafter defined), plus interest on the unpaid balance hereof accruing from the date of advance until paid, in lawful money of the United States of America, at the rates and payable as follows:

- a. From the Issue Date of this Bond to the Final Maturity Date (herein defined), interest shall be paid in arrears on the principal amount of this Bond as advanced from time to time at the Fixed Rate (herein defined), commencing on the First Payment Date and continuing on each Payment Date thereafter until the Final Maturity Date.

- b. One final payment in the amount of the entire unpaid principal balance hereunder (including all accrued and unpaid interest) shall be paid on the Final Maturity Date.

A "*Business Day*" shall mean a day on which the Bank is open for business at its commercial bank office in Wichita, Kansas.

The "*Final Maturity Date*" shall be January 1, 2018."

The "*First Payment Date*" shall mean the first day of the month following the first anniversary of the Issue Date.

The "*Fixed Rate*" shall mean [\_\_\_\_]% per annum, computed on the basis of 30 days per month for 360 days per year.

The "*Issue Date*" shall mean the date endorsed by the fiscal and paying agent on the Certificate of Authentication on this Bond.

The "*Payment Date*" shall be each anniversary of the First Payment Date.

"*Trustee*" shall mean Security Bank of Kansas City, Kansas City, Kansas, in its capacity as trustee, bond registrar and paying agent pursuant to the Indenture (as hereinafter defined).

Notwithstanding anything herein to the contrary, the aggregate principal amount advanced hereunder shall not exceed \$35,500,000.

Payment of principal of and interest on this Bond shall be made by the Trustee on each Payment Date to the person appearing on the registration books of the Issuer maintained by the Trustee as the registered owner thereof by check or draft mailed to such Owner(s) of Bonds at the address appearing on such registration books, or at the written request of any Owner, by electronic transfer to the address specified by such Owner in writing to the Trustee at least 15 days prior to the applicable Payment Date. Any such written request for electronic transfer shall be signed by such Owner and shall include the name of the bank (which shall be in the continental United States), its address, its ABA routing number, and the name, number, and contact name related to such Owner's account at such bank to which payment is to be credited. Notwithstanding the foregoing final payment of the principal of, and interest and redemption premium, if any, on all Bonds shall be made upon the presentation and surrender of the certificate(s) representing such Bonds at the stated maturity or earlier required redemption thereof at the principal office of the Trustee.

If there is a default in the payment of any item or installment when due, the item or installment so in default shall continue as an obligation hereunder until the same shall be fully paid, and such item or installment shall be payable upon demand with interest thereon.

This Bond is issued pursuant to an Ordinance of the governing body of the Issuer and a Trust Indenture dated as of the Issue Date of this Bond (the "Indenture"), between the Issuer and the Trustee, for the purpose of providing funds for the acquisition, remodeling and equipping of a commercial facility located in the City of Maize, Kansas (the "Project"), to be leased to OBS Properties, LLC, a Kansas limited liability company (the "Tenant") pursuant to a Lease dated as of the Issue Date of this Bond (the "Lease"), between the Issuer and the Tenant, by the authority of and in conformity with the constitution and statutes of the state of Kansas, including particularly K.S.A. 12-1740 *et seq.*, as amended, and all other laws of said state applicable thereto. The Tenant will sublease the Project to Optometric Billing Solutions LLC, a

Kansas limited liability company (the "Subtenant") under a Sublease delivered concurrently with the Lease, pursuant to which the Subtenant assumes all of the obligations of the Tenant under the Lease.

This Bond and the interest and redemption premium, if any, hereon are payable solely out of the revenues derived by the Issuer from the Facility and pursuant to the Lease. This Bond and the interest and redemption premium, if any, hereon do not constitute a debt of the Issuer, or of the State of Kansas, and neither the Issuer nor said state shall be liable thereon, and this Bond shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. To secure the payment of the principal of and redemption premium, if any, and interest on this Bond, the Issuer has assigned to the Trustee substantially all its rights under the Lease pursuant to an Assignment of Lease dated as of the Document Date (the "Assignment"). In addition, the payment of the principal of and redemption premium, if any, and interest on this Bond has been unconditionally guaranteed by the Tenant pursuant to a Guaranty Agreement, dated as of the Document Date (the "Guaranty Agreement"). Reference is hereby made to the Indenture, the Lease, the Assignment and the Guaranty Agreement for a further description of the Project, the Facility, the rights, duties and obligations of the Issuer, the Tenant, the Trustee and any other owners of the Bonds, the security for this Bond and such obligations hereunder.

This Bond is subject to redemption and payment prior to the stated maturity thereof, in whole or in part, by the Issuer, at the option of and upon instructions from the Tenant to the Issuer, on any date, at the par value of the principal amount thereof, without premium, plus interest accrued to the date of redemption.

Notice of any call for redemption at the option of the Tenant shall be given by the Issuer or the Tenant on behalf of the Issuer to each owner of the Bonds at its address as it appears on the records maintained by the Trustee by first class mail, postage prepaid, mailed not less than ten (10) days prior to the redemption date.

All portions of this Bond so called for redemption will cease to bear interest on the specified redemption date, provided funds or securities in which such funds are invested for their redemption are on deposit with the paying agent prior to the redemption date, and shall no longer be entitled to the benefits and protection of the Bond Agreement and shall not be deemed to be outstanding.

If this Bond is redeemed in part, it need not be delivered to the Trustee or the Issuer to note such partial redemption, but the owner of the Bonds may note such partial redemption by endorsing the acknowledgment provided on this Bond. Any redemption in part of this Bond shall be applied to reduce the installments of principal hereof in inverse order of their maturity.

This Bond is issuable in the form of a fully registered Bond without coupons. Subject to the restrictions on transfer herein set forth, this Bond shall be transferable by the owner of this Bond upon the surrender of the certificate or certificates representing this Bond for transfer or exchange at the offices of the Trustee, accompanied, in the case of a transfer, by a written instrument of transfer executed by the owner of this Bond or its attorney or legal representative duly authorized in writing. Upon such surrender, the Trustee shall cause the Issuer to execute and deliver in the name of the transferee a new registered Bond certificate or certificates in an aggregate principal amount equal to the unpaid principal amount hereof. The Issuer, the Trustee and the Tenant may deem and treat the person in whose name this Bond certificate is registered as the absolute owner of the principal amount of the Bonds represented by this certificate for the purpose of receiving payment of, or on account of, the principal or interest due hereon and for all other purposes. Transfer of this Bond certificate is subject to certain further conditions and restrictions as further endorsed hereon.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

**IT IS HEREBY CERTIFIED AND DECLARED** that, to the best of the Issuer's knowledge and belief, all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

**IN WITNESS WHEREOF**, the Issuer has caused this Bond to be executed in its name by the facsimile signature of the Mayor and attested by the manual signature of the City Clerk and its official seal to be affixed hereto or imprinted hereon, and has caused this Bond to be dated as of the Issue Date of this Bond.

**CITY OF MAIZE, KANSAS**

By: \_\_\_\_\_  
Mayor

[SEAL]

ATTEST:

By: \_\_\_\_\_  
City Clerk

**CERTIFICATE OF AUTHENTICATION**

This Bond certificate evidences ownership of the City of Maize, Kansas Taxable Industrial Revenue Bonds, Series 2014 (Optometric Billing Solutions), as described herein and in the Indenture described herein. The Issue Date of this Bond is \_\_\_\_\_, 2014.

**SECURITY BANK OF KANSAS CITY**  
**Kansas City, Kansas,**  
**as Trustee**

By: \_\_\_\_\_  
Authorized Officer

**SCHEDULE OF PRINCIPAL AMOUNTS ADVANCED**

**DATE OF ADVANCE**

**AMOUNT OF ADVANCE**

**ASSIGNMENT**

For value received, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
Print or Type Name and Address of Transferee

the Bonds represented by this certificate and all rights thereunder, and hereby authorizes the transfer of the within Bond on the books kept by the Bank for the registration and transfer of Bonds.

Dated: \_\_\_\_\_

\_\_\_\_\_  
NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

[Seal of Owner of the Bonds]

\_\_\_\_\_  
(Name of Eligible Guarantor Institution)

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Signature must be guaranteed by an eligible guarantor institution as defined by S.E.C. Rule 17 Ad-15 (17 C.F.R. 240. 17-Ad-15).

**THIS BOND MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS, OR IN A TRANSACTION EXEMPT FROM THE APPLICATION OF FEDERAL AND STATE SECURITIES LAWS.**

**ACKNOWLEDGMENT OF PARTIAL REDEMPTION  
RECORD OF PAYMENTS**

Partial prepayments of the principal of this Bond may be made directly to the registered Owner hereof without surrender hereof to the Bank, and each registered Owner hereof may record such prepayment on the table set forth below. Accordingly, any purchaser or other transferee of this Bond should verify with the Bank the principal hereof outstanding prior to such purchase or transfer, and the records of the Bank shall be conclusive for such purposes.

| <u>Payment</u><br><u>Date</u> | <u>Amount</u><br><u>Paid</u> | <u>Signature</u> | <u>Payment</u><br><u>Date</u> | <u>Amount</u><br><u>Paid</u> | <u>Signature</u> |
|-------------------------------|------------------------------|------------------|-------------------------------|------------------------------|------------------|
|-------------------------------|------------------------------|------------------|-------------------------------|------------------------------|------------------|

**MAIZE CITY COUNCIL  
REGULAR MEETING  
MONDAY, MAY 19th, 2014**

**AGENDA ITEM #8E**

**ITEM: Ordinance – Amending Section 14-102.**

**BACKGROUND:**

An ordinance of the City of Maize, Kansas, amending Section 14-102 of the Code of the City of Maize, Kansas, relating to establishing maximum speed limits for the streets and highways located in the City of Maize, Kansas, and repealing the existing Section 14-102 of the Code of the City of Maize, Kansas.

This amended ordinance is needed to update newly annexed roadways and standardize roadways primarily on 45<sup>th</sup> street north and 53<sup>rd</sup> street north that have multiple posted speed limits throughout the city.

**FINANCIAL CONSIDERATIONS:**

Replacement of 2 speed limit signs.

**LEGAL CONSIDERATIONS:**

This amended ordinance has been reviewed by staff and drafted and approved by legal.

**RECOMMENDED ACTION:**

Amend section 14-102 of the code of the City of Maize, Kansas, relating to establishing maximum speed limits for streets and highways located in the City of Maize, Kansas, and repeal the existing section 14-102 of the code of the City of Maize, Kansas.

[A Summary of this Ordinance published in the *Clarion*  
on the \_\_\_\_ day of \_\_\_\_\_, 2014.]

