

**MEETING NOTICE
MAIZE CITY COUNCIL
REGULAR MEETING**

TIME: 7:00 P.M.
DATE: MONDAY, OCTOBER 20, 2014
PLACE: MAIZE CITY HALL
10100 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 September 15, 2014.
 - B. Receive and file minutes from the Planning Commission meeting of September 4, 2014.
 - C. Receive and file minutes from the Park and Tree Board meeting of September 9, 2014.
 - D. Cash Disbursements from September 1, 2014 to September 30, 2014 in the amount of \$637,554.12 (Check #59259 thru #59384).
- 7) Old Business
 - A. Maize Road Revenue Bonds Bids and Sale
- 8) New Business
 - A. Maize Road GO Bonds Resolution
 - B. 2014 Amended Budget
 - C. Zoning Case Z-03-014, 119th St W and 53rd St N
 - D. Maize Industrial Park Plat (Reiloy/Westland)
 - E. Tax Incentive Plan
 - F. 2015 Maize Organizational Chart
 - G. 2015 Employee Pay Plan Adjustment

**MAIZE CITY COUNCIL
REGULAR MEETING
MONDAY, OCTOBER 20, 2014**

- 9) Reports
 - Police
 - Public Works
 - City Engineer
 - Planning & Zoning
 - Municipal Court
 - Code Enforcement
 - City Clerk
 - Legal
 - Operations
 - Mayor's Report
 - Jocelyn Reid Certified Municipal Clerk Presentation
 - Council Member's Reports
- 10) Executive Session
- 11) Adjournment

**MINUTES-REGULAR MEETING
MAIZE CITY COUNCIL
Monday, September 15, 2014**

The Maize City Council met in a regular meeting at 7:00 p.m., Monday, **September 15, 2014** in the Maize City Hall, 10100 Grady Avenue, with **Mayor Clair Donnelly** presiding. Council members present were **Karen Fitzmier, Pat Stivers, Donna Clasen, Kevin Reid** and **Alex McCreath**.

Also present were: **Richard LaMunyon**, City Administrator, **Rebecca Bouska**, Deputy City Administrator, **Jocelyn Reid**, City Clerk, **Craig Brassler**, Assistant Police Chief, **Ron Smothers**, Public Works Director, **Bill McKinley**, City Engineer, **Kim Edgington**, Planning Administrator, **Larry Kleeman**, Financial Advisor.

APPROVAL OF AGENDA:

The Agenda was submitted for Council approval.

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

CONSENT AGENDA:

The Consent Agenda was submitted for approval including the Council Meeting Minutes of August 4 and August 18, 2014, the Planning Commission minutes of August 7, 2014, the Park & Tree Board minutes of August 12, 2014 for receipt and file, the Cash Disbursement Report from August 1, 2014 through August 31, 2014 in the amount of \$1,348,477.68 (Check #59078 through #59258) and the adoption of the 2014 Standard Traffic Ordinance (City Clerk assigned Ordinance #884) and the 2014 Uniform Public Offense Code (City Clerk assigned Ordinance #885).

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

MAIZE ROAD FINANCING (WATER/WASTEWATER REVENUE BONDS):

Resolutions authorizing the sale of water and wastewater revenue bonds for the Maize Road Project were submitted for Council approval.

MOTION: **Clasen** moved to approve the authorizing resolutions for the sale of water and wastewater revenue bonds.
McCreath seconded. Motion declared carried.

City Clerk assigned Resolution #558-14 (Wastewater) and #559-14 (Water)

STREET SWEEPER LEASE PURCHASE AGREEMENT:

An agreement with Leasing 2 for the lease purchase of a street sweeper was submitted for Council approval.

MOTION: **Clasen** moved to approve the purchase of a REVO 5 Series Street Sweeper with five annual payments of \$35,434.30 each starting January 15, 2015.
Stivers seconded. Motion declared carried.

ANNEXATION ORDINANCE:

An ordinance annexing property located at 6233 N. Maize Road was submitted for Council approval.

MOTION: **Fitzmier** moved to approve the annexation ordinance and authorize the Mayor to sign.
Clasen seconded. Motion declared carried.

City Clerk assigned Ordinance #886.

UTILITY EASEMENT LEASE PURCHASE AGREEMENT:

A utility easement lease purchase agreement with Gary and Pam Kirk was submitted for Council approval.

MOTION: *Stivers* moved to approve the Gary L. and Pam J. Kirk Lease Purchase Agreement and authorize the Mayor to sign.
Clasen seconded. Motion declared carried.

EAGLES NEST PHASE 2A PAVING CONSTRUCTION BIDS AND CONTRACT:

Construction bids and contract for Eagles Nest Phase 2A paving improvements were submitted for Council approval.

MOTION: *Clasen* moved to accept the low bid and approve the construction agreement with Kansas Paving in an amount not to exceed \$382,085 and authorize the Mayor to sign.
Reid seconded. Motion declared carried.

EXECUTIVE SESSION:

Mayor Donnelly requested an 15-minute executive session to discuss personnel matters.

MOTION: *Fitzmier* moved to enter executive session for 15 minutes to discuss personnel matters.
Clasen seconded. Motion declared carried.

Council entered executive session at 8:25 pm and reconvened at 8:40 pm. No action was taken.

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

**MINUTES-REGULAR MEETING
MAIZE CITY PLANNING COMMISSION AND
BOARD OF ZONING APPEALS
THURSDAY, SEPTEMBER 4, 2014**

The Maize City Planning Commission was called to order at 7:00 p.m., on Thursday, September 4, 2014, for a Regular Meeting with *Gary Kirk* presiding. The following Planning Commission members were present: *Mike Burks, Bryant Wilks, Gary Kirk, Gerald Woodard, Bryan Aubuchon* and *Jennifer Herington*. The following Planning Commissioner was not present: *Andy Sciolaro*.

Also present were *Sue Villarreal*, Recording Secretary; *Kim Edgington*, Planning Administrator; *Richard LaMunyon*, City Administrator; *Darlene Teter*, Citizen; *Richard Teter*, Citizen; and *Bill Podlena* Citizen.

APPROVAL OF AGENDA

MOTION: *Woodard* moved to approve the agenda with the following change:
Item 8 – Z-04-014 application has been withdrawn.
Wilks seconded the motion.
Motion carried unanimously.

APPROVAL OF MINUTES

MOTION: *Aubuchon* moved to approve the August 7, 2014 minutes as presented:
Herington seconded the motion.
Motion carried unanimously.

OLD BUSINESS – PLANNING COMMISSION

CU-01-014 – Conditional Use request for sand extraction operations approximately ¼ mile south of 53rd Street North and ¼ mile east of Tyler for 34 acres of property zoned SF-5 Single-Family Residential. – Application withdrawn.

NEW BUSINESS – PLANNING COMMISSION

Z-03-014 – Zone change request for approximately 70 acres at the northwest corner of 53rd Street North and 119th Street West from SF-5 Single-Family to LI Limited Industrial

A map was presented to the Commissioners outlining the area considered for rezoning.

Edgington explained that the area has been designated in the Maize Comprehensive Plan as a future industrial area. Based on the five findings set forth in the staff report, this area meets the criteria and would be an appropriate use for Limited Industrial zoning.

R. Teter, D. Teter and B. Podlena were present to express their concerns for the future development.

MOTION: **Burks** moved to approve Z-03-014 zone change request for approximately 70 acres at the northwest corner of 53rd Street North and 119th Street West from SF-5 Single Family Residential to LI Limited Industrial.

Kirk seconded the motion.

Kirk requested a roll call vote with the following results:

Burks - yes

Wilks – yes

Kirk – yes

Woodard – no

Aubuchon – no

Herington - yes

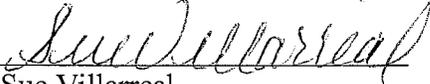
Motion carried.

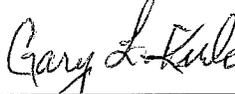
Z-03-014 Zone change request for approximately 0.16 acres at 108 W Academy from SF-5 Single-Family to GO General Office – Application withdrawn.

ADJOURNMENT:

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

Meeting adjourned at 7:54 PM.


Sue Villarreal
Recording Secretary



Gary Kirk
Chairman

**MAIZE PARK AND TREE BOARD
MINUTES – REGULAR MEETING
TUESDAY, SEPTEMBER 9, 2014**

The Maize Park and Tree Board met in a regular meeting at 5:28pm, Tuesday, September 9, 2014 with **Chair, Jennifer Herington**, presiding. Board members present were **Secretary Mike Burks, Marina Fulton, Dennis Wardell and Patrick Atchison**. Board members absent were **Betty Pew and Becky Keiter-Bell**.

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

Approval of Agenda:

MOTION: **Burks** moved to approve the agenda.
Atchison seconded. Motion declared carried.

Approval of the August 12, 2014 Minutes:

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

Splash Park:

City Staff working on bulk mail fundraising flyer to distribute to the 67101 and 67205 zip codes

Park Enhancements:

- **Rainwater** researched cost of adding a Toddler Swing Set to playground. The Maize Lions Club would like to help pay for it but asked that we wait until after Fall Fest. Cost estimate is \$1,200-1,800.
- **Rainwater** researched cost of mulch for playground. We paid \$45/yard from Quality Timber Products.
- **Rainwater** will seek bids for sprinkler system installation at the park
- **Rainwater** will research cost of more trash cans
- **Burks** raised awareness of the condition of several of the newly planted trees. Park & Tree Board will draft a letter to City Staff and Council outlining their concerns

Adjournment:

With no further business before the board:

MOTION: **Fulton** motioned to adjourn.
Pew seconded. Motion declared carried.

Meeting adjourned at 6:15pm

Approved by the Park and Tree Board on OCTOBER 14 2014.

Jennifer Kington
Park and Tree Board Member

Laura Pauwater
Recording Secretary *JLP*

CITY OF MAIZE

Cash and Budget Position
Thru September 30, 2014

FUND	NAME	BEGINNING	MONTH	MONTH	END MONTH	ANNUAL	YTD	YTD	REMAINING	REMAINING
		CASH BALANCE	RECEIPTS	DISBURSEMENTS	CASH BALANCE	EXPENSE BUDGET	REVENUE	EXPENSE	EXPENSE BUDGET	BUDGET PERCENTAGE
01	General Fund	\$ 1,074,139.17	\$ 209,471.13	\$ 166,385.48	\$ 1,117,224.82	\$ 3,030,450.00	\$ 2,393,291.82	\$ 1,882,486.74	\$ 1,147,963.26	37.88%
02	Street Fund	86,906.00	24,651.38	17,546.46	94,010.92	268,000.00	217,170.28	228,517.51	39,482.49	14.73%
04	Capital Improvements Fund	328,994.11	14,830.90	-	343,825.01	564,000.00	137,942.65	212,835.38	351,164.62	62.26%
5	Long-Term Projects	(67,467.83)	-	76,851.92	(144,319.75)	-	-	516,719.65		
10	Equipment Reserve	53,546.74	12,521.61	2,684.60	63,383.75	195,000.00	112,626.21	146,192.00	48,808.00	25.03%
11	Police Training Fund	2,931.99	180.00	1,303.99	1,808.00	10,000.00	1,972.00	6,160.34	3,839.66	38.40%
12	Municipal Court Fund	7,933.46	1,879.00	412.00	9,400.46	-	13,724.97	14,384.70		
16	Bond & Interest Fund	530,902.86	158,132.54	353,891.70	335,143.70	2,191,290.00	1,731,517.82	1,862,565.65	328,724.35	15.00%
19	Wastewater Reserve Fund	150,197.82	1,928.92	-	152,126.74	-	17,360.28	7,498.00		
20	Wastewater Treatment Fund	442,425.41	68,227.45	51,335.34	459,317.52	681,000.00	628,120.07	536,442.24	144,557.76	21.23%
21	Water Fund	378,409.75	62,713.44	64,656.07	376,467.12	749,600.00	607,588.08	555,078.82	194,521.18	25.95%
22	Water Reserve Fund	49,148.81	1,000.00	-	50,148.81	35,000.00	9,000.00	49,415.00	(14,415.00)	-41.19%
23	Water Bond Debt Reserve Fund	284,000.00	2,000.00	-	286,000.00	-	18,000.00	-		
24	Wastewater Bond Debt Reserve Fund	163,800.09	2,000.00	-	165,800.09	-	18,000.00	-		
32	Drug Tax Distribution Fund	4,603.57	-	-	4,603.57	-	-	-		
38	Cafeteria Plan	963.82	813.52	684.00	1,093.34	-	9,096.22	8,403.51		
40	Carlson Assessments Fund	38,770.21	-	-	38,770.21	-	-	20,255.00		
47	53rd & Maize Road Expansion	91,662.42	-	-	91,662.42	-	20,356.32	34,987.02		
61	Carriage Crossing VI	114,403.53	-	-	114,403.53	-	-	119.34		
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	169,243.63	1,220.83	1,534.92	168,929.54	140,265.00	35,470.53	28,419.81	111,845.19	79.74%
Report Totals		\$ 3,965,500.18	\$ 561,570.72	\$ 737,286.48	\$ 3,789,784.42	\$ 7,864,605.00	\$ 5,971,237.25	\$ 6,110,520.49	\$ 2,356,491.51	29.96%

CITY OF MAIZE

Bank Reconciliation Report For September 2014

Fund Balances

FUND	NAME	BEGIN PERIOD	RECEIPTS	DISBURSEMENTS	END PERIOD
01	General Fund	\$ 1,074,139.17	\$ 209,471.13	\$ 166,385.48	\$ 1,117,224.82
02	Street Fund	86,906.00	24,651.38	17,546.46	94,010.92
04	Capital Improvements Fund	328,994.11	14,830.90	-	343,825.01
05	Long-Term Projects	(67,467.83)		76,851.92	(144,319.75)
10	Equipment Reserve Fund	53,546.74	12,521.61	2,684.60	63,383.75
11	Police Training Fund	2,931.99	180.00	1,303.99	1,808.00
12	Municipal Court Fund	7,933.46	1,879.00	412.00	9,400.46
16	Bond & Interest Fund	530,902.86	158,132.54	353,891.70	335,143.70
19	Wastewater Reserve Fund	150,197.82	1,928.92	-	152,126.74
20	Wastewater Treatment Fund	442,425.41	68,227.45	51,335.34	459,317.52
21	Water Fund	378,409.75	62,713.44	64,656.07	376,467.12
22	Water Reserve Fund	49,148.81	1,000.00	-	50,148.81
23	Water Bond Debt Reserve Fund	284,000.00	2,000.00	-	286,000.00
24	Wastewater Bond Debt Reserve Fund	163,800.09	2,000.00	-	165,800.09
32	Drug Tax Distribution Fund	4,603.57	-	-	4,603.57
38	Cafeteria Plan	963.82	813.52	684.00	1,093.34
40	Carlson Assessments Fund	38,770.21	-	-	38,770.21
47	53rd & Maize Road Expansion	91,662.42	-	-	91,662.42
61	Carriage Crossing VI	114,403.53	-	-	114,403.53
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	169,243.63	1,220.83	1,534.92	168,929.54
Totals All Fund		\$ 3,965,500.18	\$ 561,570.72	\$ 737,286.48	\$ 3,789,784.42

Bank Accounts and Adjustments

Emprise Bank/Halstead Checking Account	\$ 498,645.14	\$ 460,540.18	\$ 827,535.59	\$ 131,649.73
Outstanding Items				\$ (17,120.43)
Halstead Bank Money Market Account	3,505,556.76	768.42	-	3,506,325.18
Maize Cemetery CD 85071	90,704.16	-	-	90,704.16
Maize Cemetery Operations	78,539.47	1,220.83	1,534.92	78,225.38
Totals All Banks	\$ 4,173,445.53	\$ 462,529.43	\$ 829,070.51	\$ 3,789,784.02

**MAIZE CITY COUNCIL
REGULAR MEETING
MONDAY, OCTOBER 20, 2014**

AGENDA ITEM #7A

**ITEM: **MAIZE ROAD FINANCING
(WATER AND WASTEWATER REVENUE BONDS)****

BACKGROUND:

At the previous meeting, the council authorized bids to be received for the city's Wastewater Revenue Bonds and Water Revenue Bonds. These Bonds are to provide permanent financing for a portion of Maize Road Main Trafficway (the portion related to water and sewer improvements). By issuing revenue bonds (in addition to general obligation bonds next month) to finance a portion of Maize Road, the city can reduce its general obligation "debt-to-valuation" ratio that underwriters and banks often look at when bidding on the city's bonds.

FINANCIAL CONSIDERATIONS:

Bidders have until 11 AM, October 20, to submit bids. When all bids are received, the City's Financial Advisor (Larry Kleeman) will prepare a bid tab sheet for distribution to the Council Members at the meeting on Monday.

LEGAL CONSIDERATIONS:

Bond Counsel (Kim Bell) has prepared and approves the Bond Ordinance and Bond Resolution as to form. These documents provide for the issuance of, and prescribe the form and details of, the bonds.

RECOMMENDATION/ACTION:

For the Wastewater Revenue Bonds ...

MOTION: Move to accept the low bid from _____.

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

MOTION: Approve Resolution prescribing the form and details of the bonds.

For the Water Revenue Bonds ...

MOTION: Move to accept the low bid from _____.

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

MOTION: Approve Resolution prescribing the form and details of the bonds.

ORDINANCE NO. _____

OF

THE CITY OF MAIZE, KANSAS

PASSED

OCTOBER 20, 2014

**WATER SYSTEM UTILITY REVENUE BONDS
SERIES 2014A**

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF PRINCIPAL AMOUNT OF WATER SYSTEM UTILITY REVENUE BONDS, SERIES 2014A, OF THE CITY OF MAIZE, KANSAS; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of Maize, Kansas (the “Issuer”), owns and operates a Water Utility System (the “System”); and

WHEREAS, the Issuer is authorized under the provisions of K.S.A. 10-201 *et seq.*, as amended by Charter Ordinance No. 26-14 of the City (collectively, the “Act”) to issue and sell revenue bonds for the purpose of paying all or part of the cost of the acquisition, construction, reconstruction, alteration, repair, improvement, extension or enlargement of the System, provided that the principal of and interest on such revenue bonds shall be payable solely from the Net Revenues derived from the operation of the System; and

WHEREAS, K.S.A. 10-1202 provides that any municipality authorized by the laws of the state of Kansas to issue general obligation bonds for the acquisition, construction, reconstruction, alteration, repair, improvement, extension of enlargement of any utility is empowered to issue and sell revenue bonds in payment of the cost of such improvements; and

WHEREAS, pursuant to the provisions of the laws of the State of Kansas applicable thereto, by proceedings duly had, the governing body of the Issuer has heretofore authorized the following improvements to be made in the City, to-wit:

<i>Project Description</i>	<i>Ord./Res. No.</i>	<i>Authority (K.S.A.)</i>	<i>Estimated Cost</i>
Maize Road Improvements ; and	799/467-09	K.S.A. 12-685 <i>et seq.</i>	\$7,000,000

WHEREAS, the governing body of the Issuer is authorized by law to issue general obligation bonds to pay the costs of the Maize Road Improvements; and

WHEREAS, to provide cash funds (from time to time) to meet its obligations incurred in constructing the Maize Road Improvements prior to the completion thereof and the issuance of the Issuer's general obligation bonds, and the Issuer found it necessary and desirable that such funds be raised by the issuance of several series of temporary notes of the Issuer pursuant to the Act; and

WHEREAS, the Issuer has heretofore issued the following temporary notes to temporarily finance a portion of the costs of the Maize Road Improvements (the “Series 2014A Notes”):

<i>Series</i>	<i>Dated Date</i>	<i>Maturity Date</i>	<i>Original Amount</i>	<i>Outstanding Amount</i>
2014A	March 7, 2014	October 1, 2015	\$1,550,000	\$1,550,000

; and

WHEREAS, \$266,484 of the proceeds of the Series 2014A Notes were used to finance or refinance improvements to the System in connection with the construction and installation of the Maize Road Improvements (the “Project”); and

WHEREAS, the Issuer desires to issue its System revenue bonds in order to retire that portion of the Series 2014A Notes which financed or refinanced the Project (the “Refunded Notes”); and

WHEREAS, the Issuer does not have Outstanding any System Indebtedness other than the Series 2006 Bonds; and

WHEREAS, the Series 2006 Resolution provides the City may issue Additional Bonds which constitute Parity Bonds upon the satisfaction of certain conditions; and

WHEREAS, prior to or simultaneously with the issuance of the Series 2014A Bonds, such terms and conditions will be satisfied.

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

Section 1. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms in this Ordinance shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

“**Act**” means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, and K.S.A. K.S.A. 10-1201 *et seq.*, as amended by Charter Ordinance No. 26-14 of the City, all as amended and supplemented from time to time.

“**Additional Bonds**” means any bonds secured by the Revenues hereafter issued pursuant to the Bond Resolution.

“**Additional Obligations**” means any leases or other obligations of the Issuer payable from the Revenues, other than the Bonds.

“**Bond Resolution**” means the resolution to be adopted by the governing body of the City prescribing the terms and details of the Series 2014A Bonds and making covenants with respect thereto.

“**Bonds**” means the Series 2014A Bonds and any Additional Bonds.

“**City**” means the City of Maize, Kansas.