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF MAIZE, KANSAS, AMENDING SECTION 14-102 OF THE CODE OF THE CITY OF MAIZE, KANSAS, RELATING TO ESTABLISHING MAXIMUM SPEED LIMITS FOR STREETS AND HIGHWAYS LOCATED IN THE CITY OF MAIZE, KANSAS, AND REPEALING THE EXISTING SECTION 14-102 OF THE CODE OF THE CITY OF MAIZE, KANSAS.**

**BE IT ORDAINED by the Governing Body of the City of Maize, Kansas:**

**SECTION 2. Section 14-102 Amended.** Section 14-102 of the Code of the City of Maize, Kansas, is hereby amended to read as follows:

14-102. (a) SECTION 33(a) MAXIMUM SPEEDS. STANDARD TRAFFIC ORDINANCE, EDITION OF 2013, ("Standard Traffic Ordinance") MODIFIED. Section 33(a) Maximum Speeds, Standard Traffic Ordinance, is amended and modified to read: Except as provided in subsection (b) of Section 33 of the Standard Traffic Ordinance, and except when a special hazard exists that requires lower speed for compliance with K.S.A. 8-1557, and amendments thereto, the speed limits specified in this Section 14-102(a) of the Code of the City of Maize, Kansas, will be the maximum lawful speeds, and no person shall operate a vehicle at a speed in excess of the maximum limits specified in this Section 14-102(a):

- (1) Thirty (30) miles per hour on all streets in the City limits other than those listed in this section (a), (2) through (9);
- (2) Twenty (20) miles per hour on all streets as specified in Section 14-203 of the Code of the City;
- (3) Fifty-five (55) miles per hour on 61<sup>st</sup> Street North from the east City limits to the west City limits;
- (4) Fifty-five (55) miles per hour on 53<sup>rd</sup> Street North from the east City limits to one-half (1/2) mile west of Tyler Road;
- (5) Forty (40) miles per hour on 53<sup>rd</sup> Street North from one-half (1/2) mile west of Tyler Road to three-fourths (3/4) mile west of Maize Road;
- (6) Forty-five (45) miles per hour on 53<sup>rd</sup> Street North from three-fourths (3/4) mile west of Maize Road to one-half (1/2) mile west of 119<sup>th</sup> Street West;
- (7) Fifty-five (55) miles per hour on 53<sup>rd</sup> Street North from one-half (1/2) mile west of 119<sup>th</sup> Street West to the west City limits;
- (8) Forty-five (45) miles per hour on 45<sup>th</sup> Street North from the east City limits to Maize Road;
- (9) Forty (40) miles per hour on 45<sup>th</sup> Street North from Maize Road to 119<sup>th</sup> Street West;
- (10) Fifty-five (55) miles per hour on 45<sup>th</sup> Street North from 119<sup>th</sup> Street West to the west City limits;

(11) Forty (40) miles per hour on 37<sup>th</sup> Street North from the east City limits to 119<sup>th</sup> Street West;

(12) Fifty-five (55) miles per hour on 37<sup>th</sup> Street North from 119<sup>th</sup> Street West to the west City limits;

(13) Forty (40) miles per hour on Tyler Road from the south City limits to Candlewood Street;

(14) Fifty-five (55) miles per hour on Tyler Road from Candlewood Street to the north City limits;

(15) Forty-five (45) miles per hour on Maize Road from the south City limits to Hampton Lakes Road;

(16) Forty (40) miles per hour on Maize Road from Hampton Lakes Road to the westbound on-ramp to Highway K-96;

(17) Forty-five (45) miles per hour on Maize Road from the westbound on-ramp to Highway K-96 to 61<sup>st</sup> Street North;

(18) Fifty-five (55) miles per hour on Maize Road from 61<sup>st</sup> Street North to the north City limits;

(19) Fifty-five (55) miles per hour on 119<sup>th</sup> Street West from 29<sup>th</sup> Street North to 45<sup>th</sup> Street North;

(20) Forty-five (45) miles per hour on 119<sup>th</sup> Street West from 45<sup>th</sup> Street North to 53<sup>rd</sup> Street North;

(21) Fifty-five (55) miles per hour on 119<sup>th</sup> Street West from 53<sup>rd</sup> Street North to the north City limits;

(22) Fifty-five (55) miles per hour on 135<sup>th</sup> Street West from the south City limits to the north City limits;

(23) The maximum speed limits as established in this Section 14-102 and in Section 14-203 are based on an engineering and traffic investigation performed by the City Engineer and determined by the Governing Body of the City to be reasonable and safe under the conditions found to exist on streets and highways in the City, and the Governing Body declares that the maximum speeds for streets and highways as specified in this Section 14-102 and Section 14-203 of the Code of the City are reasonable and safe maximum limits.

(b) It is determined and declared by the Governing Body of the City, based upon an engineering and traffic investigation performed by the City Engineer, that the speed limits set at this Section 14-102 of the Code are reasonable and maximum speed limits.

**SECTION 3. Repeal.** The existing Section 14-102 of the Code of the City of Maize, Kansas, is hereby repealed.

**SECTION 4. Effective Date.** This ordinance shall take effect and be in full force and effect after the publication of the summary of the ordinance in the official city newspaper.

[The remainder of this page is intentionally left blank.]

PASSED by the City Council and APPROVED by the Mayor on this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

(SEAL)

\_\_\_\_\_  
CLAIR DONNELLY, Mayor

ATTEST:

\_\_\_\_\_  
JOCELYN REID, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
TOM POWELL, City Attorney

# Monthly Council Report

May 2014



## Department Highlights

- All departmental operations are functioning as they should.
- Interviews were held for the full-time officer opening on May 7th. One candidate interviewed for the position. A total of 55 applications were received .
- Officers are investigating a deceased person who was found in a car which had been parked at the Fieldstone Apartment complex. Due to the condition of the body, identification through DNA and/or medial records are pending.

## Patrol Mileage:

607- 102,600  
309- 84,891  
709- 84,500  
214- 3,516  
410- 130,192  
111- 34,118  
512- 41,943  
812- 31,803

## Monthly repairs:

None

**Budget status: 30 / 100%**

**Major purchases: No major purchases**

## Current Staff Levels.

6 Full-time | Full-time vacancy  
4 Part-time  
3 Reserve  
2 Reserve -Vacant  
1 Part-time - Vacant

## Monthly Activities

April Police Reports - 274  
April calls for service - 375

## Community Policing:

All the summer 911 camps are full.

## **PUBLIC WORKS REPORT 5-12-2014**

### **Regular Maintenance**

- Graded all streets several times this past month. We patched some street potholes.
- Finally got to burn brush. Quite a huge pile to burn.
- Continue to check the water quality and lift stations daily. Read water meters every month. Hope to buy the new electronic meters soon if everything works out.
- Crack-sealed more of the streets that I would like to slurry this year. Met with a contractor last week and he is going to give me the cost. Will let you know when that happens.

### **Special Projects**

- Have installed the new grit auger for the headworks building so that we do not have to auger the grit by hand anymore. That will save time and much intense labor. Also met with two engineers about the upgrades for the WWTP. Matt, Jeff Priddle and I sat down with Richard last week to discuss our options and a timeline for proceeding. As homes and businesses continue to be built it is necessary to build more storage and process.
- The pond pump is now installed and seems to be working properly. We finally got some rain and the pump is indeed working as it should.
- Had good success for clean-up day. We filled 12 40 cubic yard roll-offs and two packer trucks full. Lots of trash. I think Jeff and his crew cleaned up 4 yards also. We had a good number of volunteers who make so much of this possible.
- Had a good turnout for the dedication of the tree for Eric Palmer. The school band and the honor guard made it very emotional.
- Have been installing the new flag pole bases along the west side of Maize Road. We hope to have them all installed in time for the setting out of the flags for Memorial week-end.
- Had to replace the motor in the Cemetery mower as the old motor “died”. Cost around 900.00 dollars. It is a larger motor so the mower should not have to work as hard to cut that much grass. We installed it ourselves. Has a two year warranty so hopefully it should last quite a while.

Ron Smothers  
Public Works Director

**Water and Wastewater Report  
April 15, 2014 – May 12, 2014**

**Water Operations**

Maximum Contaminant Level (MCL) for both chlorine and fluoride is 4.0 mg/L.  
Minimum allowable free chlorine residual to the last free flowing tap is 0.2 mg/L.  
Recommended fluoride dosage for this area is now 0.7 mg/L.

Routine bacteriological samples remain good (non-detect).

April 23 – Utility Services conducted a washout inspection of the water tower. No major issues reported.

April 28 – Pulled the state PWS nitrate sample and submitted. This is an annual sample.

May 4 – Found a PWS service line leaking upstream of the meter in Hampton Lakes. Crew made repairs and returned it to service.

May 8 – Replaced the irrigation meter at Fieldstone. The original had been allowed to freeze and crack.

**Wastewater Operation**

May 11 – We finally got some rain and the new stormwater pump at the Fieldstone structure worked beautifully well.

Nothing too terribly unusual to report. Problems are addressed as they arise.  
Routine maintenance continues as scheduled.

Matt Meeks  
Water and Wastewater Operator

**City Engineer's Report**  
**05/19/14**

**New Home Permits**

Forty-three (43) new single-family permits have been issued in 2014; six (6) in The Woods at Watercress, three (3) in Watercress II, four (4) in Fiddler's Cove, eleven (11) in Watercress Village, four (4) in Emerald Springs, seven (7) in Eagles Nest and seven (7) in Hampton Lakes.

**Skate Park Design**

Design is in progress. Six foot (6') sidewalk access from the north sidewalk along Central Street and the parking lot south of the baseball diamond.

**Moxi Junction Coffee House**

Nearing completion. Expected opening in late June or early July.

# PLANNING ADMINISTRATOR'S REPORT

**DATE:** May 19, 2014  
**TO:** Maize City Council  
**FROM:** Kim Edgington, Planning Administrator  
**RE:** Regular May Council Meeting

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

1. Watercress Village – The developer has decided to withdraw his request to build an 8-foot concrete wall along the south property line of Watercress Village. Plans are currently under review by City Staff for the construction of an 8-foot concrete wall along the west property line of Watercress Village.
2. Amendments to Zoning Code – The Planning Commission reviewed and approved the language for an amendment to the Zoning Code regarding the types of structures that are allowed within building setbacks at their April 3, 2014 meeting. This item is on your current agenda for review.
3. Stover's Restoration zone change – Stover's has purchased the two lots directly south of the post office to use for overflow parking. The property is currently zoned Single Family residential, therefore a zone change will be required for this use. The Planning Commission will review this request at their June 5, 2014 meeting.
4. 45<sup>th</sup> & Maize zone change – the property owner of the 3 acres at the southwest corner of 45<sup>th</sup> & Maize is requesting a zone change from Single Family SF-5 to Limited Commercial LC. The Planning Commission will review this request at their June 5, 2014 meeting.
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  
May 19, 2014**

Year to date status (Through 04/30/14):

|                         |             |              |        |
|-------------------------|-------------|--------------|--------|
| <b>General Fund –</b>   |             |              |        |
|                         | Budget      | YTD          |        |
| Rev.                    | \$2,577,446 | \$ 1,204,575 | 46.74% |
| Exp.                    | \$3,030,450 | \$ 875,420   | 28.89% |
| <b>Streets –</b>        |             |              |        |
| Rev.                    | \$280,040   | \$ 107,427   | 38.36% |
| Exp.                    | \$268,000   | \$ 100,846   | 37.63% |
| <b>Wastewater Fund-</b> |             |              |        |
| Rev.                    | \$681,000   | \$ 289,519   | 42.51% |
| Exp.                    | \$681,000   | \$ 229,692   | 33.73% |
| <b>Water Fund-</b>      |             |              |        |
| Rev.                    | \$749,600   | \$ 276,716   | 36.92% |
| Exp.                    | \$749,600   | \$ 246,461   | 32.88% |

**Health & Dental Benefits**

Per Council's request, here are the 2014 numbers (through 04/30/2014) 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: | \$ 55,708.10        | \$ 13,928.40            | \$ 69,636.50      |
| Dental: | 5,279.58            | 1,320.00                | 6,599.58          |
| Life:   | <u>2,142.06</u>     | <u>0</u>                | <u>2,142.06</u>   |
|         | \$ 63,129.74        | \$ 15,248.40            | \$ 78,378.14      |