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

“**Expenses**” means all reasonable and necessary expenses of operation, maintenance and repair of the System and keeping the System in good repair and working order (other than interest paid on System Indebtedness and depreciation and amortization charges during the period of determination), determined

in accordance with generally accepted accounting principles, including without limiting the generality of the foregoing, current maintenance charges, expenses of reasonable upkeep and repairs, salaries, wages, costs of materials and supplies, paying agent fees and expenses, annual audits, periodic Consultant's reports, properly allocated share of charges for insurance, the cost of purchased water, gas and power, if any, for System operation, obligations (other than for borrowed money or for rents payable under capital leases) incurred in the ordinary course of business, liabilities incurred by endorsement for collection or deposit of checks or drafts received in the ordinary course of business, short-term obligations incurred and payable within a particular Fiscal Year, other obligations or indebtedness incurred for the purpose of leasing (pursuant to a true or operating lease) equipment, fixtures, inventory or other personal property, and all other expenses incident to the operation of the System, but shall exclude all general administrative expenses of the City not related to the operation of the System and transfers into the Debt Service Reserve Account and Depreciation and Replacement Account provided for in the Bond Resolution.

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

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

“Net Revenues” means, for the period of determination, all Revenues less all Expenses.

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

“Parity Bonds” means the Outstanding Series 2006 Bonds, Series 2014A Bonds, and any Additional Bonds hereafter issued pursuant to the Bond Resolution and standing on a parity and equality with the Series 2014A Bonds with respect to the lien on the Net Revenues.

“Parity Obligations” means any Additional Obligations hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Parity Bonds with respect to the lien on the Net Revenues.

“Parity Resolution” means the Series 2006 Resolution, the Bond Resolution and the ordinances and/or resolutions under which any Additional Bonds which constitute Parity Bonds are hereafter issued.

“Project” means the acquisition, construction, reconstruction, alterations, repair, improvements, extensions or enlargements of the System described in the Preamble to this Ordinance.

“Refunded Notes” means the Series 2014A Notes in the aggregate principal amount of \$266,484.

“Refunded Notes Redemption Date” means November 1, 2014.

“Refunded Notes Resolution” means the resolution which authorized the Refunded Notes.

“Revenue Fund” means the Water System Revenue Fund referred to in the Bond Resolution.

“Revenues” means all income and revenues derived and collected by the City from the operation and ownership of the System, including investment and rental income, net proceeds from business interruption insurance, transfers from the Improvement Account to the Revenue Fund of Net Revenues derived in a prior Fiscal Year and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on System Indebtedness, but excluding any profits or losses on the early

extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

“**Series 2006 Bonds**” means the Issuer's Water Revenue Bonds, Series 2006, dated January 15, 2006.

“**Series 2014A Bonds**” means the Issuer's Water System Utility Revenue Bonds, Series 2014A, authorized by this Ordinance.

“**Series 2014A Notes**” means the Issuer's Temporary Notes Bonds, Series 2014A, dated March 7, 2014.

“**Series 2006 Resolution**” means collectively the Issuer's Ordinance No. 692 and Resolution No. 378-06, which authorized the Series 2006 Bonds.

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

“**System**” means the entire waterworks plant and system owned and operated by the Issuer for the production, storage, treatment and distribution of water, to serve the needs of the Issuer and its inhabitants and others, including all appurtenances and facilities connected therewith or relating thereto, together with all extensions, improvements, additions and enlargements thereto hereafter made or acquired by the Issuer.

“**System Indebtedness**” means collectively all Bonds and all Additional Obligations.

Section 2. Authorization of the Series 2014A Bonds. There shall be issued and hereby are authorized and directed to be issued the Water System Utility Revenue Bonds, Series 2014A, of the City in the principal amount of \$285,000, for the purpose of providing funds to: (a)] refund the Refunded Notes; and] (b) pay costs of issuance of the Series 2014A Bonds.

Section 3. Security for the Series 2014A Bonds. The Series 2014A Bonds shall be special obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the City hereby pledges said Net Revenues to the payment of the principal of and interest on the Series 2014A Bonds. The Series 2014A Bonds shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction, and the taxing power of the City is not pledged to the payment of the Series 2014A Bonds, either as to principal or interest.

The covenants and agreements of the City contained herein and in the Series 2014A Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Series 2014A Bonds, all of which Series 2014A Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Series 2014A Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Ordinance. The Series 2014A Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues with any Parity Bonds. The Series 2014A Bonds shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Parity Bonds; and the Parity Bonds shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Series 2014A Bonds.

Section 4. Terms, Details and Conditions of the Series 2014A Bonds. The Series 2014A Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued and delivered in the manner prescribed and subject to the provisions, covenants and agreements set forth in the Bond Resolution hereafter adopted by the governing body of the City.

Section 5. Rate Covenant. The City will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the System, including all repairs, alterations, extensions, reconstructions, enlargements or improvements thereto hereafter constructed or acquired by the City, as will produce Revenues sufficient to (a) pay Expenses; (b) pay the principal of and interest on the Bonds as and when the same become due; and (c) provide reasonable and adequate reserves for the payment of the Parity Bonds and the interest thereon and for the protection and benefit of the System as provided in this Ordinance and the Bond Resolution. The Bond Resolution may establish requirements in excess of the requirements set forth herein.

Section 6. Further Authority. The Mayor, Clerk and other City officials are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of the Ordinance to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 7. Governing Law. This Ordinance and the Series 2014A Bonds shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 8. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the governing body of the City, approval by the Mayor and publication in the official City newspaper.

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PASSED by the governing body of the City on October 20, 2014 and **APPROVED AND SIGNED** by the Mayor.

(SEAL)

Mayor

ATTEST:

Clerk

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CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of the original ordinance; that said Ordinance was passed on October 20, 2014; that the record of the final vote on its passage is found on page ____ of journal ____; and that the Ordinance or a summary thereof was published in the *Clarion* on October 23, 2014

DATED: _____, 2014.

Clerk

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RESOLUTION NO. _____

OF

THE CITY OF MAIZE, KANSAS

ADOPTED

OCTOBER 20, 2014

\$285,000
WATER SYSTEM UTILITY REVENUE BONDS
SERIES 2014A

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RESOLUTION NO. _____

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF WATER SYSTEM UTILITY REVENUE BONDS, SERIES 2014A, OF THE CITY OF MAIZE, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. _____ OF THE ISSUER; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

WHEREAS, the Issuer has heretofore passed the Ordinance authorizing the issuance of the Series 2014A Bonds; and

WHEREAS, the Ordinance authorized the governing body of the Issuer to adopt a resolution prescribing certain details and conditions and to make certain covenants with respect to the issuance of the Series 2014A Bonds.

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

ARTICLE I

DEFINITIONS

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

“Act” means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, and K.S.A. K.S.A. 10-1201 *et seq.*, as amended by Charter Ordinance No. 26-14 of the City, all as amended and supplemented from time to time.

“Additional Bonds” means any bonds secured by the Revenues hereafter issued pursuant to *Article IX* hereof.

“Additional Obligations” means any leases or other obligations of the Issuer payable from the Revenues, other than the Bonds.

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

“Balloon Indebtedness” means Long-Term Indebtedness, 25% or more of the original principal amount of which becomes due (either by maturity or mandatory redemption) during any consecutive twelve-month period, if such principal amount becoming due is not required to be amortized below such percentage by mandatory redemption or prepayment prior to such twelve-month period.

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

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

“Bond Insurer” means with respect to Additional Bonds, the entity set forth in the supplemental resolution authorizing such Additional Bonds.

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

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

“Bond Registrar” means: (a) with respect to the Series 2014A Bonds, the State Treasurer and its successors and assigns; and (b) with respect to Additional Bonds, the entity designated as Bond Registrar in the supplemental resolution authorizing such Additional Bonds.

“Bond Resolution” means this resolution relating to the Series 2014A Bonds and any supplemental resolution authorizing any Additional Bonds.

“Bonds” means the Series 2014A Bonds and any Additional Bonds.

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

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

“City” means the City of Maize, Kansas.

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

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

“Compliance Account” means the Compliance Account for Water System Utility Revenue Bonds, Series 2014A created pursuant to **Section 501** hereof.

“Consultant” means the Consulting Engineer, the Independent Accountant, or an independent consultant qualified and having a favorable reputation for skill and experience in financial affairs selected by the Issuer for the purpose of carrying out the duties imposed on the Consultant by the Bond Resolution.

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

“Costs of Issuance” means all costs of issuing any series of Bonds, including all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, all expenses incurred in connection with receiving financial ratings on any series of Bonds, and any premiums or expenses incurred in obtaining any credit enhancement.

“Costs of Issuance Account” means the Costs of Issuance Account for Water System Utility Revenue Bonds, Series 2014A created pursuant to **Section 501** hereof.

“Dated Date” means the Issue Date.

“Debt Service Account” means the Water System Debt Service Account referred to in **Section 501** hereof.

“Debt Service Coverage Ratio” means, for any Fiscal Year: (a) with respect to the covenants contained in **Section 802** hereof, the ratio determined by dividing (i) a numerator equal to the Net Revenues for such Fiscal Year by (ii) a denominator equal to the Debt Service Requirements for such Fiscal Year; and (b) with respect to the covenants contained in **Article IX** hereof, the ratio determined by dividing (i) a numerator equal to the Net Revenues for such Fiscal Year by (ii) a denominator equal to the average annual Debt Service Requirements on all System Indebtedness; provided that with respect to Additional Bonds that are proposed to be Parity Bonds, Debt Service Requirements on Junior Lien Obligations and Subordinate Lien Bonds shall be disregarded; further provided that with respect to Additional Bonds that are proposed to be Junior Lien Obligations, Debt Service Requirements on Subordinate Lien Bonds shall be disregarded.

“Debt Service Requirements” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

“Debt Service Reserve Account” means the Water System Debt Service Reserve Account referred to in **Section 501** hereof.

“Debt Service Reserve Requirement” means (i) the Series 2006 Debt Service Requirement established by the Series 2006 Resolution in the amount of \$200,000, plus (ii) an additional sum of \$13,120 as required by Section 902(E) of the Series 2006 Resolution for the issuance of the Series 2014A Bonds as Parity Bonds, plus (iii) with respect to the issuance of Additional Bonds, an additional deposit to the Debt Service Reserve Account sufficient to bring the Debt Service Reserve Account to an amount equal to the least of (a) the aggregate of 10% of the original stated principal amount of each Series of Parity Bonds, (b) the Maximum Annual Debt Service for all Parity Bonds during any Fiscal Year, or (c) 125% of the average annual Debt Service Requirements for all Parity Bonds over the term of all Parity Bonds. If the aggregate initial offering price of any series of Bonds to the public is less than 98% or more than 102% of par, such offering price shall be used in clause (iii)(a) in lieu of the stated principal amount. When calculating the Debt Service Reserve Requirement in conjunction with the issuance of the Bonds described in **Section 905** hereof, the principal amount of the refunded bonds shall be deducted from said calculations.

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

“Defeasance Obligations” means any of the following obligations:

- (a) Cash; or
- (b) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or
- (c) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:
 - (1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;
 - (2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;
 - (3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;
 - (4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;
 - (5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and
 - (6) such obligations are rated in a rating category by Moody's or Standard & Poor's that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

“Depreciation and Replacement Account” means the Water System Depreciation and Replacement Account referred to in *Section 501* hereof.

“Depreciation and Replacement Requirement” means (i) as long as any Series 2006 Bonds remain Outstanding, an amount equal to 15% of the Operating Revenues (as such term is defined in the Series 2006 Resolution); and (ii) at such time as no Series 2006 Bonds remain Outstanding, an amount equal to 5% of the Revenues for the prior Fiscal Year.

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

“Discount Indebtedness” means Long-Term Indebtedness that is originally sold at a price (excluding accrued interest, but without deduction of any underwriters' discount) of less than 75% of the maturity amount including the amount of principal and interest to accrete at maturity of such Long-Term Indebtedness.

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

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

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

(b) Payment of any installment of interest on any of the Bonds shall not be made when the same shall become due; or

(c) The Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) Any substantial part of the System shall be destroyed or damaged to the extent of impairing its efficient operation or adversely affecting its Net Revenues and the Issuer shall not within a reasonable time commence the repair, replacement or reconstruction thereof and proceed thereafter to complete with reasonable dispatch the repair, replacement or reconstruction thereof; or

(e) Final judgment for the payment of money shall be rendered against the Issuer as a result of the ownership, control or operation of the System and any such judgment shall not be discharged within one hundred twenty (120) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(f) An order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the System or any part thereof or of the revenues thereof, or if such order or decree, having been entered without the consent or acquiescence of the Issuer, shall not be vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

(g) Any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Net Revenues; or

(h) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Bond Resolution on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Bonds then Outstanding; or

(i) A monetary default shall have occurred on any System Indebtedness.

“**Expenses**” means all reasonable and necessary expenses of operation, maintenance and repair of the System and keeping the System in good repair and working order (other than interest paid on System Indebtedness and depreciation and amortization charges during the period of determination), determined in accordance with generally accepted accounting principles, including without limiting the generality of

the foregoing, current maintenance charges, expenses of reasonable upkeep and repairs, salaries, wages, costs of materials and supplies, paying agent fees and expenses, annual audits, periodic Consultant's reports, properly allocated share of charges for insurance, the cost of purchased water, gas and power, if any, for System operation, obligations (other than for borrowed money or for rents payable under capital leases) incurred in the ordinary course of business, liabilities incurred by endorsement for collection or deposit of checks or drafts received in the ordinary course of business, short-term obligations incurred and payable within a particular Fiscal Year, other obligations or indebtedness incurred for the purpose of leasing (pursuant to a true or operating lease) equipment, fixtures, inventory or other personal property, and all other expenses incident to the operation of the System, but shall exclude all general administrative expenses of the Issuer not related to the operation of the System and transfers into the Debt Service Reserve Account and Depreciation and Replacement Account provided for in this Bond Resolution.

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

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

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

“Improvement Account” means the Water System Improvement Account referred to in *Section 501* hereof.

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

“Index Rate” means the rate of interest set forth in *The Bond Buyer* Revenue Bond Index (or, in the event that *The Bond Buyer* does not compile such index or ceases publication, another comparable publication recognized in the municipal bond market) published for the week immediately preceding the date of determination.

“Insurance Consultant” means an individual or firm selected by the Issuer qualified to survey risks and to recommend insurance coverage for entities engaged in operations similar to those of the System and having a favorable reputation for skill and experience in making such surveys and recommendations.

“Insured Bonds” means any Series of Bonds insured by a Bond Insurer.

“Interest Payment Date(s)” means: (a) with respect to the Series 2014A Bonds, the Stated Maturity of an installment of interest on the Series 2014A Bonds which shall be April 1 and October 1 of each year, commencing April 1, 2015; and (b) with respect to Additional Bonds, the Stated Maturity of an installment of interest on such Additional Bonds, as set forth in the supplemental resolution authorizing such Additional Bonds.

“Interim Indebtedness” means System Indebtedness having a term not less than one year, and not in excess of five years, incurred or assumed in anticipation of being refinanced or refunded with Long-Term Indebtedness.

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

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

“Junior Lien Obligations” means any Additional Bonds or Additional Obligations payable from, and secured by a lien on the Revenues, which lien is junior to that of any Parity Bonds, but senior to that of the Subordinate Lien Bonds.

“Long-Term Indebtedness” means System Indebtedness having an original stated maturity or term greater than five years, or renewable or extendible at the option of the debtor for a period greater than one year from the date of original issuance or incurrence thereof.

“Maturity” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

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

“Maximum Annual Debt Service” means the maximum amount of Debt Service Requirements as computed for the then current or any future Fiscal Year; provided that the Debt Service Requirements in the final Stated Maturity of any series of Parity Bonds shall be reduced by the value of cash and Permitted Investments on deposit in the Debt Service Reserve Account, so long as the Debt Service Reserve Account is maintained at the Debt Service Reserve Requirement.

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

“Net Revenues” means, for the period of determination, all Revenues less all Expenses.

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

(a) To the Issuer at:
City Hall
10100 Grady Avenue
Maize, Kansas 67101
Fax: (316) 722-0346

(b) To the Paying Agent at:

Series 2014A Bonds:
State Treasurer of the State of Kansas
Landon Office Building
900 Southwest Jackson, Suite 201
Topeka, Kansas 66612-1235
Fax: (785) 296-6976

Additional Bonds:

The address set forth in the supplemental resolution authorizing such Additional Bonds.

- (c) To the Purchaser:

Series 2014A Bonds:

XXX
XXX
XXX
Fax: XXX

Additional Bonds:

The address set forth in the supplemental resolution authorizing such Additional Bonds.

- (d) To the Rating Agency(ies):

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

Standard & Poor's Ratings Services, a division of
McGraw Hill Financial Inc.
55 Water Street, 38th Floor
New York, New York 10004

“Notice Representative” means:

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

“Official Statement” means Issuer’s Official Statement relating to the Series 2014A Bonds.

“Operation and Maintenance Account” means the Water Utility System Operation and Maintenance Account created by *Section 501* hereof.

“Ordinance” means Ordinance No. ____ of the Issuer authorizing the issuance of the Series 2014A Bonds, as amended from time to time.

“Outstanding” means, when used with reference to Bonds, as of a particular date of determination, all Bonds theretofore, authenticated and delivered, except the following Bonds:

- (a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation pursuant to the Bond Resolution;

(b) Bonds deemed to be paid in accordance with the provisions of *Section 1101* of the Bond Resolution; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Bond Resolution.

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

“Parity Bonds” means the Outstanding Series 2006 Bonds, Series 2014A Bonds, and any Additional Bonds hereafter issued pursuant to *Section 902* or *Section 905* of the Bond Resolution and standing on a parity and equality with the Series 2014A Bonds with respect to the lien on the Net Revenues.

“Parity Obligations” means any Additional Obligations hereafter issued or incurred pursuant to *Section 902* or *Section 905* of this Bond Resolution and standing on a parity and equality with the Parity Bonds with respect to the lien on the Net Revenues.

“Parity Resolution” means the Series 2006 Resolution, this Bond Resolution and the ordinances and/or resolutions under which any Additional Bonds which constitute Parity Bonds are hereafter issued.

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

“Paying Agent” means: (a) with respect to the Series 2014A Bonds, the State Treasurer, and its successors and assigns; and (b) with respect to Additional Bonds, the entity designated as Paying Agent in the supplemental resolution authorizing such Additional Bonds.

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

“**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.

“**Project**” shall mean the repairs, alterations, extensions, reconstructions, enlargements or improvements to the System referred to in the preamble to the Ordinance.

“**Purchase Price**” means: (a) with respect to the Series 2014A Bonds, the principal amount of the Series 2014A Bonds plus accrued interest to the date of delivery[, plus a premium of \$_____] [, less an underwriting discount of \$_____] [, less an original issue discount of \$_____]; and (b) with respect to Additional Bonds, the amount set forth in the supplemental resolution authorizing such Additional Bonds.

“**Purchaser**” means: (a) with respect to the Series 2014A Bonds, XXX, XXX, the original purchaser of the Series 2014A Bonds, and any successor and assigns; and (b) with respect to Additional Bonds, the original purchaser of such Additional Bonds, as set forth in the supplemental resolution authorizing such Additional Bonds.

“**Put Indebtedness**” means Long-Term Indebtedness which is (a) payable or required to be purchased or redeemed from the holder by or on behalf of the underlying obligor, at the option of the holder thereof, prior to its stated maturity date, or (b) payable or required to be purchased or redeemed from the holder by or on behalf of the underlying obligor, other than at the option of the holder, prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund, or other than by reason of acceleration upon the occurrence of an Event of Default under this Bond Resolution.

“**Rating Agency**” means any company, agency or entity that provides financial ratings for the Bonds.

“**Rebate Fund**” means the Rebate Fund for Water System Utility Revenue, Series 2014A created pursuant to *Section 501* hereof.

“**Record Dates**” for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

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

“**Redemption Fund**” means the Redemption Fund for Refunded Notes created by in *Section 501* hereof.

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

“**Refunded Notes**” means the Series 2014A Notes in the aggregate principal amount of \$266,484.

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

“Refunded Notes Redemption Date” means November 1, 2014.

“Refunded Notes Resolution” means the resolution which authorized the Refunded Notes.

“Refunding Bonds” means System Indebtedness issued pursuant to *Section 905* hereof for the purpose of refunding any Outstanding System Indebtedness.

“Replacement Bonds” means Bonds issued to the Beneficial Owners of the Bonds in accordance with *Section 212* hereof.

“Revenue Fund” means the Water System Revenue Fund referred to in *Section 501* hereof.

“Revenues” means all income and revenues derived and collected by the City from the operation and ownership of the System, including investment and rental income, net proceeds from business interruption insurance, transfers from the Improvement Account to the Revenue Fund of Net Revenues derived in a prior Fiscal Year and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on System Indebtedness, but excluding any profits or losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

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

“Series 2006 Bonds” means the Issuer's Water Revenue Bonds, Series 2006, dated January 15, 2006.

“Series 2014A Bonds” means the Issuer's Water System Utility Revenue Bonds, Series 2014A, authorized and issued by the Issuer pursuant to the Ordinance and]this Bond Resolution.

“Series 2014A Notes” means the Issuer's Temporary Notes Bonds, Series 2014A, dated March 7, 2014.

“Series 2006 Resolution” means collectively the Issuer's Ordinance No. 692 and Resolution No. 378-06, which authorized the Series 2006 Bonds.

“Short-Term Indebtedness” means System Indebtedness having an original maturity less than or equal to one year from the date of original incurrence thereof, and not renewable or extendible at the option of the obligor thereon for a term greater than one year beyond the date of original issuance.

“Special Record Date” means the date fixed by the Paying Agent pursuant to *Section 207* hereof for the payment of Defaulted Interest.

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

“State” means the state of Kansas.

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

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

“Subordinate Lien Bonds” means any Additional Bonds or Additional Obligations payable from the Revenues on a subordinate lien basis to any Parity Bonds and Junior Lien Obligations, and which constitute general obligations of the Issuer.

“System” means the entire waterworks plant and system owned and operated by the Issuer for the production, storage, treatment and distribution of water, to serve the needs of the Issuer and its inhabitants and others, including all appurtenances and facilities connected therewith or relating thereto, together with all extensions, improvements, additions and enlargements thereto hereafter made or acquired by the Issuer.

“System Indebtedness” means collectively the Bonds and any Additional Obligations which are payable out of, or secured by an interest in, the Revenues.

“Term Bonds” means any Bonds designated as Term Bonds in this Bond Resolution or in any supplemental resolution authorizing the issuance of Additional Bonds.

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

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

“Variable Rate Indebtedness” means any System Indebtedness which provides for interest to be payable thereon at a rate per annum that may vary from time to time over the term thereof in accordance with procedures provided in the instrument creating such System Indebtedness.

ARTICLE II

AUTHORIZATION AND DETAILS OF THE BONDS

Section 201. Authorization of the Series 2014A Bonds. The Series 2014A Bonds have been heretofore authorized and directed to be issued pursuant to the Ordinance in the principal amount of \$285,000, for the purpose of providing funds to: (a) refund the Refunded Notes and (b) pay Costs of Issuance.

Section 202. Description of the Series 2014A Bonds. The Series 2014A Bonds shall consist of fully registered bonds in Authorized Denominations, and shall be numbered in such manner as the Bond Registrar shall determine. All of the Series 2014A Bonds shall be dated as of the Dated Date, shall become due in the amounts, on the Stated Maturities, and subject to redemption and payment, prior to their Stated Maturities as provided in *Article III* hereof and shall bear interest at the rates per annum as follows:

[SERIAL BONDS]

Stated Maturity	Principal	Annual Rate	Stated Maturity	Principal	Annual Rate
<u>October 1</u>	<u>Amount</u>	<u>of Interest</u>	<u>October 1</u>	<u>Amount</u>	<u>of Interest</u>
2019	\$10,000	_____ %	2029	\$15,000	_____ %
2020	10,000		2030	15,000	
2021	10,000		2031	15,000	
2022	10,000		2032	15,000	
2023	10,000		2033	15,000	
2024	10,000		2034	15,000	
2025	10,000		2035	20,000	
2026	15,000		2036	20,000	
2027	15,000		2037	20,000	
2028	15,000		2038	20,000	

[TERM BONDS]

Stated Maturity	Principal	Annual Rate
<u>October 1</u>	<u>Amount</u>	<u>of Interest</u>
2038	\$ _____	_____ %]

The Series 2014A Bonds shall bear interest at the above specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid on the Interest Payment Dates in the manner set forth in *Section 208* hereof. The Series 2014A Bonds shall be issued as Book-Entry-Only Bonds and administered in accordance with the provisions of *Section 212* hereof.

Each of the Series 2014A Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be printed in accordance with the format required by the Attorney General of the State and shall be substantially in the form attached hereto as *Exhibit A* or as may be required by the Attorney General pursuant to the Notice of Systems of Registration for Kansas Municipal Bonds, 2 Kan. Reg. 921 (1983), in accordance with the Kansas Bond Registration Law, K.S.A. 10-620 *et seq.*

Section 203. Designation of Paying Agent and Bond Registrar. The State Treasurer is hereby designated as the Paying Agent for the payment of principal of and interest on the Series 2014A Bonds and Bond Registrar with respect to the registration, transfer and exchange of the Series 2014A Bonds. The Mayor of the Issuer is hereby authorized and empowered to execute on behalf of the Issuer an agreement with the Bond Registrar and Paying Agent for the Series 2014A Bonds.

The Issuer will at all times maintain a Paying Agent and Bond Registrar meeting the qualifications herein described for the performance of the duties hereunder. The Issuer reserves the right to appoint a successor Paying Agent or Bond Registrar by (a) filing with the Paying Agent or Bond Registrar then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent or Bond Registrar and appointing a successor, and (b) causing notice of

appointment of the successor Paying Agent and Bond Registrar to be given by first class mail to each Owner. No resignation or removal of the Paying Agent or Bond Registrar shall become effective until a successor has been appointed and has accepted the duties of Paying Agent or Bond Registrar.

Every Paying Agent or Bond Registrar appointed hereunder shall at all times meet the requirements of K.S.A. 10-501 *et seq.* and K.S.A. 10-620 *et seq.*, respectively.

Section 204. Method and Place of Payment of the Bonds. The principal of, or Redemption Price, and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal or Redemption Price of each Bond shall be paid at Maturity to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner or (b) in the case of an interest payment to Ced & Co., by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

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

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

Section 205. Registration, Transfer and Exchange of Bonds. The Issuer covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of the Bond Registrar as herein provided. Each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register.

Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange.

Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Bond Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds provided for by this Bond Resolution and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Bonds. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Code § 3406, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Owner hereunder or under the Bonds.

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to **Section 303** hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 208** hereof.

The Issuer and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute Owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Owner or upon the Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Paying Agent shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Bond Registrar, the Bond Register may be inspected and copied by the Owners (or a designated representative thereof) of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Owners whose authority is evidenced to the satisfaction of the Bond Registrar.

Section 206. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the Issuer by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Clerk and the seal of the Issuer shall be affixed thereto or imprinted thereon. The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and to cause the Bonds to be registered in the office of the Clerk, which registration shall be evidenced by the manual or facsimile signature of the Clerk with the seal of the Issuer affixed thereto or imprinted thereon. The Bonds shall also be registered in the office of the

State Treasurer, which registration shall be evidenced by the manual or facsimile signature of the State Treasurer with the seal of the State Treasurer affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds as herein specified, and when duly executed, to deliver the Bonds to the Paying Agent for authentication.

The Series 2014A Bonds shall have endorsed thereon a certificate of authentication substantially in the form attached hereto as *Exhibit A* hereof, which shall be manually executed by an authorized officer or employee of the Bond Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Series 2014A Bond shall be entitled to any security or benefit under this Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Bond Registrar. Such executed certificate of authentication upon any Series 2014A Bond shall be conclusive evidence that such Series 2014A Bond has been duly authenticated and delivered under this Bond Resolution. Upon authentication, the Bond Registrar shall deliver the Series 2014A Bond to the Purchaser upon instructions of the Issuer or its representative.

Section 207. Mutilated, Lost, Stolen or Destroyed Bonds. If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer, in its discretion, may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this Section, the Issuer and the Paying Agent may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Every new Bond issued pursuant to this Section shall constitute a replacement of the prior obligation of the Issuer, and shall be entitled to all the benefits of this Bond Resolution equally and ratably with all other Outstanding Bonds.

Section 208. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and destroyed and shall file an executed counterpart of such certificate with the Issuer.

Section 209. Book-Entry Bonds; Securities Depository. Any series of Bonds may be issued as Book-Entry-Only Bonds. If so, such series of Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Registrar issues Replacement Bonds as provided in this Section. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraph.

(a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, or (b) if the Bond Registrar receives written notice from Participants having interests in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, then the Bond Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Bond Registrar shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Bond Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Issuer, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository in accordance with the following paragraph, then the Bond Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Bond Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the Issuer.

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

Section 210. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available

to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay, without liability for interest thereon, to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 211. Calculation of Debt Service Requirements.

(a) *Debt Service Requirements on Balloon, Put, Short-Term and Interim Indebtedness.*

(1) The principal of Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness being treated as Long-Term Indebtedness under **Section 902** hereof, or Interim Indebtedness shall be deemed due and payable at its Stated Maturity; provided, however, that at the election of the Issuer for the purpose of any computation of Debt Service Requirements, whether historical or projected, the principal deemed payable on Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness being treated as Long-Term Indebtedness under **Section 902** hereof, or Interim Indebtedness, shall be deemed to be payable as set forth below:

(A) If the Issuer has obtained a binding commitment of a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency) to refinance such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or a portion thereof, including without limitation, a letter of credit or a line of credit, the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or portion thereof to be refinanced, may be deemed to be payable in accordance with the terms of the refinancing arrangement;

(B) If the Issuer has entered into a binding agreement providing for the deposit by the Issuer with a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency), in trust (herein called a "Special Redemption Fund") of amounts, less investment earnings realized and retained in the Special Redemption Fund, equal in aggregate to the principal amount of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or a portion thereof, when due from the sums so deposited and investment earnings realized thereon, then the principal amount of the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or portion thereof, may be deemed to be payable in accordance with the terms of such agreement;

(C) If the Issuer has entered into arrangements or agreements with respect to the principal amount of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, other than those referred to in subsections (A) and (B) above, which a Consultant in a certificate filed with the Issuer determines, taking into account the interests of the Owners of System Indebtedness, provides adequate assurances

that the Issuer will be able to meet the Debt Service Requirements due on such Indebtedness, the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness may be deemed to be payable in accordance with the terms of such arrangement or agreement; or

(D) Such Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness may be deemed to be System Indebtedness which, at the date of its original incurrence, was payable over a term not to exceed twenty (20) years in equal annual installments of principal and interest at the Index Rate.

A Consultant shall deliver to the Issuer a certificate stating that it is reasonable to assume that installment obligations of such term of the Issuer can be incurred and stating the interest rate then applicable to installment obligations of such term of comparable quality. Interim Indebtedness may be deemed to be Indebtedness which, at the date of its original incurrence, would meet the conditions specified in the statement of the Consultant as required in **Section 902**; provided that the Consultant shall for each annual period that the Debt Service Requirement is computed, provide a supplemental statement that at such period, the certifications contained in the statement are reasonable.

(2) Interest that is payable prior to the Stated Maturity of any Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness shall be taken into account for such appropriate period in computation of Debt Service Requirements. Interest payable at maturity or early redemption on Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness may either be amortized over the anticipated maturity or such longer period as is permitted under **Section 902** or **Section 214(a)(1)(D)** or may be treated as principal payable on the principal maturity date of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness.

(3) In measuring compliance with the applicable tests hereunder in connection with incurring Put Indebtedness and generally for purposes of determining the Debt Service Requirements relating thereto, Put Indebtedness shall be deemed to mature based upon the actual amortization requirements for the Put Indebtedness, only to the extent that the Issuer has a commitment to refinance such Put Indebtedness.

(b) **Debt Service Requirements on Discount Indebtedness.** At the election of the Issuer for the purpose of any computation of Debt Service Requirements, whether historical or projected, the principal and interest deemed payable on Discount Indebtedness shall be deemed to be payable as set forth below:

(1) If the Issuer has obtained a binding commitment of a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated “A” or better by any Rating Agency) to refinance such Discount Indebtedness, or a portion thereof, including without limitation, a letter of credit or a line of credit, the Discount Indebtedness, or portion thereof to be refinanced, may be deemed to be payable in accordance with the terms of the refinancing arrangement;

(2) If the Issuer has entered into a binding agreement providing for the deposit with a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated “A” or better by any Rating Agency), in trust (herein called a “Special Redemption Fund”) of amounts, less investment earnings realized and retained in the Special Redemption Fund, equal in

aggregate to the principal amount of such Discount Indebtedness, or a portion thereof, and providing for the payment of such principal amount when due from the sums so deposited, and investment earnings realized thereon, then the Discount Indebtedness, or portion thereof, may be deemed to be payable in accordance with the terms of such agreement;

(3) If the Issuer has entered into arrangements or agreements with respect to the principal amount of such Discount Indebtedness, other than those referred to in subsections (1) and (2) above, which a Consultant in a certificate filed with the Issuer determines, taking into account the interests of the holders of System Indebtedness, provides adequate assurances that the Issuer will be able to meet the Debt Service Requirements due on such Indebtedness, the Discount Indebtedness may be deemed to be payable in accordance with the terms of such arrangement or agreement; or

(4) As of any time the maturity amount represented by Discount Indebtedness shall be deemed to be the accreted value of such Indebtedness computed on the basis of a constant yield to maturity.

When calculating interest requirements on Variable Rate Indebtedness which bears a variable rate of interest for periods as to which the rate of interest has not been determined, the rate of interest on Outstanding Variable Rate Indebtedness shall be the average annual rate of interest which was payable on such Variable Rate Indebtedness during the twelve (12) months immediately preceding the date as of which the calculation is made; and the rate of interest on Variable Rate Indebtedness to be incurred (or incurred less than twelve (12) months preceding such date) shall be the average annual rate of interest which would have been payable on such Variable Rate Indebtedness had it been outstanding for a period of twelve (12) months immediately preceding the date as of which the calculation is made, as evidenced in a certificate of a Consultant, delivered to the Issuer.

Section 212. Preliminary and Final Official Statement. The Preliminary Official Statement dated **October 1, 2014**, is hereby ratified and approved.

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

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

Section 213. Sale of the Series 2014A Bonds. The sale of the Series 2014A Bonds to the Purchaser is hereby ratified and confirmed. The Mayor and Clerk are hereby authorized to execute the official bid form submitted by the Purchaser. Delivery of the Series 2014A Bonds shall be made to the Purchaser as soon as practicable after the adoption of this Bond Resolution, upon payment of the Purchase Price.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption by Issuer. The Bonds shall be subject to redemption and payment prior to their Stated Maturity, as follows:

(a) ***Optional Redemption.***

(1) *Series 2014A Bonds.* At the option of the Issuer, Series 2014A Bonds maturing on October 1, in the years 2020 and thereafter will be subject to redemption and payment prior to their Stated Maturity on October 1, 2019, and thereafter as a whole or in part (selection of maturities and the amount of Series 2014A Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

(2) *Additional Bonds.* Additional Bonds are subject to redemption and payment prior to Stated Maturity in accordance with the provisions of the supplemental resolution authorizing the issuance of such Additional Bonds.

(b) ***Mandatory Redemption.***

(1) *General.* The Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the Issuer may: (1) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the Issuer under this Section for any Term Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection. Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Issuer to redeem Term Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same Stated Maturity as designated by the Issuer, and the principal amount of Term Bonds to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the Issuer intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the Issuer will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with, with respect to such mandatory redemption payment.

(2) *The Series 2014A[-_____] Term Bonds.* [There are **no** Series 2014A Term Bonds.] [The Issuer shall from the payments specified in **Section 602(b)** hereof which are to be

deposited into the Debt Service Account redeem on October 1 in each year, the following principal amounts of Series 2014A[-_____] Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
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*

*Final Maturity

(3) [The *Series 2014A-[2038] Term Bonds*. The Issuer shall from the payments specified in **Section 602(b)** hereof which are to be deposited into the Debt Service Account redeem on October 1 in each year, the following principal amounts of Series 2014A[-2038] Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
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2038*

*Final Maturity

() *Additional Bonds*. Additional Bonds designated as Term Bonds shall be subject to mandatory redemption in accordance with the provisions of the supplemental resolution authorizing such Additional Bonds.

Section 302. Selection of Bonds to be Redeemed.

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

In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption a minimum Authorized Denomination of face value shall be treated as though it were a separate Bond of the denomination of a minimum Authorized Denomination. If it is determined that one or more, but not all, of a minimum Authorized Denomination of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem a minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of a minimum Authorized Denomination of face value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of a minimum Authorized Denomination of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption. In the event the Issuer desires to call the Bonds for redemption prior to maturity, written notice of such intent shall be provided to the Bond Registrar in accordance with K.S.A. 10-129, as amended, not less than 45 days prior to the Redemption Date. The Bond Registrar shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Bond Registrar at least 45 days prior to the Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. The foregoing provisions of this paragraph shall not apply in the case of any mandatory redemption of Term Bonds hereunder, and Term Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the Issuer and whether or not the Paying Agent holds moneys available and sufficient to effect the required redemption.

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

All official notices of redemption shall be dated and shall contain the following information:

- (a) the Redemption Date;
- (b) the Redemption Price;
- (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed;
- (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and
- (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent.

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

Prior to any Redemption Date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date.

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

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the Issuer defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

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

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

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

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

The Paying Agent is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

ARTICLE IV

SECURITY FOR BONDS

Section 401. Security for the Bonds. The Bonds shall be special obligations of the Issuer payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the Issuer hereby pledges said Net Revenues to the payment of the principal of and interest on the Bonds. The Bonds shall not be or constitute a general obligation of the Issuer, nor shall they constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provision, limitation or restriction, and the taxing power of the Issuer is not pledged to the payment of the Bonds, either as to principal or interest.

The covenants and agreements of the Issuer contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Bond Resolution. The Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues and in all other respects with any Parity Bonds and Parity Obligations. The Bonds shall not have any priority with respect to the payment of principal or interest from said net income and revenues or otherwise over the Parity Bonds and Parity Obligations and the Parity Bonds and Parity Obligations shall not have any priority with respect to the payment of principal or interest from said net income and revenues or otherwise over the Bonds.

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS DEPOSIT AND APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 501. Creation of Funds and Accounts. Simultaneously with the issuance of the Series 2014A Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

- (a) Costs of Issuance Account for Water System Utility Revenue Bonds, Series 2014A;
- (b) Water Utility System Operation and Maintenance Account;
- (c) Rebate Fund for Water System Utility Revenue Bonds, Series 2014A;
- (d) Redemption Fund for Refunded Notes; and
- (e) Compliance Account for Water System Utility Revenue Bonds, Series 2014A.

The Funds and Accounts established herein shall be administered in accordance with the provisions of this Bond Resolution so long as the Series 2014A Bonds are Outstanding.

The following separate Funds and Accounts created and established in the treasury of the Issuer are hereby ratified and confirmed:

- (a) Water Utility System Revenue Fund;
- (b) Water System Reserve Fund;
- (c) Water System Improvement Account;
- (d) Water System Depreciation and Replacement Account;
- (e) Water System Debt Service Account; and
- (f) Water System Revenue Bonds, Series 2006 Rebate Account.

The Funds and Accounts referred to in this paragraph shall be administered in accordance with the provisions of the Series 2006 Resolution so long as the Series 2006 Bonds are Outstanding and thereafter in accordance with this Bond Resolution.

Section 502. Deposit of Series 2014A Bond Proceeds. The net proceeds received from the sale of the Series 2014A Bonds shall be deposited simultaneously with the delivery of the Series 2014A Bonds as follows:

(a) All accrued interest and premium, if any, received from the sale of the Series 2014A Bonds shall be deposited in the Debt Service Account.

(b) The sum of \$ _____ shall be deposited in the Costs of Issuance Account.

(c) The remaining balance derived from the proceeds of the Series 2014A Bonds shall be deposited in the Redemption Fund.

Section 503. Application of Moneys in the Redemption Fund. Moneys in the Redemption Fund shall be paid and transferred to the Refunded Notes Paying Agent, with irrevocable instructions to apply such amount to the payment of the Refunded Notes on the Refunded Notes Redemption Date. The Clerk is authorized and instructed to provide appropriate notice of redemption in accordance with the Refunded Notes Resolution authorizing the issuance of such Refunded Notes. Any moneys remaining in the Redemption Fund not needed to retire the Refunded Notes shall be transferred to the Debt Service Account.

Section 504. Application of Moneys in the Rebate Fund.

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the Issuer nor the Owner of any Series 2014A Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and the Federal Tax Certificate.

(b) The Issuer shall periodically determine the rebatable arbitrage, if any, under Code § 148(f) in accordance with the Federal Tax Certificate, and the Issuer shall make payments to the United States of America at the times and in the amounts determined under the Federal Tax Certificate. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Series 2014A Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor, shall be deposited into the Revenue Fund.

(c) Notwithstanding any other provision of this Bond Resolution, including in particular *Article XI* hereof, the obligation to pay rebatable arbitrage to the United States of America and to comply with all other requirements of this Section and the Federal Tax Certificate shall survive the defeasance or payment in full of the Series 2014A Bonds.

Section 505. Application of Moneys in the Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of 30 days prior to the first Stated Maturity of principal or one year after the date of issuance of the Series 2014A Bonds, shall be transferred to the Compliance Account.

Section 506. Redemption of Series 2014A Notes. The Outstanding Series 2014A Notes, in the aggregate the principal amount of \$266,484, are hereby called for redemption and payment prior to maturity on the Refunded Notes Redemption Date. Said Series 2014A Notes shall be redeemed in accordance with the Refunded Notes Resolution by the payment of the principal thereof, together with the redemption premium and accrued interest thereon to such Refunded Notes Redemption Date. The Clerk is hereby directed to cause notice of the call for redemption and payment of said Series 2014A Notes to be given in the manner provided in the Refunded Notes Resolution. The officers of the Issuer and the Refunded Notes Paying Agent are hereby authorized and directed to take such other action as may be necessary in order to effect the redemption and payment of said Series 2014A Notes as herein provided.