**Administrative Employees:**

As of 04/30/2014, we had the following number of administrative employees:

- Part-Time: 6 (City Engineer, Planning Administrator, Code Enforcement, City Attorney, City Attorney's Assistant)
- Full-Time: 7 (City Administrator, Deputy City Administrator, City Clerk, City Treasurer, Administrative Assistant, Customer Service Clerk, Court Clerk, Police Clerk)

**Dugan Park Funds**

Per Council's request, the following is a breakdown of the Dugan Park funds (as of 04/30/2014)

|  |                     |
|--|---------------------|
| <b>Starting Balance:</b>                 | <b>\$304,736.57</b> |
| <b>Phase II Playground Equipment:</b>    | <b>- 18,563.00</b>  |
| <b>Master Park Plan:</b>                 | <b>- 10,000.00</b>  |
| <b>Park Equipment:</b>                   | <b>- 8,000.00</b>   |
| <b>Community Building Remodel:</b>       | <b>- 36,580.00</b>  |
| <b>Emergency Lighting Upgrade</b>        | <b>- 1,057.47</b>   |
| <b>Playground Signs (5-12 year old):</b> | <b>- 120.00</b>     |
| <b>Volunteer Supplies:</b>               | <b>- 19.12</b>      |
| <b>Soap/Towel Dispensers:</b>            | <b>- 454.56</b>     |
| <b>Epoxy for Picnic Tables:</b>          | <b>- 71.33</b>      |
| <b>New Ceiling Registers:</b>            | <b>- 123.33</b>     |
| <b>Parts to Install Picnic Tables:</b>   | <b>- 44.33</b>      |
| <b>Concrete to Install Benches:</b>      | <b>- 13.16</b>      |
| <b>Ceiling Fans, Wall Plates:</b>        | <b>- 171.44</b>     |
| <b>Guttering for Comm. Building</b>      | <b>- 955.50</b>     |
| <b>New Chairs for Comm. Building</b>     | <b>- 558.82</b>     |
| <b>Appliances for Comm. Building</b>     | <b>- 1,313.94</b>   |
| <b>Electrical Receptacles at Park</b>    | <b>- 1,679.21</b>   |
| <b>Skate Park Equipment</b>              | <b>- 7,214.04</b>   |
| <b>Supplies to Install Equipment</b>     | <b>- 871.80</b>     |
| <b>Signs for Skate Park</b>              | <b>- 340.00</b>     |
| <b>Clean Up/Repair Bathrooms</b>         | <b>- 127.49</b>     |
| <b>Park Shelters</b>                     | <b>- 52,443.10</b>  |
| <b>Remaining Balance:</b>                | <b>\$164,014.93</b> |

**CAPITAL PROJECTS**

**Temporary Note Resolution  
Series A 2013**

| Project   | Fund | Resolution of Advisability   | Total Resolution Amount | Expenditures thru 12/31/13 | Expenditures 1/1/14 thru 04/30/14 | Total Expenditures | Resolution Authorization Less Expenditures |
|---|------|------------------------------|-------------------------|----------------------------|-----------------------------------|--------------------|--|
| Hampton Lakes Commercial Park Storm Water         | 73   | 470-09                       | \$ 117,000.00           | \$ 66,990.79               | \$ -                              | \$ 66,990.79       | \$ 50,009.21                               |
| Hampton Lakes Commercial Park Sanitary Sewer      | 73   | 471-09                       | \$ 64,000.00            | \$ 61,791.69               | \$ -                              | \$ 61,791.69       | \$ 2,208.31                                |
| Hampton Lakes Commercial Park Drainage Pond       | 73   | 472-09                       | \$ 328,000.00           | \$ 291,241.61              | \$ -                              | \$ 291,241.61      | \$ 36,758.39                               |
| Hampton Lakes 2nd Addition Phase 1 Storm Water    | 74   | 481-10                       | \$ 226,000.00           | \$ 143,453.22              | \$ -                              | \$ 143,453.22      | \$ 82,546.78                               |
| Hampton Lakes 2nd Addition Phase 1 Sanitary Sewer | 74   | 482-10                       | \$ 92,000.00            | \$ 71,906.30               | \$ -                              | \$ 71,906.30       | \$ 20,093.70                               |
| Hampton Lakes 2nd Addition Phase 1 Water          | 74   | 483-10                       | \$ 56,000.00            | \$ 54,761.95               | \$ -                              | \$ 54,761.95       | \$ 1,238.05                                |
| Hampton Lakes 2nd Addition Phase 1 Paving         | 74   | 484-10                       | \$ 168,000.00           | \$ 148,043.38              | \$ 39.78                          | \$ 148,083.16      | \$ 19,916.84                               |
| Maize Road Improvements                           | 47   | Temp Note Resolution #494-11 | \$ 1,001,240.00         | \$ 1,001,240.00            | \$ -                              | \$ 1,001,240.00    | \$ -                                       |
| Carriage Crossing 6 - High Plains Paving          | 61   | 480-10                       | \$ 212,000.00           | \$ 8,331.76                | \$ 39.78                          | \$ 8,371.54        | \$ 203,628.46                              |
| Watercress Village 2nd Addition Phase 2 Water     | 05   | 509-12                       | \$ 57,000.00            | \$ 48,360.32               | \$ -                              | \$ 48,360.32       | \$ 8,639.68                                |
| Watercress Village 2nd Addition Phase 2 Paving    | 05   | 510-12                       | \$ 164,000.00           | \$ 141,943.27              | \$ -                              | \$ 141,943.27      | \$ 22,056.73                               |



|  |    |                       |                        |                        |             |                        |                     |                                    |
|--|----|-----------------------|------------------------|------------------------|-------------|------------------------|---------------------|------------------------------------|
| Watercress Village 2nd Addition Storm Water    | 70 | 495-11                | \$ 138,000.00          | \$ 131,750.00          |             | \$ 131,750.00          | \$ 6,250.00         | Included in 2013 Series A GO Bonds |
| Watercress Village 2nd Addition Water          | 70 | 496-11                | \$ 111,000.00          | \$ 86,050.52           |             | \$ 86,050.52           | \$ 24,949.48        | Included in 2013 Series A GO Bonds |
| Watercress Village 2nd Addition Paving         | 70 | 497-11                | \$ 272,000.00          | \$ 246,497.53          |             | \$ 246,497.53          | \$ 25,502.47        | Included in 2013 Series A GO Bonds |
| Watercress Village 2nd Addition Sanitary Sewer | 70 | 500-11                | \$ 69,000.00           | \$ 62,750.00           |             | \$ 62,750.00           | \$ 6,250.00         | Included in 2013 Series A GO Bonds |
| Maize Road Improvements                        | 47 | Temp Note Res #502-11 | \$ 800,000.00          | \$ 800,000.00          |             | \$ 800,000.00          | \$ -                |                                    |
| Maize Road Improvements                        | 47 | Temp Note Res #466-09 | \$ 600,000.00          | \$600,000.00           | \$0.00      | \$600,000.00           | \$0.00              |                                    |
| <b>Totals for Series B 2011 Notes</b>          |    |                       | <b>\$ 1,990,000.00</b> | <b>\$ 1,927,048.05</b> | <b>\$ -</b> | <b>\$ 1,927,048.05</b> | <b>\$ 62,951.95</b> |                                    |

**Temporary Note Resolution Series A 2012**

| Project | Fund | Resolution of Advisability | Total Resolution Amount | Expenditures thru 12/31/13 | Expenditures 1/1/14 thru 04/30/14 | Total Expenditures | Expenditures Reimbursed by County | Resolution Authorization Less Expenditures |
|---------|------|----------------------------|-------------------------|----------------------------|-----------------------------------|--------------------|-----------------------------------|--|
|---------|------|----------------------------|-------------------------|----------------------------|-----------------------------------|--------------------|-----------------------------------|--|

|                         |    |                       |                 |                |             |                |              |             |
|-------------------------|----|-----------------------|-----------------|----------------|-------------|----------------|--------------|-------------|
| Maize Road Improvements | 47 | Temp Note Res #506-12 | \$ 1,658,413.00 | \$1,888,458.29 | \$26,848.80 | \$1,915,307.09 | \$315,439.50 | \$58,545.41 |
|-------------------------|----|-----------------------|-----------------|----------------|-------------|----------------|--------------|-------------|

**Temp Notes  
Series 2013B**

| Project                          | Fund | Resolution of Advisability | Total Resolution Amount | Expenditures thru 12/31/13 | Expenditures 1/1/14 thru 04/30/14 | Total Expenditures     | Resolution Authorization Less Expenditures |
|----------------------------------|------|----------------------------|-------------------------|----------------------------|-----------------------------------|------------------------|--|
| Watercress Village 3rd Water     | 05   | 532-13                     | \$ 98,000.00            | \$ 69,275.18               | \$ 684.55                         | \$ 69,959.73           | \$ 28,040.27                               |
| Watercress Village 3rd Paving    | 05   | 546-13                     | \$ 339,000.00           | \$ 121,863.17              | \$ 174,570.31                     | \$ 296,433.48          | \$ 42,566.52                               |
| Watercress Village 3rd Sewer     | 05   | 534-13                     | \$ 129,000.00           | \$ 78,304.28               | \$ 684.56                         | \$ 78,988.84           | \$ 50,011.16                               |
| Hampton Lakes 2nd Phase 2 Water  | 05   | 543-13                     | \$ 40,000.00            | \$ 33,020.23               | \$ 69.35                          | \$ 33,089.58           | \$ 6,910.42                                |
| Hampton Lakes 2nd Phase 2 Paving | 05   | 536-13                     | \$ 89,000.00            | \$ 89,000.00               | \$ 5,754.96                       | \$ 94,754.96           | \$ (5,754.96)                              |
| Hampton Lakes 2nd Phase 2 Sewer  | 05   | 537-13                     | \$ 35,000.00            | \$ 33,063.33               | \$ 239.35                         | \$ 33,302.68           | \$ 1,697.32                                |
| North Maize Road Paving          | 05   | 540-13                     | \$ 345,000.00           | \$ 325,449.11              | \$ -                              | \$ 325,449.11          | \$ 19,550.89                               |
| Lakelane Paving                  | 05   | 541-13                     | \$ 100,000.00           | \$ 89,335.01               | \$ -                              | \$ 89,335.01           | \$ 10,664.99                               |
| <b>Totals</b>                    |      |                            | <b>\$ 1,175,000.00</b>  | <b>\$ 839,310.31</b>       | <b>\$ 182,003.08</b>              | <b>\$ 1,021,313.39</b> | <b>\$ 153,686.61</b>                       |