ARTICLE VI

COLLECTION AND APPLICATION OF REVENUES

Section 601. Revenue Fund. The Issuer covenants and agrees that from and after the delivery of the Series 2014A Bonds, and continuing as long as any of the Bonds remain Outstanding hereunder, all of the Revenues shall as and when received be paid and deposited into the Revenue Fund. Said Revenues shall be segregated and kept separate and apart from all other moneys, revenues, Funds and Accounts of the Issuer and shall not be commingled with any other moneys, revenues, Funds and Accounts of the Issuer. The Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in this Bond Resolution, except as may be modified by the provisions of the Parity Resolution.

Section 602. Application of Moneys in Funds and Accounts. The Issuer covenants and agrees that from and after the delivery of the Series 2014A Bonds and continuing so long as any of the Bonds shall remain Outstanding, it will on the first day of each month administer and allocate all of the moneys then held in the Revenue Fund as follows:

(a) **Operation and Maintenance.** There shall first be paid and credited from month to month as a first charge against the Revenue Fund the Expenses as the same become due and payable. Such amount as may be necessary in the opinion of the Issuer's governing body to pay the reasonable and proper expenses of operation and maintenance for the ensuing sixty (60) days may be retained and accumulated in the Revenue Fund before making transfers to other Funds and Accounts.

Parity Resolutions. The following transfers shall be made on a parity of lien basis with the transfers and requirements of the Parity Resolutions.

(b) **Debt Service Account.** There shall next be paid and credited monthly to the Debt Service Account, to the extent necessary to meet on each Bond Payment Date the payment of all interest on and principal of the Series 2014A Bonds, the following sums:

(1) Beginning with the first of said monthly deposits and continuing on the first day of each month thereafter to and including March 1, 2015, an equal pro rata portion of the amount of interest becoming due on the Series 2014A Bonds on April 1, 2015; and thereafter, beginning on April 1, 2015, and continuing on the first day of each month thereafter so long as any of the Series 2014A Bonds remain Outstanding an amount not less than 1/6 of the amount of interest that will become due on the Series 2014A Bonds on the next succeeding Interest Payment Date; and

(2) Beginning October 1, 2018 and continuing on the first day of each month thereafter, so long as any of the Series 2014A Bonds remain Outstanding, an amount not less than

1/12 of the amount of principal that will become due on the Series 2014A Bonds on the next succeeding Maturity date.

The amounts required to be paid and credited to the Debt Service Account pursuant to this Section shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to the Debt Service Account by the Series 2006 Resolution and any other debt service accounts established for the payment of the Debt Service Requirements on Parity Bonds and Parity Obligations under the provisions of the Parity Resolution(s).

Any amounts deposited in the Debt Service Account in accordance with **Section 502(a)** hereof shall be credited against the Issuer's payment obligations as set forth in subsection (b)(1) of this Section.

All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the Debt Service Requirements of the Parity Bonds and Parity Obligations as and when the same become due.

If at any time the moneys in the Revenue Fund are insufficient to make in full the payments and credits at the time required to be made to the Debt Service Account to pay the principal of and interest on the Series 2014A Bonds and any Parity Bonds or Parity Obligations, the available moneys in the Revenue Fund shall be divided in proportion to the respective principal amounts of Parity Bonds and Parity Obligations at the time Outstanding which are payable from the moneys in the Debt Service Account.

(c) **Debt Service Reserve Account.** The Debt Service Reserve Account shall be fully funded on the Issue Date of the Series 2014A Bonds from funds then on deposit in the Debt Service Reserve Account. Except as hereinafter provided in this Section, all amounts paid and credited to the Debt Service Reserve Account shall be expended and used by the Issuer solely to prevent any default in the payment of interest on or principal of the Parity Bonds on any Maturity date or Interest Payment Date if the moneys in the respective debt service accounts are insufficient to pay the Debt Service Requirements of said Parity Bonds as they become due. So long as the Debt Service Reserve Account aggregates the Debt Service Reserve Requirement, no further payments into said Account shall be required, but if the Issuer is ever required to expend and use a part of the moneys in said Account for the purpose herein authorized and such expenditure reduces the amount of the Debt Service Reserve Account below the Debt Service Reserve Requirement, or if the valuation of the Debt Service Reserve Account as provided in **Section 701(b)** establishes that the value of the Debt Service Reserve Account is below the Debt Service Reserve Requirement, the Issuer shall make monthly payments into the Debt Service Reserve Account sufficient to restore the Depreciation and Replacement Account to the Depreciation and Replacement Requirement within 24 months.

Moneys in the Debt Service Reserve Account may be used to call the Parity Bonds for redemption and payment prior to their Stated Maturity or may be used to pay and retire the Parity Bonds and interest thereon; provided that after such redemption or payment there shall remain in the Debt Service Reserve Account an amount equal to the Debt Service Reserve Requirement. Any amounts in the Debt Service Reserve Account in excess of the Debt Service Reserve Requirement on any valuation date shall be transferred to the Debt Service Account.

(d) **Debt Service Accounts-Junior Lien Obligations.** There shall next be paid and credited monthly to the debt service account(s) for any Junior Lien Obligations, to the extent necessary to meet on each Bond Payment Date an amount equal to the payment of all interest on and principal of any Junior Lien Obligations. The amounts required to be paid and credited to the debt service account(s) for any Junior Lien Obligations shall be made at the same time and on a parity with the amounts at the time

required to be paid and credited to other debt service accounts established for the payment of the Debt Service Requirements on any Junior Lien Obligations.

(e) **Debt Service Accounts-Subordinate Lien Bonds.** There shall next be paid and credited monthly to the debt service account(s) for any Subordinate Lien Bonds, to the extent necessary to meet on each Bond Payment Date an amount equal to the payment of all interest on and principal of any Subordinate Lien Bonds. The amounts required to be paid and credited to the debt service account(s) for any Subordinate Lien Bonds shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to other debt service accounts established for the payment of the Debt Service Requirements on any Subordinate Lien Bonds.

(f) **Depreciation and Replacement Account.** Except as hereinafter provided, moneys in the Depreciation and Replacement Account shall be expended and used by the Issuer, if no other funds are available therefor, solely for the purpose of making emergency replacements and repairs in and to the System as may be necessary to keep the System in good repair and working order and to assure the continued effective and efficient operation thereof. If the Issuer is ever required to expend a part of the moneys in the Depreciation and Replacement Account for its authorized purposes and such expenditure reduces the amount of the Depreciation and Replacement Account below the Depreciation and Replacement Requirement, then the Issuer shall make monthly deposits into the Depreciation and Replacement Account sufficient to restore the Depreciation and Replacement Account to the Depreciation and Replacement Requirement within 18 months.

(g) **Improvement Account.** After all payments and credits required at the time to be made under the provisions of the preceding subsections have been made, all moneys remaining in the Revenue Fund shall be paid and credited to the Improvement Account. Moneys in the Improvement Account may be expended and used for the following purposes as determined by the governing body of the Issuer:

- (1) Paying the cost of the operation, maintenance and repair of the System to the extent that may be necessary after the application of the moneys held in the Operation and Maintenance Account under the provisions of paragraph (a) of this Section;
- (2) Paying the cost of extending, enlarging or improving the System;
- (3) Preventing default in, anticipating payments into or increasing the amounts in the Debt Service Account, any debt service account for Parity Bonds or Parity Obligations, the Debt Service Reserve Account or the Depreciation and Replacement Account referred to in this Section, or any one of them, or establishing or increasing the amount of any debt service account or debt service reserve account created by the Issuer for the payment of any Parity Bonds or Parity Obligations;
- (4) Calling, redeeming and paying prior to Stated Maturity, or, at the option of the Issuer, purchasing in the open market at the best price obtainable not exceeding the redemption price (if any bonds are callable), any Bonds, including principal, interest and redemption premium, if any; or
- (5) Any other lawful purpose in connection with the operation of the System and benefiting the System.
- (6) To make transfers to the Revenue Fund.
- (7) To make lawful transfers to any fund of the Issuer.

(h) **Deficiency of Payments into Funds and Accounts.** If at any time the Revenues are insufficient to make any payment on the date or dates hereinbefore specified, the Issuer will make good the amount of such deficiency by making additional payments or credits out of the first available Revenues, such payments and credits being made and applied in the order hereinbefore specified in this Section.

Section 603. Transfer of Funds to Paying Agent. The Treasurer of the Issuer is hereby authorized and directed to withdraw from the Debt Service Account, and, to the extent necessary to prevent a default in the payment of either principal or interest on the Bonds, from the Debt Service Reserve Account, the Depreciation and Replacement Account and the Improvement Account as provided in **Section 602** hereof, sums sufficient to pay the principal of and interest on the Bonds as and when the same become due on any Bond Payment Date, and to forward such sums to the Paying Agent in a manner which ensures the Paying Agent will have available funds in such amounts on or before the Business Day immediately preceding each Bond Payment Date. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Bond Resolution.

Section 604. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

ARTICLE VII

DEPOSIT AND INVESTMENT OF MONEYS

Section 701. Deposits and Investment of Moneys.

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

(b) Moneys held in any Fund or Account other than the Redemption Fund may be invested in accordance with this Bond Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account. All earnings on investments held in the Debt Service Reserve Account shall accrue to and become a part of the Debt Service Reserve Account until the amount on deposit in the Debt Service Reserve Account shall aggregate the Debt Service Reserve Requirement; thereafter, all such earnings shall be credited to the Debt Service Account. All earnings on investments held in the Depreciation and

Replacement Account shall accrue to and become a part of the Depreciation and Replacement Account until the amount on deposit in the Depreciation and Replacement Account shall aggregate the Depreciation and Replacement Requirement; thereafter, all such earnings shall be credited to the Improvement Fund.

In determining the amount held in any Fund or Account under the provisions of the Bond Resolution, Permitted Investments shall be valued at their market value. Such valuation shall be made as of the final Stated Maturity of principal of any Fiscal Year that the Bonds remain Outstanding and may be made in conjunction with redemption of any Bonds. If and when the amount held in any Fund or Account shall be in excess of the amount required by the provisions of this Bond Resolution, the Issuer shall direct that such excess be paid and credited to the Revenue Fund.

(c) So long as any of the Parity Bonds remain Outstanding, any investments made pursuant to this Section shall be subject to any restrictions in the Parity Resolution with respect to the Funds and Accounts created by and referred to in the Parity Resolution.

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

The Issuer covenants and agrees with each of the Owners of any of the Bonds that so long as any of the Bonds remain Outstanding and unpaid it will comply with each of the following covenants:

Section 801. Efficient and Economical Operation. The Issuer will continuously own and will operate the System as a revenue producing facility in an efficient and economical manner and will keep and maintain the same in good repair and working order.

Section 802. Rate Covenant. Until such time as no Series 2006 Bonds remain Outstanding, the Issuer shall comply with the Rate Covenant contained in the Series 2006 Resolution.

At such time as no Series 2006 Bonds remain Outstanding, the Issuer, in accordance with and subject to applicable legal requirements, will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the System as will produce Revenues sufficient to (a) pay the Expenses; (b) pay the Debt Service Requirements on the Bonds as and when the same become due at the Maturity thereof or on any Interest Payment Date; (c) enable the Issuer to have in each Fiscal Year, a Debt Service Coverage Ratio of not less than 1.10 on all Parity Bonds and Parity Obligations at the time Outstanding; 1.00 on any Junior Lien Obligations at the time Outstanding, and 1.00 on all Subordinate Lien Bonds at the time Outstanding; and (d) provide reasonable and adequate reserves for the payment of the Bonds and the interest thereon and for the protection and benefit of the System as provided in this Bond Resolution. The Issuer will require the prompt payment of accounts for service rendered by or through the System and will promptly take whatever action is legally permissible to enforce and collect delinquent charges. The Issuer will, from time to time as often as necessary, in accordance with and subject to applicable legal requirements, revise the rates and charges aforesaid in such manner as may be necessary or proper so that the Net Revenues will be sufficient to cover the obligations under this Section and otherwise under the provisions of this Bond Resolution. If in any Fiscal Year, Net Revenues are an amount less than as hereinbefore provided, the Issuer will immediately employ a Consultant to make recommendations with respect to such rates and charges. A copy of the Consultant's report and recommendations shall be filed with the Clerk and the Purchaser of the Bonds and shall be furnished to any Owner of the Bonds requesting a copy of the same, at the cost of such Owner. The Issuer shall, to the extent feasible, follow the recommendations of the Consultant.

Section 803. Reasonable Charges for all Services. None of the facilities or services provided by the System will be furnished to any user (excepting the Issuer itself) without a reasonable charge being made therefor. If the Revenues derived from the System are at any time insufficient to pay the reasonable Expenses and also to pay the Debt Service Requirements of the Bonds and Additional Obligations as and when the same become due, then the Issuer will thereafter pay into the Revenue Fund a fair and reasonable payment in accordance with effective applicable rates and charges for all services furnished to the Issuer or any of its departments by the System, and such payments will continue so long as the same may be necessary in order to prevent or reduce the amount of any default in the payment of the Debt Service Requirements of the Bonds and Additional Obligations.

Section 804. Restrictions on Mortgage or Sale of System. The Issuer will not mortgage, pledge or otherwise encumber the System or any part thereof, nor will it sell, lease or otherwise dispose of the System or any material part thereof; provided, however, the Issuer may:

(a) sell at fair market value any portion of the System which has been replaced by other similar property of at least equal value, or which ceases to be necessary for the efficient operation of the System, and in the event of sale, the Issuer will apply the proceeds to either (1) redemption of Outstanding Bonds in accordance with the provisions governing repayment of Bonds in advance of Stated Maturity, or (2) replacement of the property so disposed of by other property the revenues of which shall be incorporated into the System as hereinbefore provided;

(b) cease to operate, abandon or otherwise dispose of any property which has become obsolete, nonproductive or otherwise unusable to the advantage of the Issuer;

(c) grant a security interest in equipment to be purchased with the proceeds of any loan, lease or other obligation undertaken in accordance with *Article IX* hereof; or

(d) sell, lease or convey all or substantially all of the System to another entity or enter into a management contract with another entity if:

(1) The transferee entity is a political subdivision organized and existing under the laws of the State, or instrumentality thereof, or an organization described in Code § 501(c)(3), and expressly assumes in writing the due and punctual payment of the principal of and premium, if any, and interest on all outstanding System Indebtedness according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Bond Resolution;

(2) If there remains unpaid any System Indebtedness which bears interest that is not includable in gross income under the Code, the Issuer receives an opinion of Bond Counsel, in form and substance satisfactory to the Issuer, to the effect that under then existing law the consummation of such sale, lease or conveyance, whether or not contemplated on any date of the delivery of such System Indebtedness, would not cause the interest payable on such System Indebtedness to become includable in gross income under the Code;

(3) The Issuer receives a certificate of the Consultant which demonstrates and certifies that immediately upon such sale or conveyance the transferee entity will not, as a result thereof, be in default in the performance or observance of any covenant or agreement to be performed or observed by it under this Bond Resolution;

(4) Such transferee entity possesses such licenses to operate the System as may be required if it is to operate the System; and

(5) The Issuer receives an opinion of Bond Counsel, in form and substance satisfactory to the Issuer, as conclusive evidence that any such sale, lease or conveyance, and any such assumption, is permitted by law and complies with the provisions of this Section.

(6) The Issuer receives the written consent of the Bond Insurer.

Section 805. Insurance. The Issuer will carry and maintain insurance with respect to the System and its operations against such casualties, contingencies and risks (including but not limited to property and casualty, fire and extended coverage insurance upon all of the properties forming a part of the System insofar as the same are of an insurable nature, public liability, worker's compensation and employee dishonesty insurance), such insurance to be of the character and coverage and in such amounts as would normally be carried by other enterprises engaged in similar activities of comparable size and similarly situated; provided the amount of such liability insurance shall be in amounts not less than the then maximum liability of a governmental entity for claims arising out of a single occurrence, as provided by the State's tort claims act or other similar future law (currently \$500,000 per occurrence). In the event of loss or damage, the Issuer, with reasonable dispatch, will use the proceeds of such insurance in reconstructing and replacing the property damaged or destroyed, or in paying the claims on account of which such proceeds were received, or if such reconstruction or replacement is unnecessary or impracticable, then the Issuer will pay and deposit the proceeds of such insurance into the Revenue Fund. The Issuer will annually review the insurance it maintains with respect to the System to determine that it is customary and adequate to protect its property and operations. The Issuer may elect to be self-insured for all or any part of the foregoing requirements if (a) the Issuer annually obtains a written evaluation with respect to such self-insurance program from an Insurance Consultant, (b) the evaluation is to the effect that the self-insurance program is actuarially sound, (c) unless the evaluation states that such reserves are not necessary, the Issuer deposits and maintains adequate reserves for the self-insurance program with a corporate trustee, who may also be the Paying Agent, and (d) in the case of workers' compensation, adequate reserves created by the Issuer for such self-insurance program are deposited and maintained in such amount and manner as are acceptable to the State. The Issuer shall pay any fees and expenses of such Insurance Consultant in connection therewith. The cost of all insurance obtained pursuant to the requirements of this Section shall be paid as an Expense out of the Revenues.

Section 806. Books, Records and Accounts. The Issuer will install and maintain proper books, records and accounts (entirely separate from all other records and accounts of the Issuer) in which complete and correct entries will be made of all dealings and transactions of or in relation to the System. Such accounts shall show the amount of Revenues received from the System, the application of such funds, and all financial transactions in connection therewith. Said books shall be kept by the Issuer according to standard accounting practices as applicable to the operation of municipal utilities.

Section 807. Annual Budget. Prior to the commencement of each Fiscal Year, the Issuer will cause to be prepared and filed with the Clerk a budget setting forth the estimated receipts and expenditures of the System for the next succeeding Fiscal Year. Said annual budget shall be prepared in accordance with the requirements of the laws of the State and shall contain all information that is required by such laws, including:

(a) An estimate of the Revenues from the System during the next ensuing Fiscal Year.

(b) A statement of the estimated Expenses during the next ensuing Fiscal Year.

(c) A statement of any anticipated unusual Expenses for the System during the next Fiscal Year.

(d) A statement of any necessary repairs or replacements to the System which may be anticipated during the next Fiscal Year.

(e) A statement of the amount of Debt Service Requirements to be paid on Outstanding Bonds and Additional Obligations to be paid from Net Revenues during the next Fiscal Year.

(f) A statement of the estimated Net Revenues during the next Fiscal Year.

Section 808. Annual Audit. Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements System for the preceding Fiscal Year by an Independent Accountant to be employed for that purpose and paid from the Revenues. Said annual audit shall cover in reasonable detail the operation of the System during such Fiscal Year. The report of said annual audit shall include:

(a) A classified statement of the Revenues received, the Expenses for operation and maintenance, the Net Revenues and the amount of any capital expenditures made in connection with the System during the previous Fiscal Year;

(b) A complete balance sheet as of the end of each Fiscal Year with the amount on hand at the end of such Fiscal Year in each of the Funds and Accounts created by and referred to in this Bond Resolution;

(c) A statement of all Bonds and Additional Obligations matured or redeemed and interest paid on Bonds and Additional Obligations during said Fiscal Year;

(d) A statement of the number of customers served by the System at the beginning and the end of such Fiscal Year;

(e) A statement showing the amount and character of the insurance carried on the property constituting the System and showing the names of the insurers, the expiration dates of the policies and the premiums thereon;

(f) A calculation of the Debt Service Coverage Ratio for such Fiscal Year, and a statement regarding compliance by the Issuer with the rate covenants set forth in the Bond Resolution; and

(i) Such remarks and recommendations regarding the practices and procedures of operating the System and its accounting practices as said Independent Accountant may deem appropriate.

Within 30 days after the completion of each such annual audit, a copy of the report of thereof shall be filed in the office of the Clerk, and a duplicate copy shall be mailed to the Purchaser. Such audit reports shall at all times during the usual business hours be open to the examination and inspection by any user of the services of the System, any Owner of any of the Bonds, or by anyone acting for or on behalf of such user or Owner.

As soon as possible after the completion of the annual audit, the governing body of the Issuer shall review the report of such audit, and if the audit report discloses that proper provision has not been made for all of the requirements of this Bond Resolution and the Act, the Issuer will promptly cure such deficiency and will promptly proceed to modify the rates and charges to be charged for the use and

services furnished by the System or take such other action as may be necessary to adequately provide for such requirements.

Section 809. Right of Inspection. The Purchaser of the Bonds and any Owner or Owners of 10% of the principal amount of the Bonds then Outstanding shall have the right at all reasonable times to inspect the System and all records, accounts and data relating thereto, and shall be furnished all such information concerning the System and the operation thereof which the Purchaser or such Owner or Owners may reasonably request.

Section 810. Administrative Personnel. The Issuer shall use its best efforts to employ at all times administrative personnel experienced and well qualified to operate the System. The Issuer further agrees that such administrative personnel shall be employed in sufficient numbers to ensure that the System will be operated in a prudent and efficient manner.

Section 811. Performance of Duties and Covenants. The Issuer will faithfully and punctually perform all duties, covenants and obligations with respect to the operation of the System now or hereafter imposed upon the Issuer by the Constitution and laws of the State and by the provisions of this Bond Resolution.