**Grand Totals  
Series A  
2011, Series  
B 2011,  
Series B  
2012, Series  
A 2013**

**\$8,185,774.86    \$370,454.67    \$8,556,229.53    \$1,288,757.06    \$58,545.41**

**CIP 2014 (As of 04/30/2014)**

| <u>Detail</u>           | <u>Reason</u>         | <u>April Revenue</u> | <u>April Expense</u> | <u>Budget</u> | <u>Year to Date Actual Cash</u> |
|-------------------------|-----------------------|----------------------|----------------------|---------------|---------------------------------|
| Beg Cash - 01/01/14     |                       |                      |                      |               | \$ 418,717.74                   |
| Ad Valorem              | Tax                   |                      |                      | -             | -                               |
| Motor Vehicle           | Tax                   |                      |                      | -             | -                               |
| Delinquent              | Tax                   |                      |                      | 250.00        | 45.56                           |
| Interest                | From Bank Accounts    | 30.99                |                      | 500.00        | 123.02                          |
| Transfers               | From General Fund     | 14,583.33            |                      | 175,000.00    | 58,333.32                       |
| Total Revenues          |                       | 14,614.32            |                      | 175,750.00    | 58,501.90                       |
| <b>Total Resources</b>  |                       |                      |                      |               | <b><u>477,219.64</u></b>        |
| Street Improvements     |                       |                      |                      | -             | 150,000.00                      |
| Park Improvements       | From Dugan Park Funds |                      |                      | -             | 164,000.00                      |
| Central Street          |                       |                      |                      | -             | 150,000.00                      |
| Other Capital Costs     |                       |                      |                      | -             | 100,000.00                      |
| Total Expenditures      |                       |                      |                      | -             | 564,000.00                      |
| Cash Balance - 04/30/14 |                       |                      |                      |               | <b><u>\$ 477,219.64</u></b>     |

**Equipment Reserve 2014 (As of 04/30/2014)**

| <u>Detail</u>              | <u>Reason</u>      | <u>April Revenue</u> | <u>April Expense</u> | <u>Budget</u> | <u>Year to Date Actual Cash</u> |
|----------------------------|--------------------|----------------------|----------------------|---------------|---------------------------------|
| Beg Cash - 01/01/14        |                    |                      |                      |               | \$ 96,949.54                    |
| Interest                   | From Bank Accounts | 2.71                 |                      | 100.00        | 10.76                           |
| Transfers                  | From General Fund  | 12,500.00            |                      | 150,000.00    | 50,000.00                       |
| Total Revenues             |                    | \$ 12,502.71         |                      | \$ 150,100.00 | \$ 50,010.76                    |
| <b>Total Resources</b>     |                    |                      |                      |               | <b>\$ 146,960.30</b>            |
| Trucks/Heavy Equipment     |                    |                      | \$ 18,549.56         | \$ 75,000.00  | \$ 28,000.99                    |
| Computers                  |                    |                      | 2,850.00             | 45,000.00     | 7,662.58                        |
| Police Department Expenses |                    |                      | -                    | 75,000.00     | 11,447.45                       |
| Total Expenditures         |                    |                      | \$ 21,399.56         | \$ 195,000.00 | \$ 47,111.02                    |
| Cash Balance - 04/30/2014  |                    |                      |                      |               | <b>\$ 99,849.28</b>             |

CITY OF MAIZE/REC COMMISSION  
 SHARED COSTS FOR CITY HALL COMPLEX  
 THRU 04/30/2014

|                            | MONTHLY BILL      | CITY PORTION      | REC PORTION       | YEAR TO DATE COSTS | CITY PORTION<br>YEAR TO<br>DATE | REC PORTION<br>YEAR TO DATE | PERCENT OR FLAT RATE                |
|----------------------------|-------------------|-------------------|-------------------|--------------------|---------------------------------|-----------------------------|-------------------------------------|
| Phone                      | \$747.23          | \$611.26          | \$135.97          | \$3,011.67         | \$2,467.79                      | \$543.88                    | Flat - based on number of lines     |
| Internet                   | 495.00            | 445.50            | 49.50             | \$1,980.00         | 1,782.00                        | 198.00                      | Flat - \$49.50/month                |
| Gas                        | 299.34            | 164.94            | 134.40            | \$4,618.77         | 2,544.94                        | 2,073.83                    | 44.90%                              |
| Electric                   | 1,489.54          | 820.74            | 668.80            | \$7,351.97         | 4,050.94                        | 3,301.03                    | 44.90%                              |
| Janitor                    | 1,736.78          | 956.97            | 779.81            | \$7,888.86         | 4,346.76                        | 3,542.10                    | 44.90%                              |
| Water/Sewer                | 0.00              | 0.00              | 0.00              | \$0.00             | 0.00                            | 0.00                        |                                     |
| Trash                      | 51.75             | 28.51             | 23.24             | \$207.00           | 114.06                          | 92.94                       | 44.90%                              |
| Insurance<br>(Annual Bill) | 0.00              | 0.00              | 0.00              | \$0.00             | 0.00                            | 0.00                        | 44.90%                              |
| Pest Control               | 275.00            | 255.00            | 20.00             | \$1,100.00         | 1,020.00                        | 80.00                       | Flat - Exterminator breaks rate out |
| Lawn Service               | 0.00              | 0.00              | 0.00              |                    | 0.00                            | 0.00                        | Provided by Public Works            |
| <b>Total</b>               | <b>\$5,094.64</b> | <b>\$3,282.91</b> | <b>\$1,811.73</b> | <b>\$26,158.27</b> | <b>\$16,326.49</b>              | <b>\$9,831.78</b>           |                                     |



# CITY OPERATIONS REPORT

**DATE:** May 13, 2014

**TO:** Maize City Council

**FROM:** Richard LaMunyon-Becky Bouska-Sue Villarreal-Laura Rainwater

**RE:** May Report

**1) Mobile Home Policy**

Staff met several times regarding the mobile home policy. Tom Powell is drafting what is anticipated to be the "final draft". When available it will be forwarded to Council for review. At this time it's scheduled for the June 16<sup>th</sup> Council meeting for consideration.

**2) Charter Ordinance**

The original Maize Road project-funding plan included the ability to fund a portion of the cost with GO Bonds and a portion with Utility Revenue Bonds. In order to utilize Utility Revenue Bonds state law required a public hearing prior to the construction of the project. A public hearing was not held. The law requiring a public hearing is a "non-uniform" statute and can therefore be exempted by a passing of a Charter Ordinance. Staff has conferred with Kim Bell and Tom Powell and the attached Charter Ordinance was drafted. It will be an action item at the June 16<sup>th</sup> Council meeting.

**3) June 2<sup>nd</sup> Budget Workshop**

Staff is developing a format/agenda for the June 2nd workshop. It will be discussed with the Mayor and provided to Council in advanced for review and comments.

**4) City Park Update**

- Splash Park – The Park and Tree Board selected Condor, Inc's proposal/design Option #2 for the new Splash Park Construction (*see attachment*) pending funding options to be determined by City Staff.
- Ron is researching options for removing the light poles around the ball field.

**5) Other**

- 43 new single family home permits
- A wastewater Plant extension plan design contract is scheduled for Council consideration on June 16<sup>th</sup>.

**6) City Meetings**

- May 19<sup>th</sup> - Council Meeting @ 7pm
- June 2<sup>nd</sup> - Budget Workshop @ 6pm
- June 5<sup>th</sup> - Planning Commission @ 7pm
- June 10<sup>th</sup> – Park & Tree Board @ 5:30pm
- June 16<sup>th</sup> - Council Meeting @ 7pm

(Published in the *Clarion* on June 19, 2014 and June 26, 2014)

**CHARTER ORDINANCE NO. \_\_\_\_\_**

**A CHARTER ORDINANCE EXEMPTING THE CITY OF MAIZE, KANSAS FROM K.S.A. 10-1210 AND PROVIDING SUBSTITUTE AND ADDITIONAL PROVISIONS ON THE SAME SUBJECT RELATING TO THE ISSUANCE OF UTILITY REVENUE BONDS.**

**WHEREAS**, Article 12, § 5 of the Constitution of the State of Kansas (the “Act”) empowers cities to determine their local affairs and government and provides that such power and authority granted thereby to cities shall be liberally construed for the purpose of giving to cities the largest measure of self-government, including passing charter ordinances which exempt such cities from non-uniform statutes and acts of the Kansas Legislature; and

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

**WHEREAS**, K.S.A. 10-1210 is part of an enactment of the Kansas Legislature (K.S.A. 10-1201 *et seq.*) relating to the issuance of bonds paid exclusively from revenues derived from the operation of an utility, which enactment is applicable to the City, but is not uniformly applicable to all cities within the State of Kansas; and

**WHEREAS**, the governing body of the City desires, by charter ordinance, to exempt the City from the provisions of K.S.A. 10-1210 and to provide substitute and additional provisions therefor.

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

**Section 1. Exemption.** The City of Maize, Kansas, by the power vested in it by Article 12, Section 5, of the Constitution of the State of Kansas, hereby elects to exempt itself from and make inapplicable to it K.S.A. 10-1210, and does hereby provide the following substitute and additional provisions in place thereof:

The governing body, by a two-thirds vote of the members thereof, may contract for or make repairs, alterations, extensions, reconstructions, enlargements or improvements of any of its municipally owned utilities and issue or cause to be issued revenue bonds in payment of the cost thereof without submitting to a vote of the electors of such municipality the proposal to contract for or to make such repairs, alterations, extensions, reconstructions, enlargements or improvements and to issue such bonds in payment of the cost thereof: *Provided*, That such alterations, extensions or improvements will not cause duplication of existing utility service furnished by a private utility.

**Section 2. Severability.** If any provision or section of this Charter Ordinance is deemed or ruled unconstitutional or otherwise illegal or invalid by any court of competent jurisdiction, such illegality or invalidity shall not affect any other provision of this Charter Ordinance. In such instance, this Charter

Ordinance shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

**Section 3. Effective Date.** This Charter Ordinance shall be published once a week for two consecutive weeks in the official City newspaper, and shall take effect sixty-one (61) days after final publication, unless a petition signed by a number of electors of the City equal to not less than ten percent (10%) of the number of electors who voted at the last preceding regular City election shall be filed in the office of the Clerk, demanding that this Charter Ordinance be submitted to a vote of the electors, in which event this Charter Ordinance shall take effect when approved by a majority of the electors voting at an election held for such purpose.

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**CONDOR, INC**

3000 Durfee Ave, El Monte, CA 91732  
Phone: (626) 455-0050-- Fax: (626) 455-0070  
earl@condor-inc.com  
CSLB No. 812288 A, B, C53

***SWIMMING POOLS-WATERPARKS-HABITATS-FOUNTAINS***

---

April 8<sup>th</sup> 2014

**PROPOSAL FOR SPLASH PAD MAIZE KANSAS**

**Proposal #1 Using ARC Design One**

**Shop Drawing, Submittals, Layout per ARC Design, Grading, Trenching, Rough Plumbing and Electric, Structural Steel, Forms for Concrete Pad, 3500 PSI Concrete Pad with Trowel Finish, Setting of All Mechanical Equipment, All Electrical Hook Ups, Setting of Splash Pad Components, Hook Up of Sewer and Water Systems, Complete Start-Up and Balancing of System.**

**Price for Above Proposal.....\$175,722.00**

**Proposal #2 Using ARC Design Two.....\$211,792.00**

**Sincerely**

**Thomas Lillard c. 949-235-2270**

Proposal for:  
**Maize, KS** SPLASH PAD

Presented by:  
**Amy Altman**  
**Aquatic Recreation Co.**  
952.345.6440  
aaltman@arc4waterplay.com

Proposal #14138  
March, 2014



*The fun is in the water*

952.445.5135 | 877.632.0503 | [www.arc4waterplay.com](http://www.arc4waterplay.com)



## Contents

DESIGN CONCEPTS

PRODUCT SELECTION

MECHANICAL OVERVIEW

PRICING

SPECIFICATIONS

### Thank you for the opportunity

Thank you for this opportunity to submit our response to the referenced request for proposal. Enclosed you'll find detailed descriptions of the extensive level of services by Aquatic Recreation Company (ARC).