Section 812. Report on System Condition. The Issuer shall annually cause a qualified employee of the Issuer to make an examination of and report on the condition and operations of the System. Each such report shall make recommendations as to any changes in operations of the System deemed desirable and shall also make reference to any unusual or extraordinary items of maintenance and repair and any extensions, enlargements or improvements that may be needed in the period prior to the preparation of the next report required by this Section. A copy of each such report shall be filed in the office of the Clerk, shall be sent to the Purchaser of the Bonds and, upon written request, to any Owner (at the expense of such Owner).

Section 813. Parity Bond Certification. The Issuer hereby represents and covenants that the Series 2014A Bonds directed to be issued by this Bond Resolution are so issued in full compliance with the restrictions and conditions upon which the Issuer may issue Additional Bonds payable out of the Revenues derived from the operation of the System and which stand on a parity with the Parity Bonds heretofore issued and Outstanding, as set forth and contained in the Parity Resolution, and that the Series 2014A Bonds herein directed to be issued are so issued in all respects on a parity and equality with the Parity Bonds heretofore issued and Outstanding.

ARTICLE IX

ADDITIONAL BONDS AND OBLIGATIONS

Section 901. Senior Lien Bonds. The Issuer covenants and agrees that so long as any of the Parity Bonds remain Outstanding, the Issuer will not issue any System Indebtedness payable out of the Revenues which are superior to the Parity Bonds with respect to the lien on the Revenues.

Section 902. Parity Bonds and Parity Obligations. Until such time as no Series 2006 Bonds remain Outstanding, the Issuer shall comply with the requirements for the issuance of parity lien bonds contained in Section 902 of the Series 2006 Resolution.

At such time as no Series 2006 Bonds remain Outstanding, the Issuer covenants and agrees that it will not issue any System Indebtedness which stands on a parity or equality of lien against the Net Revenues with the Parity Bonds unless the following conditions are met:

(a) The Issuer shall not be in default in the payment of principal of or interest on any Parity Bonds or Parity Obligations at the time Outstanding or in making any payment at the time required to be made into the respective Funds and Accounts created by and referred to in this Bond Resolution or any Parity Resolution (unless such System Indebtedness is being issued to provide funds to cure such default) nor shall any other Event of Default have occurred and be continuing;

(b) The Issuer shall deliver the following:

(1) **Long-Term Indebtedness.** A certificate signed by the Issuer evidencing *either* of the following:

(i) The Debt Service Coverage Ratio for the Fiscal Year immediately preceding the issuance of such System Indebtedness, as reflected by information provided by the Independent Accountant, shall be not less than 1.10 including the System Indebtedness proposed to be issued. In the event that the Issuer has instituted any increase in rates for the use and services of the System and such increase shall not have been in effect during the full Fiscal Year immediately preceding the issuance of such proposed System Indebtedness, the additional Net Revenues which would have resulted from the operation of the System during said preceding Fiscal Year had such rate increase been in effect for the entire period may be added to the stated Net Revenues for the calculation of the Debt Service Coverage Ratio, provided that such estimated additional Net Revenues shall be determined by a Consultant.

(ii) The estimated Debt Service Coverage Ratio (as determined by a Consultant), for the Fiscal Year immediately following the Fiscal Year in which the project, the cost of which is being financed by such System Indebtedness, is to be in commercial operation, shall be not less than 1.10, including the System Indebtedness proposed to be issued. In the event that the Issuer anticipates additional Revenues as a result of expansion or modification of the System by such System Indebtedness, the Issuer may adjust the estimated Net Revenues in determining the Debt Service Coverage Ratio, by adding thereto any estimated increase in Net Revenues resulting from any increase in Revenues, which, in the opinion of the Consultant, are reasonable based on projected operations of the System for such Fiscal Year.

(2) **Short-Term Indebtedness.** A certificate signed by the Issuer evidencing any *one* of the following:

(i) The principal amount of all Outstanding Short-Term Indebtedness does not exceed 15% of the Revenues for the most recently ended Fiscal Year for which financial information is available from the Independent Accountant;

(ii) The Short-Term Indebtedness could be incurred under **subsection (b)(1)** hereof assuming it was Long-Term Indebtedness.

(iii) There is delivered to the Issuer a certificate of a Consultant to the effect that it is such Consultant's opinion that it is reasonable to assume that the Issuer will be able to refinance such Short-Term Indebtedness prior to its Stated Maturity in compliance

with the provisions of this Section and the conditions described in **subsection (b)(1)** are met with respect to such Short-Term Indebtedness when it is assumed that such Short-Term Indebtedness is Long-Term Indebtedness maturing over 20 years (or such shorter period as such Consultant indicates is reasonable to assume in such statement) from the date of issuance of the Short-Term Indebtedness and bears interest on the unpaid principal balance at the Index Rate and is payable on a level annual debt service basis over a 20-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement).

(3) **Interim Indebtedness.** A certificate signed by the Issuer evidencing *either* of the following:

(i) The Interim Indebtedness could be incurred under **subsection (b)(1)** hereof assuming it was Long-Term Indebtedness.

(ii) There is delivered to the Issuer a certificate of a Consultant to the effect that it is such Consultant's opinion that it is reasonable to assume that the Issuer will be able to refinance such Interim Indebtedness prior to its Stated Maturity in compliance with the provisions of this Section and the conditions described in **subsection (b)(1)** are met with respect to such Interim Indebtedness when it is assumed that such Interim Indebtedness is Long-Term Indebtedness maturing over 20 years (or such shorter period as such Consultant indicates is reasonable to assume in such statement) from the date of issuance of the Interim Indebtedness and bears interest on the unpaid principal balance at the Index Rate and is payable on a level annual debt service basis over a 20-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement).

(c) When the issuance of System Indebtedness of equal stature and priority is permitted by the Statutes of the State.

(d) With respect to the issuance of Additional Bonds, an additional deposit to the Debt Service Reserve Account shall be made to bring the Debt Service Reserve Account to an amount equal to the Debt Service Reserve Requirement.

(e) The ordinance and/or resolution authorizing such System Indebtedness shall contain or provide for substantially the same terms, conditions, covenants and procedures as established in this Bond Resolution.

Notwithstanding the foregoing restrictions, additional System Indebtedness may be issued under this Section if it is necessary: (1) in the opinion of the Consulting Engineer to do so to repair the System if damaged or destroyed by disaster to such extent necessary to keep it in good operating condition; or (2) in the opinion of the Issuer's legal counsel to remedy any deficiency of the System relating to environmental pollution matters or to comply with the requirements of any governmental agency having jurisdiction over the Issuer with respect thereto.

Additional System Indebtedness issued under the conditions set forth in this Section shall stand on a parity with the Parity Bonds and Parity Obligations and shall enjoy complete equality or lien on and claim against the Net Revenues, and the Issuer may make equal provision for paying the Debt Service Requirements on such System Indebtedness out of the Revenue Fund and may likewise provide for the creation of reasonable debt service accounts and debt service reserve accounts for the payment of the

Debt Service Requirements on such System Indebtedness and the interest thereon out of moneys in the Revenue Fund.

Section 903. Junior Lien Obligations. Nothing in this Article shall prohibit or restrict the right of the Issuer to issue Junior Lien Obligations for any lawful purpose in connection with the operation of and benefiting the System and to provide that the Debt Service Requirements on such Junior Lien Obligations shall be payable out of the Net Revenues, provided at the time of the issuance of such Junior Lien Obligations the Issuer is not in default in the performance of any covenant or agreement contained in the Bond Resolution (unless such System Indebtedness shall be issued to cure such default and shall be junior and subordinate to the Parity Bonds and Parity Obligations) so that if at any time the Issuer shall be in default in paying either interest on or principal of the Parity Bonds or Parity Obligations, or of the Issuer is in default in making debt service, operation and maintenance or debt service reserve deposits or payments required to be made by it under the Bond Resolution, the Issuer shall make no payments of either principal of or interest on said Junior Lien Obligations until said default or defaults be cured.

Section 904. Subordinate Lien Bonds. Nothing in this Article shall prohibit or restrict the right of the Issuer to issue Subordinate Lien Bonds for any lawful purpose in connection with the operation of and benefiting the System and to provide that the Debt Service Requirements on such Subordinate Lien Bonds shall be payable out of the Net Revenues, provided at the time of the issuance of such Subordinate Lien Bonds the Issuer is not in default in the performance of any covenant or agreement contained in the Bond Resolution (unless such System Indebtedness shall be issued to cure such default and shall be junior and subordinate to the Parity Bonds, Parity Obligations and Junior Lien Obligations) so that if at any time the Issuer shall be in default in paying either interest on or principal of the Parity Bonds, Parity Obligations and Junior Lien Bonds, or of the Issuer is in default in making debt service, operation and maintenance or debt service reserve deposits or payments required to be made by it under the Bond Resolution, the Issuer shall make no payments of either principal of or interest on said Subordinate Lien Bonds until said default or defaults be cured. Such Subordinate Lien Bonds may also constitute general obligations of the Issuer.

Section 905. Refunding Bonds. The Issuer shall have the right, without complying with the provisions of **Section 902** hereof, to issue Refunding Bonds for the purpose of refunding any of the System Indebtedness under the provisions of any law then available, and the Refunding Bonds so issued shall enjoy complete equality of pledge as did the System Indebtedness that was refunded; provided, however, that if only a portion of any series of System Indebtedness is refunded and if said System Indebtedness is refunded in such manner that the Refunding Bonds bear a higher average rate of interest or become due on a date earlier than that of the System Indebtedness which is refunded, then said System Indebtedness may be refunded without complying with the provisions of **Section 902** hereof only by and with the written consent of the Owners of a majority in principal amount of the System Indebtedness that is not refunded; provided that such consent is not needed from Owners of Subordinate Lien Bonds or Junior Lien Obligations, nor is such consent needed if the System Indebtedness to be refunded constitutes Junior Lien Obligations or Subordinate Lien Bonds.

ARTICLE X

DEFAULT AND REMEDIES

Section 1001. Remedies. The provisions of this Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in

principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Bond Resolution or by the Constitution and laws of the State;

(b) by suit, action or other proceedings in equity or at law to require the Issuer, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds.

The Issuer hereby directs the Paying Agent to notify the Owners and Bond Insurer of any Event of Default of which it has actual notice.

Section 1002. Limitation on Rights of Owners. The covenants and agreements of the Issuer contained herein and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds of any series shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the Funds and Accounts herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Bond Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Bonds.

Section 1003. Remedies Cumulative. No remedy conferred herein upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Owners of the Bonds by this Bond Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. If action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the Issuer and the Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

Section 1004. No Obligation to Levy Taxes. Nothing contained in this Bond Resolution shall be construed as imposing on the Issuer any duty or obligation to levy any taxes either to meet any obligation incurred herein or to pay the principal of or interest on the Bonds.

Section 1005. Control of Remedies Upon an Event of Default and Event of Insolvency. Notwithstanding anything herein to the contrary, upon the occurrence and continuance of an Event of Default, the Bond Insurer, provided the Bond Insurance Policy is in full force and effect and the Bond

Insurer shall not be in default thereunder, shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners under this Bond Resolution.

Any reorganization or liquidation plan with respect to the Issuer must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Owners who hold the Insured Bonds insured by the Bond Insurer absent a default by the Bond Insurer under the applicable Bond Insurance Policy insuring such Insured Bonds.

ARTICLE XI

DEFEASANCE

Section 1101. Defeasance. When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Bond Resolution and the pledge of the Revenues hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption in compliance with **Section 303** of this Bond Resolution. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the Issuer, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Bond Resolution. The Issuer shall notify the Bond Insurer of any defeasance of any Insured Bonds insured by the Bond Insurer.

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

ARTICLE XII

TAX COVENANTS

Section 1201. General Covenants. The Issuer covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2014A Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Mayor and Clerk are hereby authorized and directed to execute the Federal Tax Certificate in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the Issuer. The Issuer will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Series 2014A Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

Section 1202. Survival of Covenants. The covenants contained in this Article and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Series 2014A Bonds pursuant to *Article XI* hereof or any other provision of this Bond Resolution until such time as is set forth in the Federal Tax Certificate.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 1301. Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of this Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Bond;
- (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond;
- (c) permit preference or priority of any Bond over any other Bond;
- (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Bond Resolution; or
- (e) permit the creation of a lien on the Revenues prior or equal to the lien of the Parity Bonds or Additional Obligations.

Any provision of the Bonds or of this Bond Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement this Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity herein, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to conform this Bond Resolution to the Code or future

applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

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

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

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

Section 1302. Notices, Consents and Other Instruments by Owners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Bond Resolution, and shall be conclusive in favor of the Issuer and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

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

(b) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Bond Resolution, Bonds owned by the Issuer shall be disregarded and deemed not to be Outstanding under this Bond Resolution, except that, in determining whether the Owners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Owners the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Issuer.

Section 1303. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Bond Resolution shall be in writing, given to the Notice Representative at the Notice Address and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

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

Section 1304. Inconsistent Provisions. In case any one or more of the provisions of this Bond Resolution or of the Bonds issued hereunder shall for any reason be inconsistent with the provisions of any Parity Resolution or any Parity Bonds: (a) the provisions of any Parity Resolution adopted prior to this Bond Resolution shall prevail with respect to Parity Bonds issued prior in time, so long as such Parity Bonds are Outstanding; and (b) the provisions of this Bond Resolution shall prevail with respect to any Parity Resolution adopted subsequent to the Bond Resolution, so long as any Parity Bonds issued under this Bond Resolution are Outstanding.

Section 1305. Electronic Transactions. The issuance of the Series 2014A Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

Section 1306. Further Authority. The officers and officials of the Issuer, including the Mayor and Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Bond Resolution and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 1307. Severability. If any section or other part of this Bond Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Bond Resolution.

Section 1308. Governing Law. This Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 1309. Effective Date.
This Bond Resolution shall take effect and be in full force from and after its adoption by the governing body of the Issuer.

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ADOPTED by the governing body of the Issuer on October 20, 2014.

(SEAL)

Mayor

ATTEST:

Clerk

CERTIFICATE

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of the Resolution No. _____ (the "Bond Resolution") of the City of Maize, Kansas, adopted by the governing body on October 20, 2014, as the same appears of record in my office, and that the Bond Resolution has not been modified, amended or repealed and is in full force and effect as of this date.

DATED: October 20, 2014.

Clerk

EXHIBIT A
(FORM OF SERIES 2014A BONDS)

**REGISTERED
NUMBER** ____

**REGISTERED
\$**_____

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

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF SEDGWICK
CITY OF MAIZE
WATER SYSTEM UTILITY REVENUE BOND
SERIES 2014A**

**Interest
Rate:**

**Maturity
Date:**

**Dated
Date:**

CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Maize, in the County of Sedgwick, State of Kansas (the “Issuer”), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Maturity Date shown above, unless called for redemption prior to said Maturity Date, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable semiannually on April 1 and October 1 of each year, commencing April 1, 2015 (the “Interest Payment Dates”), until the Principal Amount has been paid.

Method and Place of Payment. The principal or redemption price of this Series 2014A Bond shall be paid at maturity or upon earlier redemption to the person in whose name this Series 2014A Bond is registered at the maturity or redemption date thereof, upon presentation and surrender of this Series 2014A Bond at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”). The interest payable on this Series 2014A Bond on any Interest Payment Date shall be paid to the person in whose name this Series 2014A Bond is registered on the registration books maintained by the Bond Registrar at the close of business on the Record Date(s) for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding the

Interest Payment Date. Such interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner or, (b) in the case of an interest payment to Cede & Co., by electronic transfer to such Registered Owner upon written notice given to the Bond Registrar by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Registered Owner wishes to have such transfer directed. The principal or redemption price of and interest on the Series 2014A Bonds shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. Interest not punctually paid will be paid in the manner established in the within defined Bond Resolution.

Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the hereinafter defined Bond Resolution.

ADDITIONAL PROVISIONS OF THIS SERIES 2014A BOND ARE CONTINUED ON THE REVERSE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

Authentication. This Series 2014A Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter defined Bond Resolution until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Bond Registrar.

IT IS HEREBY DECLARED AND CERTIFIED that all acts, conditions, and things required to be done and to exist precedent to and in the issuance of this Series 2014A Bond have been properly done and performed and do exist in due and regular form and manner as required by the Constitution and laws of the State of Kansas, that the total indebtedness of the Issuer, including this series of bonds, does not exceed any constitutional or statutory limitation, and that provision has been duly made for the collection and segregation of the Revenues of the Water Utility System (the "System") and for the application of the same as provided in the hereinafter defined Bond Resolution.

IN WITNESS WHEREOF, the Issuer has caused this Series 2014A Bond to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its Clerk, and its seal to be affixed hereto or imprinted hereon.

CITY OF MAIZE, KANSAS

[(Facsimile Seal)]

(facsimile)
Mayor

ATTEST:

By _____ (facsimile)
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Series 2014A Bond is one of a series of Water System Utility Revenue Bonds, Series 2014A, of the City of Maize, Kansas, described in the within-mentioned Bond Resolution.

Registration Date _____

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

By _____

Registration Number _____

(FORM OF REVERSE SIDE OF BOND)

ADDITIONAL PROVISIONS

Authorization of Series 2014A Bonds. This Series 2014A Bond is one of an authorized series of bonds of the Issuer designated “Water System Utility Revenue Bonds, Series 2014A,” aggregating the principal amount of \$285,000 (the “Series 2014A Bonds”) issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Series 2014A Bonds and the Resolution of the Issuer prescribing the form and details of the Series 2014A Bonds (collectively the “Bond Resolution”). The Series 2014A Bonds are issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and laws of the State of Kansas, including K.S.A. 10-1201 *et seq.*, as amended by Charter Ordinance No. 26-14 of the City, and K.S.A. 10-620 *et seq.*, as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

Special Obligations. The Series 2014A Bonds are special obligations of the Issuer payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the taxing power of the Issuer is not pledged to the payment of the Series 2014A Bonds either as to principal or interest. The Series 2014A Bonds shall not be or constitute a general obligation of the Issuer, nor shall they constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provision, limitation or restriction. The Series 2014A Bonds stand on a parity and are equally and ratably secured with respect to the payment of principal and interest from the Net Revenues and in all other respects with a series of Water Revenue Bonds, Series 2006, of the Issuer, dated January 15, 2006 *Under the conditions set forth in the Bond Resolution, the Issuer has the right to issue additional System Indebtedness payable from the same source and secured by the Revenues on a parity with said Revenues; provided, however, that such additional System Indebtedness may be so issued only in accordance with and subject to the covenants, conditions and restrictions relating thereto set forth in the Bond Resolution.*

The Issuer hereby covenants and agrees with the Registered Owner of this Series 2014A Bond that it will keep and perform all covenants and agreements contained in the Bond Resolution, and will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the System, as will produce Net Revenues sufficient to pay the costs of operation and maintenance of the System, pay the principal of and interest on the Series 2014A Bonds as and when the same become due, and provide reasonable and adequate reserve funds. Reference is made to the Bond

Resolution for a description of the covenants and agreements made by the Issuer with respect to the collection, segregation and application of the Revenues, the nature and extent of the security for the Series 2014A Bonds, the rights, duties and obligations of the Issuer with respect thereto, and the rights of the Registered Owners thereof.

Redemption Prior to Maturity. The Series 2014A Bonds are subject to redemption prior to maturity, as follows:

Optional Redemption. At the option of the Issuer, the Series 2014A Bonds maturing on October 1, in the years 2020 and thereafter will be subject to redemption and payment prior to maturity on October 1, 2019, or thereafter, as a whole or in part (selection of maturities and the amount of Series 2014A Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

[Mandatory Redemption.] Each of the Series 2014A Bonds maturing on October 1, 2038 (the "Term Bonds") shall also be subject to mandatory redemption and payment prior to maturity, pursuant to the redemption schedule set forth in the Bond Resolution at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.]

[Mandatory Redemption.] Each of the Series 2014A-[_____] Term Bonds [and Series 2014A-[_____] Bonds] shall also be subject to mandatory redemption and payment prior to maturity, pursuant to the redemption schedule set forth in the Bond Resolution at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.]

Redemption Denominations. Whenever the Bond Registrar is to select Series 2014A Bonds for the purpose of redemption, it shall, in the case of Series 2014A Bonds in denominations greater than a minimum Authorized Denomination, if less than all of the Series 2014A Bonds then Outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such Series 2014A Bond as though it were a separate Series 2014A Bond in the denomination of a minimum Authorized Denomination.

Notice of Redemption. Notice of redemption, unless waived, shall be given by the Issuer to the Purchaser of the Series 2014A Bonds and to the Bond Registrar in accordance with the Bond Resolution. The Issuer shall cause the Bond Registrar to notify each Registered Owner at the address maintained on the Bond Register, such notice to be given by mailing an official notice of redemption by first class mail at least 30 days prior to the redemption date. Notice of redemption having been given as aforesaid, the Series 2014A Bonds or portions of Series 2014A Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer defaults in the payment of the redemption price) such Series 2014A Bonds or portions of Series 2014A Bonds shall cease to bear interest.

Book-Entry System. The Series 2014A Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Bond Resolution. One certificate with respect to each date on which the Series 2014A Bonds are stated to mature or with respect to each form of Series 2014A Bonds, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Series 2014A Bonds by the Securities Depository's participants, beneficial ownership of the Series 2014A Bonds in Authorized Denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and

procedures established by the Securities Depository and its participants. The Issuer and the Bond Registrar will recognize the Securities Depository nominee, while the Registered Owner of this Series 2014A Bond, as the owner of this Series 2014A Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Series 2014A Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to Beneficial Owners of the Series 2014A Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such Beneficial Owners. The Issuer and the Bond Registrar will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the Owner of this Series 2014A Bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Series 2014A Bond shall be made in accordance with existing arrangements among the Issuer, the Bond Registrar and the Securities Depository.]

Transfer and Exchange. EXCEPT AS OTHERWISE PROVIDED IN THE BOND RESOLUTION, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY. This Series 2014A Bond may be transferred or exchanged, as provided in the Bond Resolution, only on the Bond Register kept for that purpose at the principal [corporate trust] office of the Bond Registrar, upon surrender of this Series 2014A Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Bond Registrar duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Series 2014A Bond or Series 2014A Bonds in any Authorized Denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Bond Resolution and upon payment of the charges therein prescribed. The Issuer shall pay all costs incurred in connection with the issuance, payment and initial registration of the Series 2014A Bonds and the cost of a reasonable supply of bond blanks. The Issuer and the Paying Agent may deem and treat the person in whose name this Series 2014A Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. The Series 2014A Bonds are issued in fully registered form in Authorized Denominations.

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of such Series 2014A Bonds:

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

(PRINTED LEGAL OPINION)

BOND ASSIGNMENT

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

(Name and Address)

(Social Security or Taxpayer Identification No.)

the Series 2014A Bond to which this assignment is affixed in the outstanding principal amount of \$_____, standing in the name of the undersigned on the books of the Bond Registrar. The undersigned do(es) hereby irrevocably constitute and appoint _____ as agent to transfer said Series 2014A Bond on the books of said Bond Registrar with full power of substitution in the premises.

Dated _____

Name

Social Security or
Taxpayer Identification No.

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

Signature guarantee:

By _____

CERTIFICATE OF CLERK

STATE OF KANSAS)
) SS.
COUNTY OF SEDGWICK)

The undersigned, Clerk of the City of Maize, Kansas, does hereby certify that the within Series 2014A Bond has been duly registered in my office according to law as of as of the Issue Date.

WITNESS my hand and official seal.

(Facsimile Seal)

_____ (facsimile)
Clerk

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

RON ESTES, Treasurer of the State of Kansas, does hereby certify that a transcript of the proceedings leading up to the issuance of this Series 2014A Bond has been filed in the office of the State Treasurer, and that this Series 2014A Bond was registered in such office according to law on _____.

WITNESS my hand and official seal.

(Facsimile Seal)

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

ORDINANCE NO. _____

OF

THE CITY OF MAIZE, KANSAS

PASSED

OCTOBER 20, 2014

**WASTEWATER SYSTEM UTILITY REVENUE BONDS
SERIES 2014A**

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF PRINCIPAL AMOUNT OF WASTEWATER SYSTEM UTILITY REVENUE BONDS, SERIES 2014A, OF THE CITY OF MAIZE, KANSAS; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

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

WHEREAS, the Issuer is authorized under the provisions of K.S.A. 10-1201 *et seq.*, as amended by Charter Ordinance No. 26-14 of the City (collectively, the “Act”) to issue and sell revenue bonds for the purpose of paying all or part of the cost of the acquisition, construction, reconstruction, alteration, repair, improvement, extension or enlargement of the System, provided that the principal of and interest on such revenue bonds shall be payable solely from the Net Revenues derived from the operation of the System; and

WHEREAS, K.S.A. 10-1202 provides that any municipality authorized by the laws of the state of Kansas to issue general obligation bonds for the acquisition, construction, reconstruction, alteration, repair, improvement, extension or enlargement of any utility is empowered to issue and sell revenue bonds in payment of the cost of such improvements; and

WHEREAS, pursuant to the provisions of the laws of the State of Kansas applicable thereto, by proceedings duly had, the governing body of the Issuer has heretofore authorized the following improvements to be made in the City, to-wit:

<i>Project Description</i>	<i>Ord./Res. No.</i>	<i>Authority (K.S.A.)</i>	<i>Estimated Cost</i>
Maize Road Improvements ; and	799/467-09	K.S.A. 12-685 <i>et seq.</i>	\$7,000,000

WHEREAS, the governing body of the Issuer is authorized by law to issue general obligation bonds to pay the costs of the Maize Road Improvements; and

WHEREAS, to provide cash funds (from time to time) to meet its obligations incurred in constructing the Maize Road Improvements prior to the completion thereof and the issuance of the Issuer's general obligation bonds, and the Issuer found it necessary and desirable that such funds be raised by the issuance of several series of temporary notes of the Issuer pursuant to the Act; and

WHEREAS, the Issuer has heretofore issued the following temporary notes to temporarily finance a portion of the costs of the Maize Road Improvements (the “Series 2014A Notes”):

<i>Series</i>	<i>Dated Date</i>	<i>Maturity Date</i>	<i>Original Amount</i>	<i>Outstanding Amount</i>
2014A	March 7, 2014	October 1, 2015	\$1,550,000	\$1,550,000

; and

WHEREAS, \$953,516 of the proceeds of the Series 2014A Notes were used to finance or refinance improvements to the System in connection with the construction and installation of the Maize Road Improvements (the “Project”); and

WHEREAS, the Issuer desires to issue its System revenue bonds in order to retire that portion of the Series 2014A Notes which financed or refinanced the Project (the “Refunded Notes”); and

WHEREAS, the Issuer does not have Outstanding any System Indebtedness other than the Parity Bonds; and

WHEREAS, the Parity Resolution provides the City may issue Additional Bonds which constitute Parity Bonds upon the satisfaction of certain conditions; and

WHEREAS, prior to or simultaneously with the issuance of the Series 2014A Bonds, such terms and conditions will be satisfied.

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

Section 1. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms in this Ordinance shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

“**Act**” means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, and K.S.A. 10-1201 *et seq.*, as amended by Charter Ordinance No. 26-14 of the City, all as amended and supplemented from time to time.

“**Additional Bonds**” means any bonds secured by the Revenues hereafter issued pursuant to the Bond Resolution.

“**Additional Obligations**” means any leases or other obligations of the Issuer payable from the Revenues, other than the Bonds.

“**Bond Resolution**” means the resolution to be adopted by the governing body of the City prescribing the terms and details of the Series 2014A Bonds and making covenants with respect thereto.

“**Bonds**” means the Series 2014A Bonds and any Additional Bonds.

“**City**” means the City of Maize, Kansas.

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

“Expenses” means all reasonable and necessary expenses of operation, maintenance and repair of the System and keeping the System in good repair and working order (other than interest paid on System Revenue Bonds and depreciation and amortization charges during the period of determination), determined in accordance with generally accepted accounting principles, including without limiting the generality of the foregoing, current maintenance charges, expenses of reasonable upkeep and repairs, salaries, wages, costs of materials and supplies, paying agent fees and expenses, annual audits, periodic Consultant's reports, properly allocated share of charges for insurance, the cost of purchased water, gas and power, if any, for System operation, obligations (other than for borrowed money or for rents payable under capital leases) incurred in the ordinary course of business, liabilities incurred by endorsement for collection or deposit of checks or drafts received in the ordinary course of business, short-term obligations incurred and payable within a particular Fiscal Year, other obligations or indebtedness incurred for the purpose of leasing (pursuant to a true or operating lease) equipment, fixtures, inventory or other personal property, and all other expenses incident to the operation of the System, but shall exclude all general administrative expenses of the Issuer not related to the operation of the System and transfers into the Debt Service Reserve Account and Depreciation and Replacement Account provided for in the Bond Resolution.

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

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

“Net Revenues” means, for the period of determination, all Revenues less all Expenses.

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

“Parity Bonds” means the Outstanding Series 2012A Bonds, Series 2014A Bonds, and any Additional Bonds hereafter issued pursuant to the Bond Resolution and standing on a parity and equality with the Series 2014A Bonds with respect to the lien on the Net Revenues.

“Parity Obligations” means any Additional Obligations hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Parity Bonds with respect to the lien on the Net Revenues.

“Parity Resolution” means the Series 2012A Resolution, the Bond Resolution and the ordinances and/or resolutions under which any Additional Bonds which constitute Parity Bonds are hereafter issued.

“Project” means the acquisition, construction, reconstruction, alterations, repair, improvements, extensions or enlargements of the System described in the Preamble to this Ordinance.

“Refunded Notes” means the Series 2014A Notes in the aggregate principal amount of \$953,516

“Refunded Notes Redemption Date” means November 1, 2014.

“Refunded Notes Resolution” means the resolution which authorized the Refunded Notes.

“Revenue Fund” means the Wastewater Utility System Revenue Fund referred to in the Bond Resolution.

“Revenues” means all income and revenues derived and collected by the City from the operation and ownership of the System, including investment and rental income, net proceeds from business interruption insurance, Transfers from the Surplus Account to the Revenue Fund of Net Revenues derived in a prior Fiscal Year and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on System Indebtedness, but excluding any profits or losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

“Series 2014A Bonds” means the Issuer's Wastewater System Utility Revenue Bonds, Series 2014A, authorized by this Ordinance.

“Series 2014A Notes” means the Issuer's Temporary Notes Bonds, Series 2014A, dated March 7, 2014.

“Series 2012A Resolution” means collectively the Issuer's Ordinance No. 850 and Resolution No. 517-12, which authorized the Series 2012A Bonds.

“State” means the State of Kansas.

“System” means the entire sewerage plant and system owned and operated by the Issuer for the collection, treatment and disposal of sewage, to serve the needs of the Issuer and its inhabitants and others, including all appurtenances and facilities connected therewith or relating thereto, together with all extensions, improvements, additions and enlargements thereto hereafter made or acquired by the Issuer.

“System Indebtedness” means collectively all Bonds and all Additional Obligations.

Section 2. Authorization of the Series 2014A Bonds. There shall be issued and hereby are authorized and directed to be issued the Wastewater System Utility Revenue Bonds, Series 2014A, of the City in the principal amount of \$995,000, for the purpose of providing funds to: (a) refund the Refunded Notes; and (b) pay costs of issuance of the Series 2014A Bonds.

Section 3. Security for the Series 2014A Bonds. The Series 2014A Bonds shall be special obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the City hereby pledges said Net Revenues to the payment of the principal of and interest on the Series 2014A Bonds. The Series 2014A Bonds shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction, and the taxing power of the City is not pledged to the payment of the Series 2014A Bonds, either as to principal or interest.

The covenants and agreements of the City contained herein and in the Series 2014A Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Series 2014A Bonds, all of which Series 2014A Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Series 2014A Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Ordinance. The Series 2014A Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues with any Parity Bonds. The Series 2014A Bonds shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Parity Bonds; and the Parity Bonds shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Series 2014A Bonds.

Section 4. Terms, Details and Conditions of the Series 2014A Bonds. The Series 2014A Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued and delivered in the manner prescribed and subject to the provisions, covenants and agreements set forth in the Bond Resolution hereafter adopted by the governing body of the City.

Section 5. Rate Covenant. The City will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the System, including all repairs, alterations, extensions, reconstructions, enlargements or improvements thereto hereafter constructed or acquired by the City, as will produce Revenues sufficient to (a) pay Expenses; (b) pay the principal of and interest on the Bonds as and when the same become due; and (c) provide reasonable and adequate reserves for the payment of the Parity Bonds and the interest thereon and for the protection and benefit of the System as provided in this Ordinance and the Bond Resolution. The Bond Resolution may establish requirements in excess of the requirements set forth herein.

Section 6. Further Authority. The Mayor, Clerk and other City officials are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of the Ordinance to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 7. Governing Law. This Ordinance and the Series 2014A Bonds shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 8. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the governing body of the City, approval by the Mayor and publication in the official City newspaper.

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PASSED by the governing body of the City on October 20, 2014 and and **APPROVED AND SIGNED** by the Mayor.

(SEAL)

Mayor

ATTEST:

Clerk

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CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of the original ordinance; that said Ordinance was passed on October 20, 2014; that the record of the final vote on its passage is found on page ____ of journal ____; and that the Ordinance or a summary thereof was published in the *Clarion* on October 23, 2014.

DATED: October 23, 2014

Clerk

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RESOLUTION NO. _____

OF

THE CITY OF MAIZE, KANSAS

ADOPTED

OCTOBER 20, 2014

\$995,000
WASTEWATER SYSTEM UTILITY REVENUE BONDS
SERIES 2014A

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RESOLUTION NO. _____

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF WASTEWATER SYSTEM UTILITY REVENUE BONDS, SERIES 2014A, OF THE CITY OF MAIZE, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. _____ OF THE ISSUER; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

WHEREAS, the Issuer has heretofore passed the Ordinance authorizing the issuance of the Series 2014A Bonds; and

WHEREAS, the Ordinance authorized the governing body of the Issuer to adopt a resolution prescribing certain details and conditions and to make certain covenants with respect to the issuance of the Series 2014A Bonds.

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

ARTICLE I

DEFINITIONS

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

“Act” means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, and K.S.A. 10-1201 *et seq.*, as amended by Charter Ordinance No. 26-14 of the City, all as amended and supplemented from time to time.

“Additional Bonds” means any bonds secured by the Revenues hereafter issued pursuant to *Article IX* hereof.

“Additional Obligations” means any leases or other obligations of the Issuer payable from the Revenues, other than the Bonds.

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

“Balloon Indebtedness” means Long-Term Indebtedness, 25% or more of the original principal amount of which becomes due (either by maturity or mandatory redemption) during any consecutive twelve-month period, if such principal amount becoming due is not required to be amortized below such percentage by mandatory redemption or prepayment prior to such twelve-month period.

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

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

“Bond Insurer” means with respect to Additional Bonds, the entity set forth in the supplemental resolution authorizing such Additional Bonds.

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

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

“Bond Registrar” means: (a) with respect to the Series 2014A Bonds, the State Treasurer and its successors and assigns; and (b) with respect to Additional Bonds, the entity designated as Bond Registrar in the supplemental resolution authorizing such Additional Bonds.

“Bond Resolution” means this resolution relating to the Series 2014A Bonds and any supplemental resolution authorizing any Additional Bonds.

“Bonds” means the Series 2014A Bonds and any Additional Bonds.

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

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

“City” means the City of Maize, Kansas.

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

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

“Compliance Account” means the Compliance Account for Wastewater System Utility Revenue Bonds, Series 2014A created pursuant to **Section 501** hereof.

“Consultant” means the Consulting Engineer or the Independent Accountant, or an independent consultant qualified and having a favorable reputation for skill and experience in financial affairs selected by the Issuer for the purpose of carrying out the duties imposed on the Consultant by the Bond Resolution.

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

“Costs of Issuance” means all costs of issuing any series of Bonds, including all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, all expenses incurred in connection with receiving financial ratings on any series of Bonds, and any premiums or expenses incurred in obtaining any credit enhancement.

“Costs of Issuance Account” means the Costs of Issuance Account for Wastewater System Utility Revenue Bonds, Series 2014A created pursuant to **Section 501** hereof.

“Dated Date” means the Issue Date.

“Debt Service Account” means the Debt Service Account for Wastewater System Utility Revenue Bonds, Series 2014A created by **Section 501** hereof.

“Debt Service Coverage Ratio” means, for any Fiscal Year: (a) with respect to the covenants contained in **Section 802** hereof, the ratio determined by dividing (i) a numerator equal to the Net Revenues for such Fiscal Year by (ii) a denominator equal to the Debt Service Requirements for such Fiscal Year; and (b) with respect to the covenants contained in **Article IX** hereof, the ratio determined by dividing (i) a numerator equal to the Net Revenues for such Fiscal Year by (ii) a denominator equal to the average annual Debt Service Requirements on all System Indebtedness; provided that with respect to Additional Bonds that are proposed to be Parity Bonds, Debt Service Requirements on Junior Lien Obligations and Subordinate Lien Bonds shall be disregarded; further provided that with respect to Additional Bonds that are proposed to be Junior Lien Obligations, Debt Service Requirements on Subordinate Lien Bonds shall be disregarded.

“Debt Service Requirements” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

“Debt Service Reserve Account” means the Debt Service Reserve Account for Wastewater Utility System Parity Bonds created by **Section 501** hereof.

“Debt Service Reserve Requirement” means the amount equal to the least of (a) the aggregate of 10% of the original stated principal amount of each Series of Parity Bonds, (b) the Maximum Annual Debt Service for all Parity Bonds during any Fiscal Year, or (c) 125% of the average annual Debt Service Requirements for all Parity Bonds over the term of all Parity Bonds. If the aggregate initial offering price of any series of Bonds to the public is less than 98% or more than 102% of par, such offering price shall be used in clause (a) in lieu of the stated principal amount. When calculating the Debt Service Reserve Requirement in conjunction with the issuance of the Bonds described in **Section 905** hereof, the principal amount of the refunded bonds shall be deducted from said calculations.

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

“Defeasance Obligations” means any of the following obligations:

- (a) Cash; or

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

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

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

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

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

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

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

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

“Depreciation and Replacement Account” means the Wastewater Utility System Depreciation and Replacement Account referred to in *Section 501* hereof.

“Depreciation and Replacement Requirement” means an amount equal to 5% of the Revenues for the prior Fiscal Year.

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

“Discount Indebtedness” means Long-Term Indebtedness that is originally sold at a price (excluding accrued interest, but without deduction of any underwriters' discount) of less than 75% of the maturity amount including the amount of principal and interest to accrete at maturity of such Long-Term Indebtedness.

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

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

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

(b) Payment of any installment of interest on any of the Bonds shall not be made when the same shall become due; or

(c) The Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) Any substantial part of the System shall be destroyed or damaged to the extent of impairing its efficient operation or adversely affecting its Net Revenues and the Issuer shall not within a reasonable time commence the repair, replacement or reconstruction thereof and proceed thereafter to complete with reasonable dispatch the repair, replacement or reconstruction thereof; or

(e) Final judgment for the payment of money shall be rendered against the Issuer as a result of the ownership, control or operation of the System and any such judgment shall not be discharged within one hundred twenty (120) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(f) An order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the System or any part thereof or of the revenues thereof, or if such order or decree, having been entered without the consent or acquiescence of the Issuer, shall not be vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

(g) Any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Net Revenues; or

(h) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Bond Resolution on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Bonds then Outstanding; or

(i) A monetary default shall have occurred on any System Indebtedness.

“Expenses” means all reasonable and necessary expenses of operation, maintenance and repair of the System and keeping the System in good repair and working order (other than interest paid on System Revenue Bonds and depreciation and amortization charges during the period of determination), determined in accordance with generally accepted accounting principles, including without limiting the generality of the foregoing, current maintenance charges, expenses of reasonable upkeep and repairs, salaries, wages, costs of materials and supplies, paying agent fees and expenses, annual audits, periodic Consultant's reports, properly allocated share of charges for insurance, the cost of purchased water, gas and power, if any, for System operation, obligations (other than for borrowed money or for rents payable under capital leases) incurred in the ordinary course of business, liabilities incurred by endorsement for collection or deposit of checks or drafts received in the ordinary course of business, short-term obligations incurred and payable within a particular Fiscal Year, other obligations or indebtedness incurred for the

purpose of leasing (pursuant to a true or operating lease) equipment, fixtures, inventory or other personal property, and all other expenses incident to the operation of the System, but shall exclude all general administrative expenses of the Issuer not related to the operation of the System and transfers into the Debt Service Reserve Account and Depreciation and Replacement Account provided for in this Bond Resolution.

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

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

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

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

“**Index Rate**” means the rate of interest set forth in *The Bond Buyer* Revenue Bond Index (or, in the event that *The Bond Buyer* does not compile such index or ceases publication, another comparable publication recognized in the municipal bond market) published for the week immediately preceding the date of determination.

“**Insurance Consultant**” means an individual or firm selected by the Issuer qualified to survey risks and to recommend insurance coverage for entities engaged in operations similar to those of the System and having a favorable reputation for skill and experience in making such surveys and recommendations.

“**Insured Bonds**” means any Series of Bonds insured by a Bond Insurer.

“**Interest Payment Date(s)**” means: (a) with respect to the Series 2014A Bonds, the Stated Maturity of an installment of interest on the Series 2014A Bonds which shall be April 1 and October 1 of each year, commencing April 1, 2015; and (b) with respect to Additional Bonds, the Stated Maturity of an installment of interest on such Additional Bonds, as set forth in the supplemental resolution authorizing such Additional Bonds.

“**Interim Indebtedness**” means System Indebtedness having a term not less than one year, and not in excess of five years, incurred or assumed in anticipation of being refinanced or refunded with Long-Term Indebtedness.

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

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

“**Junior Lien Obligations**” means any Additional Bonds or Additional Obligations payable from, and secured by a lien on the Revenues, which lien is junior to that of any Parity Bonds, but senior to that of the Subordinate Lien Bonds.

“Long-Term Indebtedness” means System Indebtedness having an original stated maturity or term greater than five years, or renewable or extendible at the option of the debtor for a period greater than one year from the date of original issuance or incurrence thereof.