In addition, we are providing a conceptual 3d design with supporting product information and a products and services proposal.

Understanding that you may be in the very initial design concept stages and that the project may evolve, please note the following qualifications of ARC's proposal:

- The enclosed design is an initial concept and has been designed in order to fit the space and types of features indicated in the request for proposal.
- ARC's project design is to be a single pass city water.
- ARC's mechanical components to be housed above ground in a housing or equipment room provided by others.

Please let me know if I may assist you further as I look forward to hearing from you!

Sincerely,  
 Amy Altman  
 Sales Manager  
 Direct: 952-345-6440  
 Email: aaltman@arc4waterplay.com



# The fun is in the water

And we **make water fun**. From large-volume water features to ARC-tistic structures, we do more with your water and always keep fun at a premium.

## Big fun, big value

Our splash pad structures and ground sprays are designed are for kids young and old. We understand that play value for little kids is just as important as durable structures, flexible product options and dollar-for-dollar value are to "big" kids.

## Waterplay ARChitects

Like any good architect, we aim for long-lasting value. That's why we engineer our splash pads with prefabricated, top-of-the-line mechanical systems that offer years of reliable, easy-to-use operation.

## Passion, experience and dedication

With over 25 years in the water entertainment business, you might say that we live and breath water (but without gills). We enjoy sharing our passion with our customers—it's what drives us to provide hands-on service and go the extra mile with our concept and construction design services.



[www.arc4waterplay.com](http://www.arc4waterplay.com)

## Design Options for Maize, KS SPLASH PAD

The following proposal contains three design options.

### Design One



### Design Two



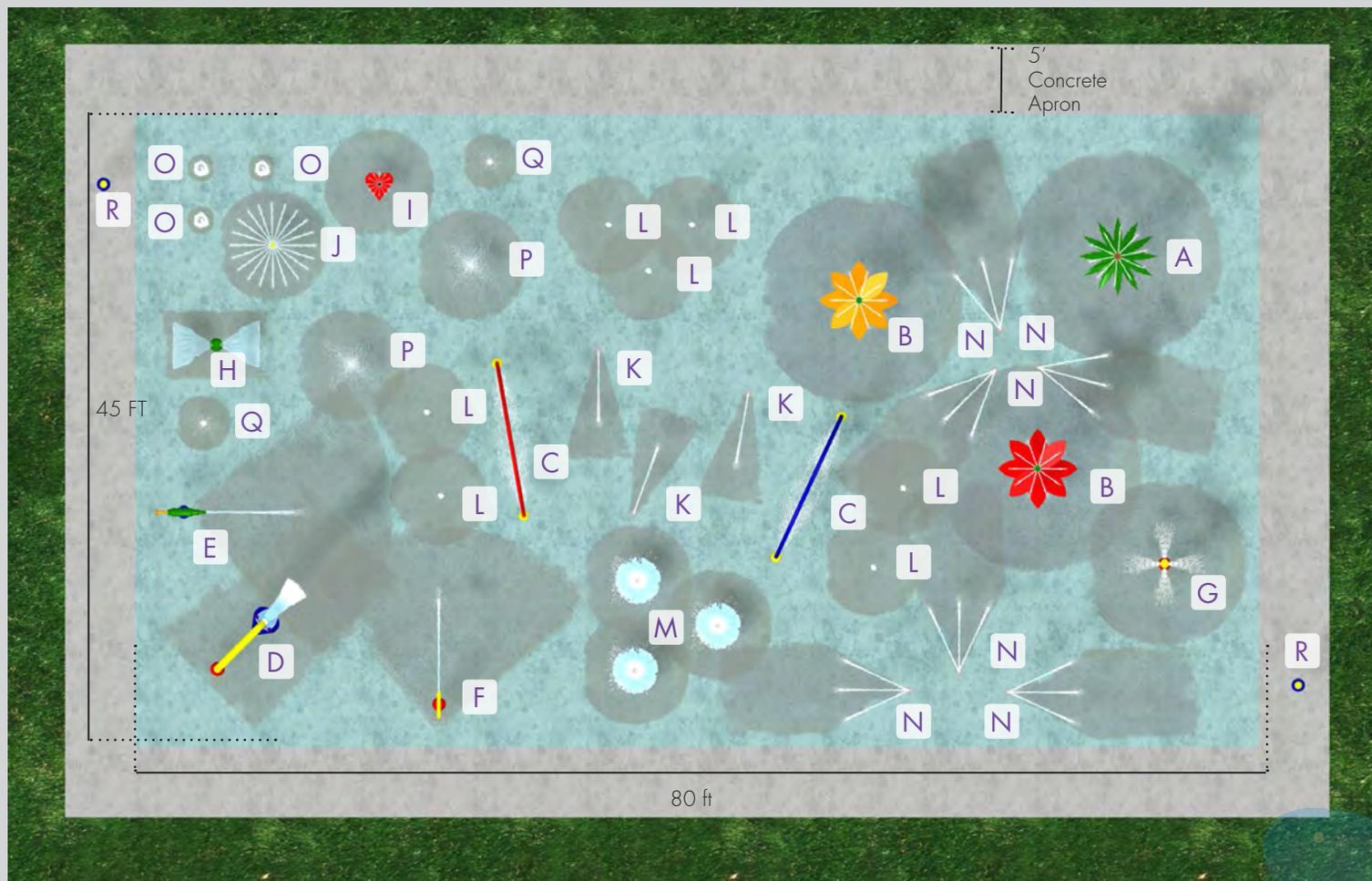
Front view for: **Maize, KS** SPLASH PAD

Design One



Overhead view for: **Maize, KS** SPLASH PAD

Design One



**Overall pad dimensions:**

80' x 45'

- A** Palm Tree Shower
- B** Flower Shower
- C** Rainbow Arches – Medium
- D** Water Bucket
- E** Water Put
- F** Water Sprayer
- G** Tall Water Misting Post
- H** Water Bug Fan Spray
- I** Shape Spray Stand
- J** Tot Water Post
- K** Arch Jet
- L** Stream Jet
- M** Ground Funnel Triangle
- N** Triple Arch Jet
- O** Bubbler
- P** Crackle Corn Spray
- Q** Misting Spray
- R** Activation Bollard

**Total System Flow Rate:**

154 GPM with random sequencing jets independently on/off total flow at any given time not to exceed 90 GPM

Front view for: **Maize, KS** SPLASH PAD

# Design Two



Overhead view for: **Maize, KS** SPLASH PAD

Design Two



**Overall pad dimensions:**

80' x 45'

- A** Water Logs
- B** Water Hoops
- C** Cat Tail Spray
- D** Misting Palms
- E** Water Pipe
- F** Double Water Spout
- G** Flower Shower
- H** Sunflower Cluster Spout
- I** Water Put
- J** Water Sprayer
- K** Tot Water Post
- L** Tot Arch
- M** Crackle Corn
- N** Water Bug Fan Spray
- O** Arch Jet
- P** Spray Jet
- Q** Triple Arch Jet
- R** Curvy Jet Manifold
- S** Ground Funnel
- T** Misting Spray
- U** Bubbler
- V** Activation Bollard

**Total System Flow Rate:**

285 GPM with random sequencing jets independently on/off total flow at any given time not to exceed 90 GPM

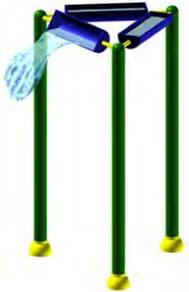


## Water Logs



## Water Bucket

The **Water Logs** is a structure that emits water from top of pipe structures and fills three (3) water troughs. When troughs get top heavy they will randomly tip water onto users below.



30 to 45 GPM  
113.56 to 170.34 LPM

10' 6" x 6' 0"  
3.23 x 1.83 m

20' 0" Diameter  
6.09 m Diameter

The **Water Bucket** is a structure that randomly pours a generous amount of water from a large funnel shaped bucket onto users below.



**Flow Range** 10 to 20 GPM  
37.85 to 75.71 LPM

**Size** 13' 0" x 4' 0"  
3.96 x 1.22 m

**Splash zone** 15' 0" x 8' 0"  
3.96 x 2.44 m



## Double Water Spout

The **Double Water Spout** is a structure that emits two angular fan nozzle effects, from two bent pipes to the users below.



|                    |                                     |
|--------------------|-------------------------------------|
| <b>Flow Range</b>  | 20 to 40 GPM<br>75.71 to 151.41 LPM |
| <b>Size</b>        | 9' 0" x 6' 0"<br>2.74 x 1.82 m      |
| <b>Splash zone</b> | 15' 0" x 10' 0"<br>4.57 x 3.05 m    |



## Water Pipe

The **Water Pipe** is a structure that emits water from an open extended pipe onto users below.



|                    |                                     |
|--------------------|-------------------------------------|
| <b>Flow Range</b>  | 15 to 100 GPM<br>56.78 to 378.5 LPM |
| <b>Size</b>        | 9' 0" x 6' 0"<br>2.74 x 1.83 m      |
| <b>Splash zone</b> | 10' 0" x 8' 0"<br>3.05 x 2.44 m     |



## Tall Misting Water Post

The **Tall Misting Water Post** is a structure that emits misting sprays around the perimeter of the post onto users.



**Flow Range** 10 to 15 GPM  
37.85 to 56.78 LPM

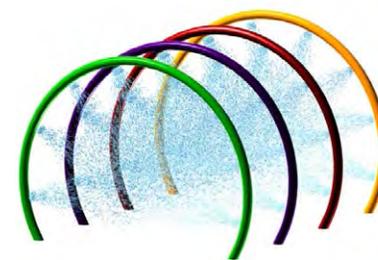
**Size** 6' 0" x 0' 6"  
1.83 x .152 m

**Splash zone** 12' 0" Diameter  
3.66 m Diameter



## Water Hoops

The **Water Hoops** are a set of four hoop shaped tubular structures with multiple fine misting sprays that mist around users within.



**Flow Range** 30 to 40 GPM  
1113.56 to 151.42 LPM

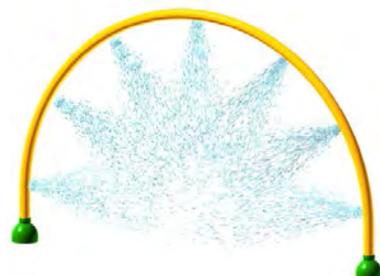
**Size** 9' 0" x 8' 0" x 6' 0"  
2.74 x 2.44 x 1.83 m

**Splash zone** 14' 0" x 14' 0"  
4.27 x 4.27 m



## Water Rainbow Medium

The **Water Rainbow** is an arching structure that emits multiple water sprays from over head arching bar onto users within structure.



|                    |                                  |
|--------------------|----------------------------------|
| <b>Flow Range</b>  | 12 GPM<br>37.85 LPM              |
| <b>Size</b>        | 11' 0" x 7' 0"<br>3.35 x 2.13 m  |
| <b>Splash zone</b> | 14' 0" x 12' 0"<br>4.27 x 3.66 m |



## Water Put

The **Water Put** is an interactive spray feature that emits a stream of water by the user pushing the plunger and compressing the water out of the holding chamber through the spray nozzle.