“Maturity” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

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

“Maximum Annual Debt Service” means the maximum amount of Debt Service Requirements as computed for the then current or any future Fiscal Year; provided that the Debt Service Requirements in the final Stated Maturity of any series of Parity Bonds shall be reduced by the value of cash and Permitted Investments on deposit in the Debt Service Reserve Account, so long as the Debt Service Reserve Account is maintained at the Debt Service Reserve Requirement.

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

“Net Revenues” means, for the period of determination, all Revenues less all Expenses.

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

(a) To the Issuer at:

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

(b) To the Paying Agent at:

Series 2014A Bonds:

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

Additional Bonds:

The address set forth in the supplemental resolution authorizing such Additional Bonds.

(c) To the Purchaser:

Series 2014A Bonds:

XXX
XXX
XXX
Fax: XXX

Additional Bonds:

The address set forth in the supplemental resolution authorizing such Additional Bonds.

- (d) To the Rating Agency(ies):

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

Standard & Poor's Ratings Services, a division of
McGraw Hill Financial Inc.
55 Water Street, 38th Floor
New York, New York 10004

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

“Notice Representative” means:

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

“Official Statement” means Issuer’s Official Statement relating to the Series 2014A Bonds.

“Operation and Maintenance Account” means the Wastewater Utility System Operation and Maintenance Account referred to in *Section 501* hereof.

“Ordinance” means Ordinance No. ____ of the Issuer authorizing the issuance of the Series 2014A Bonds, as amended from time to time.

“Outstanding” means, when used with reference to Bonds, as of a particular date of determination, all Bonds theretofore, authenticated and delivered, except the following Bonds:

- (a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation pursuant to the Bond Resolution;
(b) Bonds deemed to be paid in accordance with the provisions of *Section 1101* of the Bond Resolution; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Bond Resolution.

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

“Parity Bonds” means the Outstanding Series 2012A Bonds, Series 2014A Bonds, and any Additional Bonds hereafter issued pursuant to *Section 902* or *Section 905* of the Bond Resolution and standing on a parity and equality with the Series 2014A Bonds with respect to the lien on the Net Revenues.

“Parity Obligations” means any Additional Obligations hereafter issued or incurred pursuant to *Section 902* or *Section 905* of this Bond Resolution and standing on a parity and equality with the Parity Bonds with respect to the lien on the Net Revenues.

“Parity Resolution” means the Series 2012A Resolution, this Bond Resolution and the ordinances and/or resolutions under which any Additional Bonds which constitute Parity Bonds are hereafter issued.

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

“Paying Agent” means: (a) with respect to the Series 2014A Bonds, the State Treasurer, and its successors and assigns; and (b) with respect to Additional Bonds, the entity designated as Paying Agent in the supplemental resolution authorizing such Additional Bonds.

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

“**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.

“**Project**” shall mean the repairs, alterations, extensions, reconstructions, enlargements or improvements to the System referred to in the preamble to the Ordinance.

“**Purchase Price**” means: (a) with respect to the Series 2014A Bonds, the principal amount of the Series 2014A Bonds plus accrued interest to the date of delivery[, plus a premium of \$_____] [, less an underwriting discount of \$_____] [, less an original issue discount of \$_____]; and (b) with respect to Additional Bonds, the amount set forth in the supplemental resolution authorizing such Additional Bonds.

“**Purchaser**” means: (a) with respect to the Series 2014A Bonds, XXX, XXX, the original purchaser of the Series 2014A Bonds, and any successor and assigns; and (b) with respect to Additional Bonds, the original purchaser of such Additional Bonds, as set forth in the supplemental resolution authorizing such Additional Bonds.

“**Put Indebtedness**” means Long-Term Indebtedness which is (a) payable or required to be purchased or redeemed from the holder by or on behalf of the underlying obligor, at the option of the holder thereof, prior to its stated maturity date, or (b) payable or required to be purchased or redeemed from the holder by or on behalf of the underlying obligor, other than at the option of the holder, prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund, or other than by reason of acceleration upon the occurrence of an Event of Default under this Bond Resolution.

“**Rating Agency**” means any company, agency or entity that provides financial ratings for the Bonds.

“**Rebate Fund**” means the Rebate Fund for Wastewater System Utility Revenue, Series 2014A created pursuant to *Section 501* hereof.

“**Record Dates**” for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

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

“**Redemption Fund**” means the Redemption Fund for Refunded Notes referred to in *Section 501* hereof.

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

“**Refunded Notes**” means the Series 2014A Notes in the aggregate principal amount of \$953,516.

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

“Refunded Notes Redemption Date” means November 1, 2014.

“Refunded Notes Resolution” means the resolution which authorized the Refunded Notes.

“Refunding Bonds” means System Indebtedness issued pursuant to *Section 905* hereof for the purpose of refunding any Outstanding System Indebtedness.

“Replacement Bonds” means Bonds issued to the Beneficial Owners of the Bonds in accordance with *Section 212* hereof.

“Revenue Fund” means the Wastewater Utility System Revenue Fund referred to in *Section 501* hereof.

“Revenues” means all income and revenues derived and collected by the City from the operation and ownership of the System, including investment and rental income, net proceeds from business interruption insurance, transfers from the Surplus Account to the Revenue Fund of Net Revenues derived in a prior Fiscal Year and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on System Indebtedness, but excluding any profits or losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

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

“Series 2014A Bonds” means the Issuer's Wastewater System Utility Revenue Bonds, Series 2014A, authorized and issued by the Issuer pursuant to the Ordinance and this Bond Resolution.

“Series 2014A Notes” means the Issuer's Temporary Notes Bonds, Series 2014A, dated March 7, 2014.

“Series 2012A Bonds” means the Issuer's Wastewater System Utility Revenue Bonds, Series 2012A, dated August 30, 2012.

“Series 2012A Resolution” means collectively the Issuer's Ordinance No. 850 and Resolution No. 517-12, which authorized the Series 2012A Bonds.

[**“Series 2014A[- ____] Term Bonds”** means the Series 2014A Bonds scheduled to mature in the year ____.]

[**“Series 2014A[-2038] Term Bonds”** means the Series 2014A Bonds scheduled to mature in the year 2038.]

“Short-Term Indebtedness” means System Indebtedness having an original maturity less than or equal to one year from the date of original incurrence thereof, and not renewable or extendible at the option of the obligor thereon for a term greater than one year beyond the date of original issuance.

“Special Record Date” means the date fixed by the Paying Agent pursuant to *Section 207* hereof for the payment of Defaulted Interest.

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

“State” means the state of Kansas.

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

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

“Subordinate Lien Bonds” means any Additional Bonds or Additional Obligations payable from the Revenues on a subordinate lien basis to any Parity Bonds and Junior Lien Obligations, and which constitute general obligations of the Issuer.

“Surplus Account” means the Wastewater Utility System Surplus Account referred to in *Section 501* hereof.

“System” means the entire sewerage plant and system owned and operated by the Issuer for the collection, treatment and disposal of sewage, to serve the needs of the Issuer and its inhabitants and others, including all appurtenances and facilities connected therewith or relating thereto, together with all extensions, improvements, additions and enlargements thereto hereafter made or acquired by the Issuer.

“System Indebtedness” means collectively the Bonds and any Additional Obligations which are payable out of, or secured by an interest in, the Revenues.

“Term Bonds” means any Bonds designated as Term Bonds in this Bond Resolution or in any supplemental resolution authorizing the issuance of Additional Bonds.

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

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

“Variable Rate Indebtedness” means any System Indebtedness which provides for interest to be payable thereon at a rate per annum that may vary from time to time over the term thereof in accordance with procedures provided in the instrument creating such System Indebtedness.

ARTICLE II

AUTHORIZATION AND DETAILS OF THE BONDS

Section 201. Authorization of the Series 2014A Bonds. The Series 2014A Bonds have been heretofore authorized and directed to be issued pursuant to the Ordinance in the principal amount of \$995,000, for the purpose of providing funds to: (a) refund the Refunded Bonds and (b) pay Costs of Issuance.

Section 202. Description of the Series 2014A Bonds. The Series 2014A Bonds shall consist of fully registered bonds in Authorized Denominations, and shall be numbered in such manner as the Bond Registrar shall determine. All of the Series 2014A Bonds shall be dated as of the Dated Date, shall become due in the amounts, on the Stated Maturities, and subject to redemption and payment, prior to their Stated Maturities as provided in *Article III* hereof and shall bear interest at the rates per annum as follows:

[SERIAL BONDS]

<u>Stated Maturity</u> <u>October 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>	<u>Stated Maturity</u> <u>October 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
2019	\$40,000	_____ %	2029	\$50,000	_____ %
2020	40,000		2030	50,000	
2021	40,000		2031	50,000	
2022	40,000		2032	55,000	
2023	40,000		2033	55,000	
2024	40,000		2034	60,000	
2025	40,000		2035	60,000	
2026	45,000		2036	65,000	
2027	45,000		2037	65,000	
2028	45,000		2038	70,000	

[TERM BONDS]

<u>Stated Maturity</u> <u>October 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
2038	\$ _____	_____ %]

The Series 2014A Bonds shall bear interest at the above specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid on the Interest Payment Dates in the manner set forth in *Section 208* hereof. The Series 2014A Bonds shall be issued as Book-Entry-Only Bonds and administered in accordance with the provisions of *Section 212* hereof.

Each of the Series 2014A Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be printed in accordance with the format required by the Attorney General of the State and shall be substantially in the form attached hereto as *Exhibit A* or as may be required by the Attorney General pursuant to the Notice of Systems of Registration for Kansas Municipal Bonds, 2 Kan. Reg. 921 (1983), in accordance with the Kansas Bond Registration Law, K.S.A. 10-620 *et seq.*

Section 203. Designation of Paying Agent and Bond Registrar. The State Treasurer is hereby designated as the Paying Agent for the payment of principal of and interest on the Series 2014A Bonds

and Bond Registrar with respect to the registration, transfer and exchange of the Series 2014A Bonds. The Mayor of the Issuer is hereby authorized and empowered to execute on behalf of the Issuer an agreement with the Bond Registrar and Paying Agent for the Series 2014A Bonds.

The Issuer will at all times maintain a Paying Agent and Bond Registrar meeting the qualifications herein described for the performance of the duties hereunder. The Issuer reserves the right to appoint a successor Paying Agent or Bond Registrar by (a) filing with the Paying Agent or Bond Registrar then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent or Bond Registrar and appointing a successor, and (b) causing notice of appointment of the successor Paying Agent and Bond Registrar to be given by first class mail to each Owner. No resignation or removal of the Paying Agent or Bond Registrar shall become effective until a successor has been appointed and has accepted the duties of Paying Agent or Bond Registrar.

Every Paying Agent or Bond Registrar appointed hereunder shall at all times meet the requirements of K.S.A. 10-501 *et seq.* and K.S.A. 10-620 *et seq.*, respectively.

Section 204. Method and Place of Payment of the Bonds. The principal of, or Redemption Price, and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal or Redemption Price of each Bond shall be paid at Maturity to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner or (b) in the case of an interest payment to any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

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

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

Section 205. Registration, Transfer and Exchange of Bonds. The Issuer covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of the Bond Registrar as herein provided. Each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register.

Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange.

Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Bond Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds provided for by this Bond Resolution and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Bonds. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Code § 3406, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Owner hereunder or under the Bonds.

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to **Section 303** hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 208** hereof.

The Issuer and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute Owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Owner or upon the Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Paying Agent shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Bond Registrar, the Bond Register may be inspected and copied by the Owners (or a designated representative thereof) of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Owners whose authority is evidenced to the satisfaction of the Bond Registrar.

Section 206. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the Issuer by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Clerk and the seal of the Issuer shall be affixed thereto or imprinted thereon. The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and to cause the Bonds to be registered in the office of the Clerk, which registration shall be evidenced by the manual or facsimile signature of the Clerk with the seal of the Issuer affixed thereto or imprinted thereon. The Bonds shall also be registered in the office of the State Treasurer, which registration shall be evidenced by the manual or facsimile signature of the State Treasurer with the seal of the State Treasurer affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds as herein specified, and when duly executed, to deliver the Bonds to the Paying Agent for authentication.

The Series 2014A Bonds shall have endorsed thereon a certificate of authentication substantially in the form attached hereto as *Exhibit A* hereof, which shall be manually executed by an authorized officer or employee of the Bond Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Series 2014A Bond shall be entitled to any security or benefit under this Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Bond Registrar. Such executed certificate of authentication upon any Series 2014A Bond shall be conclusive evidence that such Series 2014A Bond has been duly authenticated and delivered under this Bond Resolution. Upon authentication, the Bond Registrar shall deliver the Series 2014A Bond to the Purchaser upon instructions of the Issuer or its representative.

Section 207. Mutilated, Lost, Stolen or Destroyed Bonds. If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer, in its discretion, may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this Section, the Issuer and the Paying Agent may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Every new Bond issued pursuant to this Section shall constitute a replacement of the prior obligation of the Issuer, and shall be entitled to all the benefits of this Bond Resolution equally and ratably with all other Outstanding Bonds.

Section 208. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and destroyed and shall file an executed counterpart of such certificate with the Issuer.

Section 209. Book-Entry Bonds; Securities Depository. Any series of Bonds may be issued as Book-Entry-Only Bonds. If so, such series of Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Registrar issues Replacement Bonds as provided in this Section. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraph.

(a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, or (b) if the Bond Registrar receives written notice from Participants having interests in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, then the Bond Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Bond Registrar shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Bond Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Issuer, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository in accordance with the following paragraph, then the Bond Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Bond Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the Issuer.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Bond Registrar receives written evidence satisfactory to the Bond Registrar with

respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Bond Registrar upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

Section 210. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay, without liability for interest thereon, to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 211. Calculation of Debt Service Requirements.

(a) ***Debt Service Requirements on Balloon, Put, Short-Term and Interim Indebtedness.***

(1) The principal of Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness being treated as Long-Term Indebtedness under **Section 902** hereof, or Interim Indebtedness shall be deemed due and payable at its Stated Maturity; provided, however, that at the election of the Issuer for the purpose of any computation of Debt Service Requirements, whether historical or projected, the principal deemed payable on Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness being treated as Long-Term Indebtedness under **Section 902** hereof, or Interim Indebtedness, shall be deemed to be payable as set forth below:

(A) If the Issuer has obtained a binding commitment of a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency) to refinance such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or a portion thereof, including without limitation, a letter of credit or a line of credit, the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or portion thereof to be refinanced, may be deemed to be payable in accordance with the terms of the refinancing arrangement;

(B) If the Issuer has entered into a binding agreement providing for the deposit by the Issuer with a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency), in trust (herein called a "Special Redemption Fund") of amounts, less investment earnings realized and retained in the Special Redemption Fund, equal in aggregate to the principal amount of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or a portion thereof, when due from the sums so deposited and investment

earnings realized thereon, then the principal amount of the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or portion thereof, may be deemed to be payable in accordance with the terms of such agreement;

(C) If the Issuer has entered into arrangements or agreements with respect to the principal amount of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, other than those referred to in subsections (A) and (B) above, which a Consultant in a certificate filed with the Issuer determines, taking into account the interests of the Owners of System Indebtedness, provides adequate assurances that the Issuer will be able to meet the Debt Service Requirements due on such Indebtedness, the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness may be deemed to be payable in accordance with the terms of such arrangement or agreement; or

(D) Such Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness may be deemed to be System Indebtedness which, at the date of its original incurrence, was payable over a term not to exceed twenty (20) years in equal annual installments of principal and interest at the Index Rate.

A Consultant shall deliver to the Issuer a certificate stating that it is reasonable to assume that installment obligations of such term of the Issuer can be incurred and stating the interest rate then applicable to installment obligations of such term of comparable quality. Interim Indebtedness may be deemed to be Indebtedness which, at the date of its original incurrence, would meet the conditions specified in the statement of the Consultant as required in **Section 902**; provided that the Consultant shall for each annual period that the Debt Service Requirement is computed, provide a supplemental statement that at such period, the certifications contained in the statement are reasonable.

(2) Interest that is payable prior to the Stated Maturity of any Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness shall be taken into account for such appropriate period in computation of Debt Service Requirements. Interest payable at maturity or early redemption on Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness may either be amortized over the anticipated maturity or such longer period as is permitted under **Section 902** or **Section 214(a)(1)(D)** or may be treated as principal payable on the principal maturity date of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness.

(3) In measuring compliance with the applicable tests hereunder in connection with incurring Put Indebtedness and generally for purposes of determining the Debt Service Requirements relating thereto, Put Indebtedness shall be deemed to mature based upon the actual amortization requirements for the Put Indebtedness, only to the extent that the Issuer has a commitment to refinance such Put Indebtedness.

(b) **Debt Service Requirements on Discount Indebtedness.** At the election of the Issuer for the purpose of any computation of Debt Service Requirements, whether historical or projected, the principal and interest deemed payable on Discount Indebtedness shall be deemed to be payable as set forth below:

(1) If the Issuer has obtained a binding commitment of a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by

any Rating Agency) to refinance such Discount Indebtedness, or a portion thereof, including without limitation, a letter of credit or a line of credit, the Discount Indebtedness, or portion thereof to be refinanced, may be deemed to be payable in accordance with the terms of the refinancing arrangement;

(2) If the Issuer has entered into a binding agreement providing for the deposit with a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency), in trust (herein called a "Special Redemption Fund") of amounts, less investment earnings realized and retained in the Special Redemption Fund, equal in aggregate to the principal amount of such Discount Indebtedness, or a portion thereof, and providing for the payment of such principal amount when due from the sums so deposited, and investment earnings realized thereon, then the Discount Indebtedness, or portion thereof, may be deemed to be payable in accordance with the terms of such agreement;

(3) If the Issuer has entered into arrangements or agreements with respect to the principal amount of such Discount Indebtedness, other than those referred to in subsections (1) and (2) above, which a Consultant in a certificate filed with the Issuer determines, taking into account the interests of the holders of System Indebtedness, provides adequate assurances that the Issuer will be able to meet the Debt Service Requirements due on such Indebtedness, the Discount Indebtedness may be deemed to be payable in accordance with the terms of such arrangement or agreement; or

(4) As of any time the maturity amount represented by Discount Indebtedness shall be deemed to be the accreted value of such Indebtedness computed on the basis of a constant yield to maturity.

When calculating interest requirements on Variable Rate Indebtedness which bears a variable rate of interest for periods as to which the rate of interest has not been determined, the rate of interest on Outstanding Variable Rate Indebtedness shall be the average annual rate of interest which was payable on such Variable Rate Indebtedness during the twelve (12) months immediately preceding the date as of which the calculation is made; and the rate of interest on Variable Rate Indebtedness to be incurred (or incurred less than twelve (12) months preceding such date) shall be the average annual rate of interest which would have been payable on such Variable Rate Indebtedness had it been outstanding for a period of twelve (12) months immediately preceding the date as of which the calculation is made, as evidenced in a certificate of a Consultant, delivered to the Issuer.

Section 212. Preliminary and Final Official Statement. The Preliminary Official Statement dated OCTOBER 1, 2014, is hereby ratified and approved.

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

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

Section 213. Sale of the Series 2014A Bonds. The sale of the Series 2014A Bonds to the Purchaser is hereby ratified and confirmed. The Mayor and Clerk are hereby authorized to execute the official bid form submitted by the Purchaser. Delivery of the Series 2014A Bonds shall be made to the Purchaser as soon as practicable after the adoption of this Bond Resolution, upon payment of the Purchase Price.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption by Issuer. The Bonds shall be subject to redemption and payment prior to their Stated Maturity, as follows:

(a) ***Optional Redemption.***

(1) *Series 2014A Bonds.* At the option of the Issuer, Series 2014A Bonds maturing on October 1, in the years 2020 and thereafter will be subject to redemption and payment prior to their Stated Maturity on October 1, 2019, and thereafter as a whole or in part (selection of maturities and the amount of Series 2014A Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

(2) *Additional Bonds.* Additional Bonds are subject to redemption and payment prior to Stated Maturity in accordance with the provisions of the supplemental resolution authorizing the issuance of such Additional Bonds.

(b) ***Mandatory Redemption.***

(1) *General.* The Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the Issuer may: (1) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the Issuer under this Section for any Term Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection. Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Issuer to redeem Term Bonds of the same Stated

Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same Stated Maturity as designated by the Issuer, and the principal amount of Term Bonds to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the Issuer intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the Issuer will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with, with respect to such mandatory redemption payment.

(2) *The Series 2014A[-_____] Term Bonds.* [There are **no** Series 2014A Term Bonds.] [The Issuer shall from the payments specified in **Section 602(b)** hereof which are to be deposited into the Debt Service Account redeem on October 1 in each year, the following principal amounts of Series 2014A[-_____] Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
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*

*Final Maturity

(3) [The *Series 2014A-[2038] Term Bonds.* The Issuer shall from the payments specified in **Section 602(b)** hereof which are to be deposited into the Debt Service Account redeem on October 1 in each year, the following principal amounts of Series 2014A[-2038] Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
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2038*

*Final Maturity

() *Additional Bonds.* Additional Bonds designated as Term Bonds shall be subject to mandatory redemption in accordance with the provisions of the supplemental resolution authorizing such Additional Bonds.

Section 302. Selection of Bonds to be Redeemed.