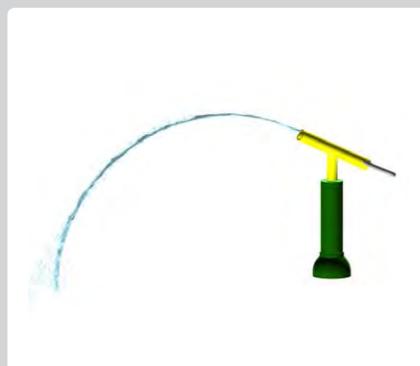


|                    |                                   |
|--------------------|-----------------------------------|
| <b>Flow Range</b>  | 5 to 10 GPM<br>18.93 to 37.85 LPM |
| <b>Size</b>        | 3' 9" x 3' 0"<br>1.19 x .91 m     |
| <b>Splash zone</b> | 15' 0" Radius<br>4.57 m Radius    |



## Water Sprayer

The **Water Sprayer** is an interactive spray feature that emits a stream of water from the spout. This feature has side to side movement with easy grip handle.



- Flow Range** 5 to 15 GPM  
18.93 to 56.78 LPM
- Size** 3' 7" x 2' 6"  
1.13 x .79 m
- Splash zone** 15' 0" Radius  
4.57 m Radius



## Misting Palm

The **Misting Palm** is a themed product that emits multiple misting sprays from an overhead arch with clear acrylic leaf attachment onto users below.



- Flow Range** 10 GPM  
37.85 LPM
- Size** 9' 6" x 5' 5"  
2.93 x 1.67 m
- Splash zone** 10' 0" x 8' 0"  
3.05 x 2.44 m



## Cat Tail Spray

The **Cat Tail Spray** is a themed product that emits water from the top of a tall, slender, slightly flexible stainless steel tube with cat tail themed attachment. The user can wiggle the feature to project water in any direction.



|                    |                                    |
|--------------------|------------------------------------|
| <b>Flow Range</b>  | 10 to 20 GPM<br>37.85 to 75.71 LPM |
| <b>Size</b>        | 10' 0" x 0' 2"<br>3.05 x .05 m     |
| <b>Splash zone</b> | 10' 0" Diameter<br>3.05 m Diameter |



## Sun Flower Cluster Spout

The **Sun Flower Cluster Spout** is a themed product that has three (3) armatures with sun flower themed attachments. Each sun flower emits multiple effects onto users below.



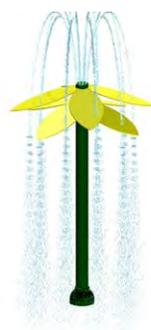
|                    |                                     |
|--------------------|-------------------------------------|
| <b>Flow Range</b>  | 15 to 30 GPM<br>56.78 to 113.56 LPM |
| <b>Size</b>        | 10' 0" x 7' 0"<br>3.05 x 2.13 m     |
| <b>Splash zone</b> | 20' 0" Diameter<br>6.09 m Diameter  |



## Flower Shower



## Palm Tree Shower



The **Flower Shower** is a themed product that emits a heavy crown jet nozzle effect from the top of the flower petals onto users below.

|                     |                                     |
|---------------------|-------------------------------------|
| <b>Maximum flow</b> | 15 to 40 GPM<br>56.78 to 151.42 LPM |
| <b>Minimum flow</b> | 5 to 10 GPM<br>18.93 to 37.85 LPM   |
| <b>Size</b>         | 10' 0" x 6' 5"<br>3.05 x 1.98 m     |
| <b>Splash zone</b>  | 15' 0" Diameter<br>4.57 m Diameter  |



The **Palm Tree Shower** is a themed product that emits a heavy crown jet nozzle effect from top of the palm leaves, onto users below.

|                     |                                     |
|---------------------|-------------------------------------|
| <b>Maximum flow</b> | 15 to 40 GPM<br>56.78 to 151.42 LPM |
| <b>Minimum flow</b> | 5 to 10 GPM<br>18.93 to 37.85 LPM   |
| <b>Size</b>         | 10' 0" x 6' 5"<br>3.05 x 1.98 m     |
| <b>Splash zone</b>  | 15' 0" Diameter<br>4.57 m Diameter  |



## Tot Shape Spray Stand



## Water Bug Fan Spray

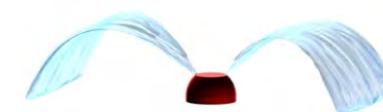
### Available Shapes



The **Tot Spray Stand** is a 1' 6" structure with a top that is offered in various geometric shapes. In the center of the top shape is a spray nozzle that sprays water up and out onto users. The shapes provide an educational experience for toddlers.

|                    |                                   |
|--------------------|-----------------------------------|
| <b>Flow Range</b>  | 5 GPM<br>18.93 LPM                |
| <b>Size</b>        | 1' 6" x 2' 0"<br>1.10 x .609 m    |
| <b>Splash zone</b> | 8' 0" Diameter<br>2.44 m Diameter |

The **Water Bug Fan Spray** is a structure that emits two sheeting fan water effect from a 12" diameter cap.



|                    |                                    |
|--------------------|------------------------------------|
| <b>Flow Range</b>  | 10 to 20 GPM<br>37.85 to 75.71 LPM |
| <b>Size</b>        | 0' 12" Diameter<br>.30 m Diameter  |
| <b>Splash zone</b> | 10' 0" x 6' 0"<br>3.05 x 1.83 m    |



## Tot Arch



## Tot Water Post

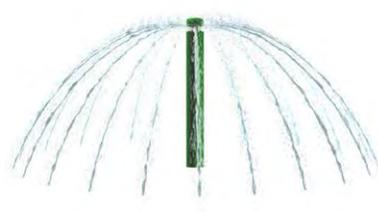


**Flow Range** 14 GPM  
52.99 LPM

**Size** 5' 0" x 2' 6"  
1.52 x .792 m

**Splash zone** 6' 0" x 6' 0"  
1.83 x 1.83 m

The **Tot Water Post** is a 2' 6" structure that emits a series of streams around the perimeter of the post onto users. This small scale structure is a great activity for early age children.



**Flow Range** 5 to 10 GPM  
18.93 to 37.85 LPM

**Size** 2' 6" x 0' 3"  
.792 x .091 m

**Splash zone** 6' 0" Diameter  
1.83 m Diameter



## Triple Arch Jet

The **Triple Arch Jet** is a ground spray element that emits three (3) arching solid streams of water approximately four (4) feet in height. The feature flow rates can be adjusted to increase or decrease the spray height. The Triple Arch Jet is designed for wet deck applications with no standing water.



|                    |                                  |
|--------------------|----------------------------------|
| <b>Flow Range</b>  | 5 GPM<br>18.93 LPM               |
| <b>Size</b>        | 4' 0" x 2' 5/8"<br>1.22 x .609 m |
| <b>Splash zone</b> | 14' 0" x 7' 0"<br>4.27 x 2.13 m  |



## Arch Jet

The **Arch Jet** is a ground spray element that emits a single stream of water arching outward. The feature flow rates can be adjusted to increase or decrease the spray height and projection. The Arch jet is designed for wet deck applications with no standing water.



|                      |                                |
|----------------------|--------------------------------|
| <b>Maximum flow</b>  | 10 GPM<br>37.85 LPM            |
| <b>Standard flow</b> | 5 GPM<br>18.93 LPM             |
| <b>Size</b>          | 5' 0" x 3' 6"<br>1.52 x 1.1 m  |
| <b>Splash zone</b>   | 8' 0" x 5' 0"<br>2.44 x 1.52 m |



## Curvy Jet Manifold

The **Curvy Jet Manifold** is a ground spray element that emits eight (8) clear streams of water, creating a curved formation.



|                      |   |
|----------------------|---|
| <b>Maximum flow</b>  | 80 GPM<br>302.83 LPM                          |
| <b>Standard flow</b> | 40 GPM<br>151.42 LPM                          |
| <b>Minimum flow</b>  | 8 GPM<br>30.28 LPM                            |
| <b>Size</b>          | 4' 0" x 8' 0" x 5' 0"<br>1.22 x 2.44 x 1.52 m |
| <b>Splash zone</b>   | 12' 0" x 8' 0"<br>3.66 x 2.44 m               |



## Stream Jet

The **Stream Jet** is a ground spray element that emits a single stream of water upward. The feature flow rates can be adjusted to increase or decrease the spray height. The Stream Jet is designed for wet deck applications with no standing water.



|                      |                                    |
|----------------------|------------------------------------|
| <b>Maximum flow</b>  | 10 GPM<br>37.85 LPM                |
| <b>Standard flow</b> | 5 GPM<br>18.93 LPM                 |
| <b>Minimum flow</b>  | 1 GPM<br>3.78 LPM                  |
| <b>Size</b>          | 5' 0" x 0" 3 1/2"<br>1.52 x .106 m |
| <b>Splash zone</b>   | 8' 0" Diameter<br>2.44 m Diameter  |



## Ground Funnel

The **Ground Funnel** is a ground spray element that emits a funnel shaped sheeting water effect in an upward and outward arching pattern. The feature flow rates can be adjusted to increase or decrease funnel spray heights and projection. The Ground Funnel is designed for wet deck applications with no standing water.



- Flow Range** 6 GPM  
22.71 LPM
- Size** 0' 12" x 0' 8 1/4"  
.30 x .25 m
- Splash zone** 8' 0" Diameter  
2.44 m Diameter



## Misting Spray

The **Misting Spray** is a ground spray element that emits a misting water effect in an upward and outward pattern. The feature flow rates can be adjusted to increase or decrease misting spray heights and projection. The Misting Spray is designed for wet deck applications with no standing water.



- Flow Range** 3 to 6 GPM  
11.35 to 22.71 LPM
- Size** 4' 0" x 0' 9 1/4"  
1.22 x .282 m
- Splash zone** 8' 0" Diameter  
2.44 m Diameter



## Crackle Corn



## Bubbler



The **Crackle Corn** Jet is a ground spray element that emits a misting water effect in an upward and outward pattern. The feature flow rates can be adjusted to increase or decrease misting spray heights and projection. The Crackle Corn Jet is designed for wet deck applications with no standing water.

**Flow Range** 3 to 6 GPM  
 11.35 to 22.71 LPM

**Size** Will Vary with Flow

**Splash zone** 8' 0" Diameter  
 2.44 m Diameter

The **Bubbler** is a ground spray element that emits a low foaming mound of water. The feature flow rates can be adjusted to increase or decrease bubbler height and volume. The Bubbler is designed for wet deck applications with no standing water.

**Maximum flow** 20 GPM  
 75. 71 LPM

**Standard flow** 10 GPM  
 37.85 LPM

**Minimum flow** — — —

**Size** Will Vary with Flow

**Splash zone** 3' 0" Diameter  
 .914 m Diameter

# Mechanical overview for: **Maize, KS** SPLASH PAD

System type:

## City Water System

### ARC City Water System Overview

ARC's city water systems are an alternative to recirculation systems when splash pads are in a controlled environment with limited usage times or when systems and selected water play elements are designed for minimum water consumption. City water systems are a cost effective approach for a splash pad project when water consumption issues are not a concern. Water reclamation may be routed to a retention pond & used as means of irrigation.

#### 1 Activation Bollard

Touch post activator

#### 2 Ground Spray

Flush spray feature with various nozzle effects

#### 3 Embed Pod Drain

Drain to waste to eliminate standing water in ground spray pod

#### 4 Drain to Waste Outlet

Main drain to collect all splash pad water to waste

#### 5 Water Play Structures

Above grade spray feature with various water activities

#### 6 Drain Line to Waste

Take waste water to storm sewer system or retention pond

#### 7 Distribution Manifold

Pre-plumbed, pre-fabricated with winterization blow-out-port

#### 8 Solenoid Valves

Optional on each feature line for sequencing of events

#### 9 Manual Valves

Manually control each spray feature's spray height & distance

#### 10 Main Solenoid Valve

On/Off control for splash pad main water supply

#### 11 System Control Panel

Controls operational hours, duration of time, sequencing of events, & on/off controls.

#### 12 Main Power Supply

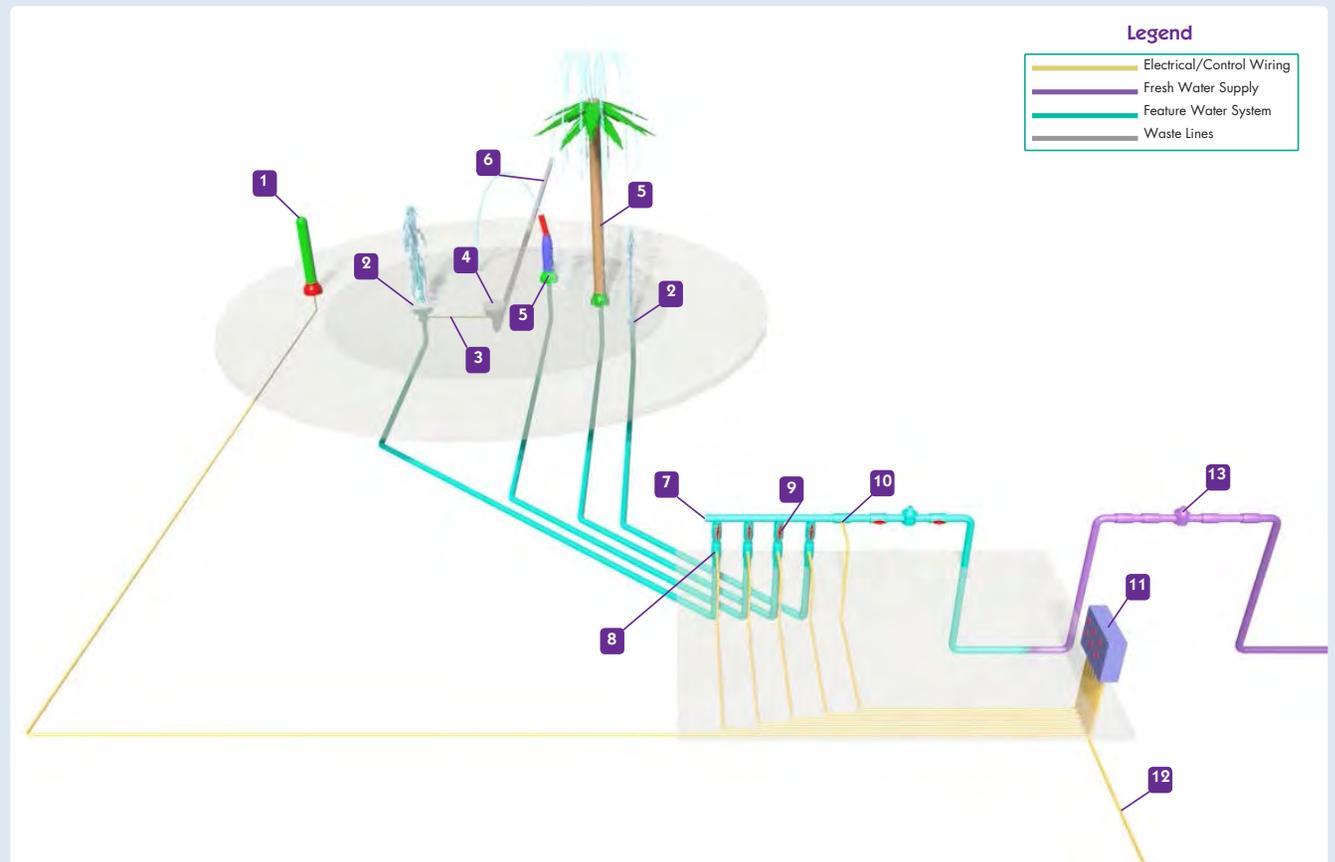
Typically 120V, Single Phase, 60 Hz power feed

#### 13 Main Water Supply

Municipal water supply with pressure regulator (20 to 30 PSI) & back-flow preventer

#### \* Optional Equipment

Above or below grade equipment enclosures & water re-purpose reservoir



*The fun is in the water*

Quote for: **Maize, KS**

## Design One

### Water Play Features

---

- 1 Water Bucket**
- 2 Water Rainbow Medium Arch – SS**
- 1 Tall Misting Water Post**
- 1 Water Put – SS**
- 1 Water Sprayer – SS**
- 1 Palm Tree Shower**
- 2 Flower Shower**
- 1 Water Bug Fan Spray**
- 1 Tot Water Post – SS**
- 1 Shape Spray Stand**
- 7 Stream Jet**
- 3 Arch Jet**
- 3 Bubbler**
- 3 Ground Funnel**
- 2 Misting Spray**
- 2 Crackle Corn Jet**
- 6 Triple Arch Jet**

Water play feature design notes:

- All above water play features are to be the standard product of Aquatic Recreation Company (ARC).
- All above ground structures are flange mounted to concrete pad.
- All above ground features are offered in the following colors: Red, Orange, Yellow, Green, Blue, Purple, Brown, & White.
- All ground spray features are imbed and installed prior to concrete being poured."



Quote for: **Maize, KS**

## Design One

### Mechanical System

---

#### **Domestic Water System:**

##### **2 Activation Bollard**

To consist of an activation bollard with touch sensor that will signal control panel to activate feature supply system for set duration of time. ARC Model ACT-BP

##### **1 Control Panel – Sequencing**

To be a UL listed control panel consisting of a programmable control system that will set hours of operation, sequencing of water play elements and activate water flow through a touch censored Activation Bollard.

##### **4 Drainage Box**

To consist of a 14" diameter plastic drainage box with grate top.

##### **1 Distribution Manifold – 38 Valves Sequencing**

To consist of a pre-plumbed distribution manifold with electric solenoid valves for sequencing of water play elements and manual valves for on/off of water supply and for adjusting and distributing water flows to water play elements.



Quote for: **Maize, KS**

## Design Two

### Water Play Features

---

- 1 Water Pipe**
- 1 Water Logs**
- 1 Double Water Spout**
- 1 Water Put – SS**
- 1 Water Sprayer – SS**
- 1 Hoops Set of 4 Rungs – SS**
- 1 Sunflower Cluster Spout**
- 3 Misting Palm**
- 1 Cat Tail Spray**
- 1 Flower Shower**
- 1 Water Bug Fan Spray**
- 1 Tot Water Post – SS**
- 1 Shape Spray Stand**
- 6 Stream Jet**
- 4 Arch Jet**
- 5 Bubbler**
- 2 Ground Funnel**
- 2 Misting Spray**

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## Mechanical System

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### **Domestic Water System:**

#### **2 Activation Bollard**

To consist of an activation bollard with touch sensor that will signal control panel to activate feature supply system for set duration of time. ARC Model ACT-BP

#### **1 Control Panel – Sequencing**

To be a UL listed control panel consisting of a programmable control system that will set hours of operation, sequencing of water play elements and activate water flow through a touch censored Activation Bollard.

#### **4 Drainage Box**

To consist of a fiberglass drainage box with grate top.

#### **1 Distribution Manifold – 38 Valves Sequencing**

To consist of a pre-plumbed distribution manifold with electric solenoid valves for sequencing of water play elements and manual valves for on/off of water supply and for adjusting and distributing water flows to water play elements.



Quote for: **Maize, KS**

Design Services

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**Design & Construction drawings:**

**Including: All design and construction drawings for splash pad project construction to consist of construction of concrete pad, mechanical system, electrical and control systems, inbed spray fixtures / collector box installation details, water plays structure assembly / installation on concrete splash pad, equipment systems installation and hookups.**

Splash Pad Design Notes:

1. ARC design services are based on ideal site locations and conditions.
2. ARC design services do not include soil corrections, demolition planning, site elevation plans, utility planning / design or relocation of utilities. (i.e. based on water, waste and power being available at designed area's of splash pad by others.)
3. All permits and costs of permits are not included in our splash pad design package.
4. Design package will be prepared based on ARC's interpretation of Local health code.
5. Pricing does not include sealed Engineer Stamp.

Any additional drawings associated with project outside of splash pad to be made by others. (sidewalks, landscaping, electrical)"



Quote for: **Maize, KS**

Pricing Summary

Equipment & Services Total

**Design One**

**Total Price for Equipment and Services as described above:**

**\$71,819**

**FOB Eden Prairie Freight:**

**\$5,822**

Optional Products:

**Above Ground Mechanical Enclosure**

**\$8,250**

To consist of a fiberglass reinforced plastic or metal structure with hinged access panels mounted on a concrete pad. Above ground equipment enclosures can house the control panel and water distribution manifold. Enclosure is vented to allow for air movement and lower screened drainage openings allow for water drainage.

**Design Two**

**Total Price for Equipment and Services as described above:**

**\$108,029**

**FOB Eden Prairie Freight:**

**\$5,863**

Optional Products:

**Above Ground Mechanical Enclosure**

To consist of a fiberglass reinforced plastic or metal structure with hinged access panels mounted on a concrete pad. Above ground equipment enclosures can house the control panel and water distribution manifold. Enclosure is vented to allow for air movement and lower screened drainage openings allow for water drainage.

**\$8,250**



Quote for: **Maize, KS**

### General Conditions

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**\*Terms of payment are 25% down with order and balance due prior to shipment.**

**\*Proposal is subject to the attached terms and conditions.**

**\*Proposal and pricing valid for 30 days.**

- \* This proposal and pricing is based on our interpretation of the sections of the RFP or specification that have been made available to us. Exceptions have been noted where ever possible. In the event of a conflict between the language in the specification and the proposal, the language in the proposal takes precedence and is the basis of the proposed pricing. ARC reserves the right to reject any order based on differences in pricing. ARC reserves the right to reject any order based on differences in interpretation of the specification, or for any reason, at the time an order is tendered.
- \* ARC will not initiate work with out a fully executed contract or purchase order. Fabrication will not be initiated until complete submittal approvals have been received.
- \* Submittals will be provided within two–three weeks of receipt of a fully executed contract or purchase order.
- \* The proposed equipment can generally be shipped within 6–8 weeks after receipt of completely approved submittals. Lead time will be updated at the time of order execution.
- \* Sales tax is not included in the prices quoted. All applicable Federal, State and Local sales or use taxes must be paid by the customer.

**If you have any questions or comments concerning this information, please call 952-345-6440.**

**Thank you for the opportunity to bid on this project.**



Quote for: **Maize, KS**

Acceptance of Proposal

Proposal #**14138**

March, 2014

Client name:

Company:

Address:

Final contract amount \$ \_\_\_\_\_

Client authorized signature

Date

\_\_\_\_\_

\_\_\_\_\_

Please print name

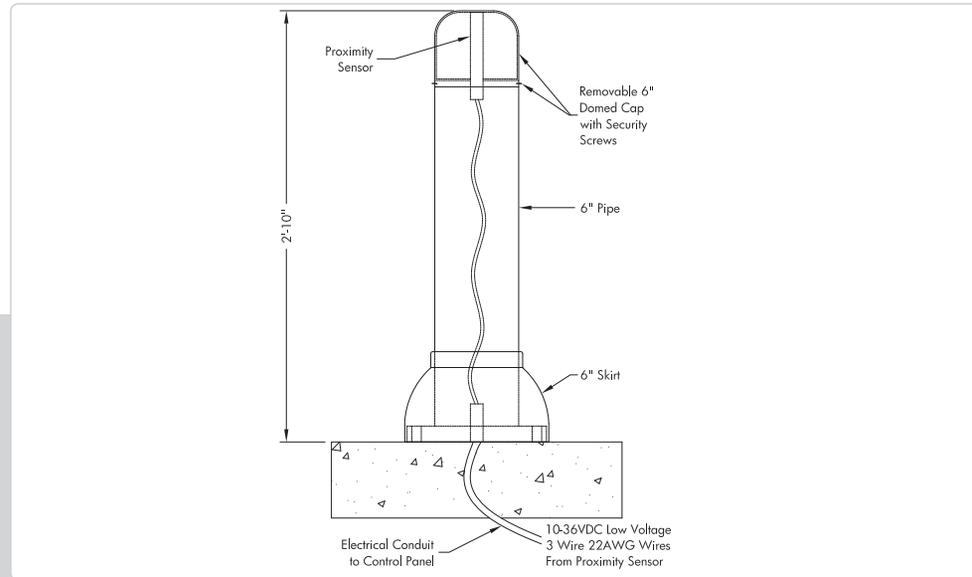
\_\_\_\_\_

The signing of this proposal hereby authorizes the client's acceptance of the above work as described.  
The client has read, understands and agrees with the terms and conditions of this proposal.

*Thank You, from the ARC team.*



Specifications for: **MECHANICAL COMPONENTS**



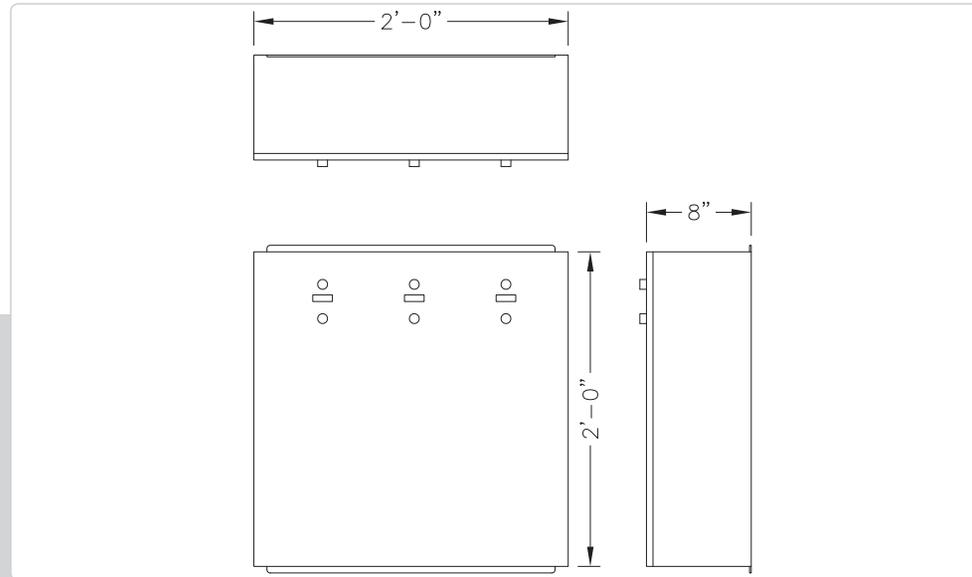
# Activation Bollard

**Activation Bollard** is a structure that has a low voltage proximity sensor within the cap of the bollard. When patrons touch the top of the bollard a signal will go to the control panel to activate water flow. Activation bollards are used to turn on/off entire splash pad features or designed zoned areas.

**May consist of:**

- Stainless steel or structural plastic 6" diameter structure with 150 lb mounting flange
- Mounting hardware
- Touch sensor proximity sensor
- Removable domed cap with security screws
- 6" base skirt

Specifications for: **MECHANICAL COMPONENTS**



## Control Panel

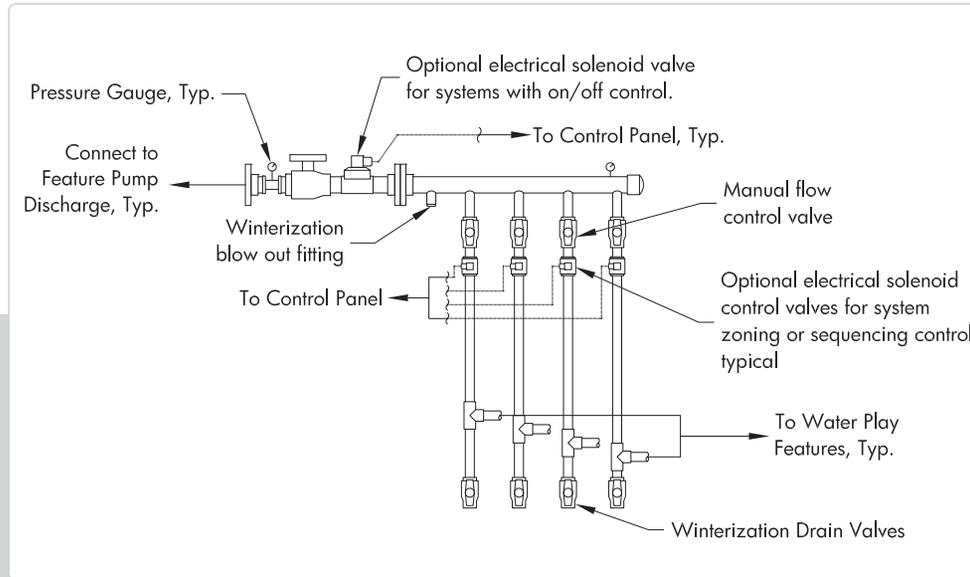
**Control Panels** are used to control simple on/off operations of water play activities or incorporate operation interface Programmable Logic Controller, (PLC), to create splash pad zoning or sequencing activities.

**All control panels to be U.L. listed and may incorporate the following:**

- Pump(s) motor starters
- GFCI circuit breakers
- Time clock controls to set hours of operation and set duration time of activated devices
- VFD pump controls
- Flow switch controls
- Pressure transducer controls
- Power feeds to manifold distribution solenoid valves
- Activation Bollard relay switches
- Chemical treatment system power feed
- Vault internal electrical distribution
- Waste valve box relay & power feed
- Water heater relay
- All NEMA rated components
- NEMA 4 enclosure

\*All control panels are designed for specific project needs and require the following GFI protected power supplies:  
 230/460V/3PH./60HZ and 120V/Single Phase/60HZ

Specifications for: **MECHANICAL COMPONENTS**



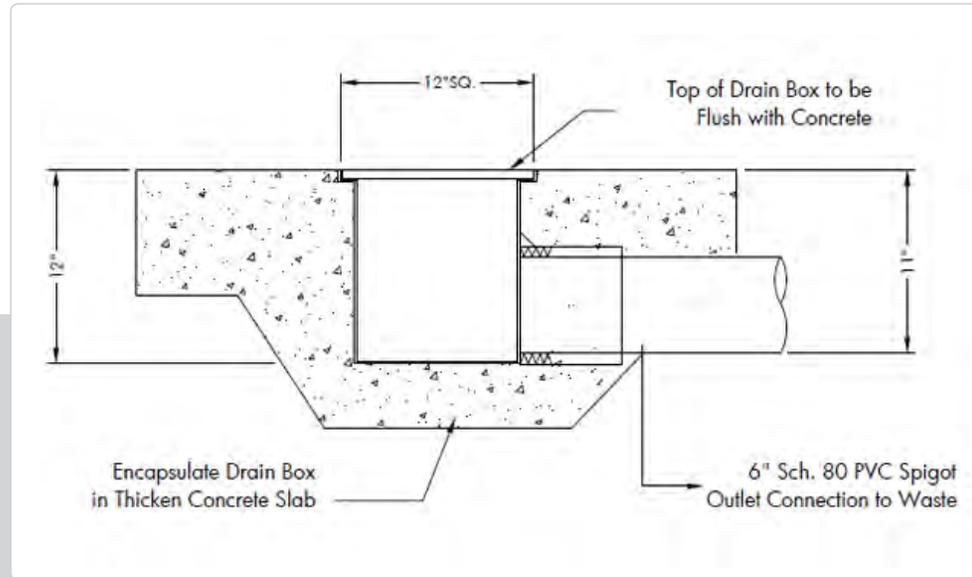
# Distribution Manifold

**Distribution Manifolds** are pre-plumbed water delivery systems from feature pumping system to water play features. Standard distribution manifolds consist of manual flow control valves that regulate water flow levels to each water element for on/off control systems. When creating water play zones or sequencing water play activities, standard distribution manifolds can be upgraded with electric valves or solenoid valves.

**May consist of:**

- Available in Stainless Steel or Schedule 80 Gas Welded PVC prefabricated manifold
- Manual flow control valves
- Electrical solenoid valves
- Winterization blow out
- Pressure gauge

## Specifications for: MECHANICAL COMPONENTS



## Drain Box Fiberglass

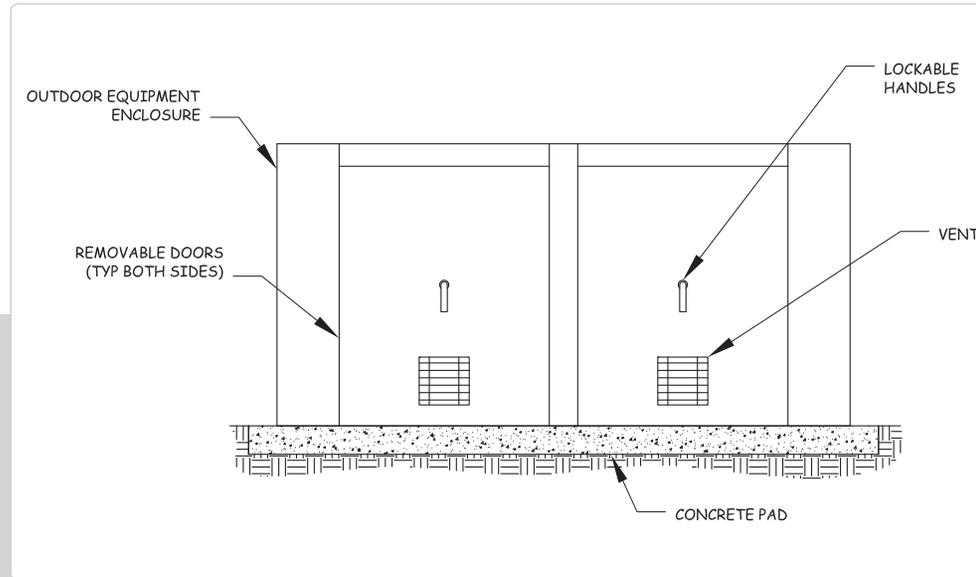
**Drain Box** to consist of 12 inch fiberglass sump for collection of splash pad water to water to waste or retainage area.

### May Consist of:

- 12 inch sump
- Removable grate cover
- Foot friendly grate, flush mounted

Specifications for: **MECHANICAL COMPONENTS**

Optional



Equipment Enclosure

**Equipment Enclosure** to be a safe, lockable enclosure that will be directly mounted to a concrete support pad next to water play area.

**May Consist of:**

- Above ground mechanical system.
- Lockable access doors for servicing equipment systems.
- Must be installed on a concrete support pad (by others) with stainless steel anchorage hardware