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

In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption a minimum Authorized Denomination of face value shall be treated as though it were a separate Bond of the denomination of a minimum Authorized Denomination. If it is determined that one or more, but not all, of a minimum Authorized Denomination of face value represented by any Bond is

selected for redemption, then upon notice of intention to redeem a minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of a minimum Authorized Denomination of face value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of a minimum Authorized Denomination of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption. In the event the Issuer desires to call the Bonds for redemption prior to maturity, written notice of such intent shall be provided to the Bond Registrar in accordance with K.S.A. 10-129, as amended, not less than 45 days prior to the Redemption Date. The Bond Registrar shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Bond Registrar at least 45 days prior to the Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. The foregoing provisions of this paragraph shall not apply in the case of any mandatory redemption of Term Bonds hereunder, and Term Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the Issuer and whether or not the Paying Agent holds moneys available and sufficient to effect the required redemption.

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

All official notices of redemption shall be dated and shall contain the following information:

- (a) the Redemption Date;
- (b) the Redemption Price;
- (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed;
- (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and
- (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent.

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

Prior to any Redemption Date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date.

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

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the Issuer defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

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

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

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

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

The Paying Agent is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

ARTICLE IV

SECURITY FOR BONDS

Section 401. Security for the Bonds. The Bonds shall be special obligations of the Issuer payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the Issuer hereby pledges said Net Revenues to the payment of the principal of and interest on the Bonds. The Bonds shall not be or constitute a general obligation of the Issuer, nor shall they constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provision, limitation or restriction, and the taxing power of the Issuer is not pledged to the payment of the Bonds, either as to principal or interest.

The covenants and agreements of the Issuer contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Bond Resolution. The Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues and in all other respects with any Parity Bonds and Parity Obligations. The Bonds shall not have any priority with respect to the payment of principal or interest from said net income and revenues or otherwise over the Parity Bonds and Parity Obligations and the Parity Bonds and Parity Obligations shall not have any priority with respect to the payment of principal or interest from said net income and revenues or otherwise over the Bonds.

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS DEPOSIT AND APPLICATION OF BOND PROCEEDS

Section 501. Creation of Funds and Accounts. Simultaneously with the issuance of the Series 2014A Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

- (b) Debt Service Account for Wastewater System Utility Revenue Bonds, Series 2014A;
- (b) Costs of Issuance Account for Wastewater System Utility Revenue Bonds, Series 2014A;
- (c) Rebate Fund for Wastewater System Utility Revenue Bonds, Series 2014A.
- (d) Redemption Fund for Refunded Notes.
- (e) Compliance Account for Wastewater System Utility Revenue Bonds, Series 2014A.

The Funds and Accounts established herein shall be administered in accordance with the provisions of this Bond Resolution so long as the Series 2014A Bonds are Outstanding.

The following separate Funds and Accounts created and established in the treasury of the Issuer are hereby ratified and confirmed:

- (a) Wastewater Utility System Revenue Fund;
- (b) Debt Service Reserve Account for Wastewater Utility System Parity Bonds;

- (c) Wastewater Utility System Depreciation and Replacement Account;
- (d) Wastewater Utility System Surplus Account; and
- (e) Wastewater Utility System Operation and Maintenance Account.

The Funds and Accounts referred to in this paragraph shall be administered in accordance with the provisions of the Series 2012A Resolution so long as the Series 2012A Bonds are Outstanding and thereafter in accordance with this Bond Resolution.

Section 502. Deposit of Series 2014A Bond Proceeds. The net proceeds received from the sale of the Series 2014A Bonds shall be deposited simultaneously with the delivery of the Series 2014A Bonds as follows:

- (a) All accrued interest and premium, if any, received from the sale of the Series 2014A Bonds shall be deposited in the Debt Service Account.
- (b) The sum of \$_____ shall be deposited in the Costs of Issuance Account.
- (c) The remaining balance of the proceeds derived from the sale of the Bonds shall be transferred to the Redemption Fund.

Section 503. Application of Moneys in the Redemption Fund. Moneys in the Redemption Fund shall be paid and transferred to the Refunded Notes Paying Agent, with irrevocable instructions to apply such amount to the payment of the Refunded Notes on the Refunded Notes Redemption Date. The Clerk is authorized and instructed to provide appropriate notice of redemption in accordance with the Refunded Notes Resolution authorizing the issuance of such Refunded Notes. Any moneys remaining in the Redemption Fund not needed to retire the Refunded Notes shall be transferred to the Debt Service Account.

Section 504. Application of Moneys in the Rebate Fund.

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the Issuer nor the Owner of any Series 2014A Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and the Federal Tax Certificate.

(b) The Issuer shall periodically determine the rebatable arbitrage, if any, under Code § 148(f) in accordance with the Federal Tax Certificate, and the Issuer shall make payments to the United States of America at the times and in the amounts determined under the Federal Tax Certificate. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Series 2014A Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor, shall be deposited into the Revenue Fund.

(c) Notwithstanding any other provision of this Bond Resolution, including in particular **Article XI** hereof, the obligation to pay rebatable arbitrage to the United States of America and to comply with all other requirements of this Section and the Federal Tax Certificate shall survive the defeasance or payment in full of the Series 2014A Bonds.

Section 505. Application of Moneys in the Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of 30 days prior to the first Stated Maturity of principal or one year after the date of issuance of the Series 2014A Bonds, shall be transferred to the Compliance Account.

Section 506. Redemption of Series 2014A Notes. The Outstanding Series 2014A Notes in the aggregate the principal amount of \$953,516, are hereby called for redemption and payment prior to maturity on the Refunded Notes Redemption Date. Said Series 2014A Notes shall be redeemed in accordance with the Refunded Notes Resolution by the payment of the principal thereof, together with the redemption premium and accrued interest thereon to such Refunded Notes Redemption Date. The Clerk is hereby directed to cause notice of the call for redemption and payment of said Series 2014A Notes to be given in the manner provided in the Refunded Notes Resolution. The officers of the Issuer and the Refunded Notes Paying Agent are hereby authorized and directed to take such other action as may be necessary in order to effect the redemption and payment of said Series 2014A Notes as herein provided.

Section 507. Application of Moneys in the Compliance Account. Moneys in the Compliance Account shall be used by the Issuer to pay the to pay fees and expenses relating to compliance with federal arbitrage law, state or federal securities laws, and other costs or expenses of carrying or repaying the Series 2014A Bonds as set forth in the Federal Tax Certificate. Any funds remaining in the Compliance Account on the sixth anniversary of the Issue Date shall be transferred to the Debt Service Account.

ARTICLE VI

COLLECTION AND APPLICATION OF REVENUES

Section 601. Revenue Fund. The Issuer covenants and agrees that from and after the delivery of the Series 2014A Bonds, and continuing as long as any of the Bonds remain Outstanding hereunder, all of the Revenues shall as and when received be paid and deposited into the Revenue Fund. Said Revenues shall be segregated and kept separate and apart from all other moneys, revenues, Funds and Accounts of the Issuer and shall not be commingled with any other moneys, revenues, Funds and Accounts of the Issuer. The Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in this Bond Resolution, except as may be modified by the provisions of the Parity Resolution.

Section 602. Application of Moneys in Funds and Accounts. The Issuer covenants and agrees that from and after the delivery of the Series 2014A Bonds and continuing so long as any of the Bonds shall remain Outstanding, it will on the first day of each month administer and allocate all of the moneys then held in the Revenue Fund as follows:

(a) **Operation and Maintenance Account.** There shall first be paid and credited to the Operation and Maintenance Account an amount sufficient to pay the estimated cost of operating and maintaining the System during the ensuing 60-day period. All amounts paid and credited to the Operation and Maintenance Account shall be expended and used by the Issuer solely for the purpose of paying the Expenses.

Parity Resolutions. The following transfers shall be made on a parity of lien basis with the transfers and requirements of the Parity Resolutions.

(b) **Debt Service Account.** There shall next be paid and credited monthly to the Debt Service Account, to the extent necessary to meet on each Bond Payment Date the payment of all interest on and principal of the Series 2014A Bonds, the following sums:

(1) Beginning with the first of said monthly deposits and continuing on the first day of each month thereafter to and including March 1, 2015, an equal pro rata portion of the amount of interest becoming due on the Series 2014A Bonds on April 1, 2015; and thereafter, beginning on April 1, 2015, and continuing on the first day of each month thereafter so long as any of the Series 2014A Bonds remain Outstanding an amount not less than 1/6 of the amount of interest that will become due on the Series 2014A Bonds on the next succeeding Interest Payment Date; and

(2) Beginning October 1, 2018 and continuing on the first day of each month thereafter, so long as any of the Series 2014A Bonds remain Outstanding, an amount not less than 1/12 of the amount of principal that will become due on the Series 2014A Bonds on the next succeeding Maturity date.

The amounts required to be paid and credited to the Debt Service Account pursuant to this Section shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to the debt service accounts established for the payment of the Debt Service Requirements on Parity Bonds and Parity Obligations under the provisions of the Parity Resolution(s).

Any amounts deposited in the Debt Service Account in accordance with **Section 502(a)** hereof shall be credited against the Issuer's payment obligations as set forth in subsection (b)(1) of this Section.

All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the Debt Service Requirements of the Series 2014A Bonds as and when the same become due at Maturity and on each Interest Payment Date.

If at any time the moneys in the Revenue Fund are insufficient to make in full the payments and credits at the time required to be made to the Debt Service Account and to the debt service accounts established to pay the principal of and interest on any Parity Bonds or Parity Obligations, the available moneys in the Revenue Fund shall be divided among such debt service accounts in proportion to the respective principal amounts of said series of Bonds at the time Outstanding which are payable from the moneys in said debt service accounts.

(c) **Debt Service Reserve Account.** The Debt Service Reserve Account shall be fully funded on the Issue Date of the Series 2014A Bonds from funds then on deposit in the Debt Service Reserve Account. Except as hereinafter provided in this Section, all amounts paid and credited to the Debt Service Reserve Account shall be expended and used by the Issuer solely to prevent any default in the payment of interest on or principal of the Parity Bonds on any Maturity date or Interest Payment Date if the moneys in the respective debt service accounts are insufficient to pay the Debt Service Requirements of said Parity Bonds as they become due. So long as the Debt Service Reserve Account aggregates the Debt Service Reserve Requirement, no further payments into said Account shall be required, but if the Issuer is ever required to expend and use a part of the moneys in said Account for the purpose herein authorized and such expenditure reduces the amount of the Debt Service Reserve Account below the Debt Service Reserve Requirement, or if the valuation of the Debt Service Reserve Account as provided in **Section 701(b)** establishes that the value of the Debt Service Reserve Account is below the Debt Service Reserve Requirement, the Issuer shall transfer all available Revenues after providing for the transfers set forth above into the Debt Service Reserve Account until the Debt Service Reserve Account shall again aggregate the Debt Service Reserve Requirement.

Moneys in the Debt Service Reserve Account may be used to call the Parity Bonds for redemption and payment prior to their Stated Maturity or may be used to pay and retire the Parity Bonds and interest thereon; provided that after such redemption or payment there shall remain in the Debt Service Reserve Account an amount equal to the Debt Service Reserve Requirement. Any amounts in the Debt Service Reserve Account in excess of the Debt Service Reserve Requirement on any valuation date shall be transferred to the Debt Service Account.

(d) ***Debt Service Accounts-Junior Lien Obligations.*** There shall next be paid and credited monthly to the debt service account(s) for any Junior Lien Obligations, to the extent necessary to meet on each Bond Payment Date an amount equal to the payment of all interest on and principal of any Junior Lien Obligations. The amounts required to be paid and credited to the debt service account(s) for any Junior Lien Obligations shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to other debt service accounts established for the payment of the Debt Service Requirements on any Junior Lien Obligations.

(e) ***Debt Service Accounts-Subordinate Lien Bonds.*** There shall next be paid and credited monthly to the debt service account(s) for any Subordinate Lien Bonds, to the extent necessary to meet on each Bond Payment Date an amount equal to the payment of all interest on and principal of any Subordinate Lien Bonds. The amounts required to be paid and credited to the debt service account(s) for any Subordinate Lien Bonds shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to other debt service accounts established for the payment of the Debt Service Requirements on any Subordinate Lien Bonds.

(f) ***Depreciation and Replacement Account.*** Except as hereinafter provided, moneys in the Depreciation and Replacement Account shall be expended and used by the Issuer, if no other funds are available therefor, solely for the purpose of making emergency replacements and repairs in and to the System as may be necessary to keep the System in good repair and working order and to assure the continued effective and efficient operation thereof. After the Depreciation and Replacement Account aggregates the Depreciation and Replacement Requirement, no further payments into the Depreciation and Replacement Account shall be required, but if the Issuer is ever required to expend a part of the moneys in the Depreciation and Replacement Account for its authorized purposes and such expenditure reduces the amount of the Depreciation and Replacement Account below the Depreciation and Replacement Requirement, then the Issuer shall make monthly payments in the amount of \$1,000 into the Depreciation and Replacement Account until the Depreciation and Replacement Account again aggregates the Depreciation and Replacement Requirement.

(g) ***Surplus Account.*** After all payments and credits required at the time to be made under the provisions of the preceding subsections have been made, all moneys remaining in the Revenue Fund shall be paid and credited to the Surplus Account. Moneys in the Surplus Account may be expended and used for the following purposes as determined by the governing body of the Issuer:

- (1) Paying the cost of the operation, maintenance and repair of the System to the extent that may be necessary after the application of the moneys held in the Operation and Maintenance Account under the provisions of paragraph (a) of this Section;
- (2) Paying the cost of extending, enlarging or improving the System;
- (3) Preventing default in, anticipating payments into or increasing the amounts in the Debt Service Account, any debt service account for Parity Bonds or Parity Obligations, the Debt Service Reserve Account or the Depreciation and Replacement Account referred to in this Section, or any one of them, or establishing or increasing the amount of any debt service account or debt

service reserve account created by the Issuer for the payment of any Parity Bonds or Parity Obligations;

(4) Calling, redeeming and paying prior to Stated Maturity, or, at the option of the Issuer, purchasing in the open market at the best price obtainable not exceeding the redemption price (if any bonds are callable), any Bonds, including principal, interest and redemption premium, if any; or

(5) Any other lawful purpose in connection with the operation of the System and benefiting the System.

(6) To make transfers to the Revenue Fund.

(7) To make lawful transfers to any fund of the Issuer.

(h) **Deficiency of Payments into Funds and Accounts.** If at any time the Revenues are insufficient to make any payment on the date or dates hereinbefore specified, the Issuer will make good the amount of such deficiency by making additional payments or credits out of the first available Revenues, such payments and credits being made and applied in the order hereinbefore specified in this Section.

Section 603. Transfer of Funds to Paying Agent. The Treasurer of the Issuer is hereby authorized and directed to withdraw from the Debt Service Account, and, to the extent necessary to prevent a default in the payment of either principal of or interest on the Bonds, from the Debt Service Reserve Account, the Depreciation and Replacement Account and the Surplus Account as provided in **Section 602** hereof, sums sufficient to pay the principal of and interest on the Bonds as and when the same become due on any Bond Payment Date, and to forward such sums to the Paying Agent in a manner which ensures the Paying Agent will have available funds in such amounts on or before the Business Day immediately preceding each Bond Payment Date. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Bond Resolution.

Section 604. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

ARTICLE VII

DEPOSIT AND INVESTMENT OF MONEYS

Section 701. Deposits and Investment of Moneys.

(a) Moneys in each of the Funds and Accounts shall be deposited in accordance with laws of the State, in a bank, savings and loan association or savings bank organized under the laws of the State, any other state or the United States : (a) which has a main or branch office located in the Issuer or (b) if no such entity has a main or branch office located in the Issuer, with such an entity that has a main or branch office located in the county or counties in which the Issuer is located. All such depositories shall be members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law. All

such deposits shall be invested in Permitted Investments as set forth in this Article or shall be adequately secured as provided by the laws of the State. All moneys held in the Funds and Accounts shall be kept separate and apart from all other funds of the Issuer so that there shall be no commingling with any other funds of the Issuer.

(b) Moneys held in any Fund or Account other than the Redemption Fund may be invested in accordance with this Bond Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created[; and provided, further, that Permitted Investments in the Debt Service Reserve Account shall have an average aggregate weighted term to maturity not greater than five years. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account. All earnings on investments held in the Debt Service Reserve Account shall accrue to and become a part of the Debt Service Reserve Account until the amount on deposit in the Debt Service Reserve Account shall aggregate the Debt Service Reserve Requirement; thereafter, all such earnings shall be credited to the Debt Service Account and any debt service account for Parity Bonds or Parity Obligations on a pro rata basis. All earnings on investments held in the Depreciation and Replacement Account shall accrue to and become a part of the Depreciation and Replacement Account until the amount on deposit in the Depreciation and Replacement Account shall aggregate the Depreciation and Replacement Requirement; thereafter, all such earnings shall be credited to the Revenue Fund.

In determining the amount held in any Fund or Account under the provisions of the Bond Resolution, Permitted Investments shall be valued at their market value. Such valuation shall be made as of the final Stated Maturity of principal of any Fiscal Year that the Bonds remain Outstanding and may be made in conjunction with redemption of any Bonds. If and when the amount held in any Fund or Account shall be in excess of the amount required by the provisions of this Bond Resolution, the Issuer shall direct that such excess be paid and credited to the Revenue.

(c) So long as any of the Parity Bonds remain Outstanding, any investments made pursuant to this Section shall be subject to any restrictions in the Parity Resolution with respect to the Funds and Accounts created by and referred to in the Parity Resolution.

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

The Issuer covenants and agrees with each of the Owners of any of the Bonds that so long as any of the Bonds remain Outstanding and unpaid it will comply with each of the following covenants:

Section 801. Efficient and Economical Operation. The Issuer will continuously own and will operate the System as a revenue producing facility in an efficient and economical manner and will keep and maintain the same in good repair and working order.

Section 802. Rate Covenant. The Issuer, in accordance with and subject to applicable legal requirements, will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the System as will produce Revenues sufficient to (a) pay the Expenses; (b) pay the Debt Service Requirements on the Bonds as and when the same become due at the Maturity thereof or on any Interest Payment Date; (c) enable the Issuer to have in each Fiscal Year, a Debt Service Coverage Ratio of not less than 1.10 on all Parity Bonds and Parity Obligations at the time Outstanding; and (d) provide reasonable and adequate reserves for the payment of the Bonds and the interest thereon and for

the protection and benefit of the System as provided in this Bond Resolution. The Issuer will require the prompt payment of accounts for service rendered by or through the System and will promptly take whatever action is legally permissible to enforce and collect delinquent charges. The Issuer will, from time to time as often as necessary, in accordance with and subject to applicable legal requirements, revise the rates and charges aforesaid in such manner as may be necessary or proper so that the Net Revenues will be sufficient to cover the obligations under this Section and otherwise under the provisions of this Bond Resolution. If in any Fiscal Year, Net Revenues are an amount less than as hereinbefore provided, the Issuer will immediately employ a Consultant to make recommendations with respect to such rates and charges. A copy of the Consultant's report and recommendations shall be filed with the Clerk and the Purchaser of the Bonds and shall be furnished to any Owner of the Bonds requesting a copy of the same, at the cost of such Owner. The Issuer shall, to the extent feasible, follow the recommendations of the Consultant.

Section 803. Reasonable Charges for all Services. None of the facilities or services provided by the System will be furnished to any user (excepting the Issuer itself) without a reasonable charge being made therefor. If the Revenues derived from the System are at any time insufficient to pay the reasonable Expenses and also to pay the Debt Service Requirements of the Bonds and Additional Obligations as and when the same become due, then the Issuer will thereafter pay into the Revenue Fund a fair and reasonable payment in accordance with effective applicable rates and charges for all services furnished to the Issuer or any of its departments by the System, and such payments will continue so long as the same may be necessary in order to prevent or reduce the amount of any default in the payment of the Debt Service Requirements of the Bonds and Additional Obligations.

Section 804. Restrictions on Mortgage or Sale of System. The Issuer will not mortgage, pledge or otherwise encumber the System or any part thereof, nor will it sell, lease or otherwise dispose of the System or any material part thereof; provided, however, the Issuer may:

(a) sell at fair market value any portion of the System which has been replaced by other similar property of at least equal value, or which ceases to be necessary for the efficient operation of the System, and in the event of sale, the Issuer will apply the proceeds to either (1) redemption of Outstanding Bonds in accordance with the provisions governing repayment of Bonds in advance of Stated Maturity, or (2) replacement of the property so disposed of by other property the revenues of which shall be incorporated into the System as hereinbefore provided;

(b) cease to operate, abandon or otherwise dispose of any property which has become obsolete, nonproductive or otherwise unusable to the advantage of the Issuer;

(c) sell, lease or convey all or substantially all of the System to another entity or enter into a management contract with another entity if:

(1) The transferee entity is a political subdivision organized and existing under the laws of the State, or instrumentality thereof, or an organization described in Code § 501(c)(3), and expressly assumes in writing the due and punctual payment of the principal of and premium, if any, and interest on all outstanding System Indebtedness according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Bond Resolution;

(2) If there remains unpaid any System Indebtedness which bears interest that is not includable in gross income under the Code, the Issuer receives an opinion of Bond Counsel, in form and substance satisfactory to the Issuer, to the effect that under then existing law the consummation of such sale, lease or conveyance, whether or not contemplated on any date of the delivery of such

System Indebtedness, would not cause the interest payable on such System Indebtedness to become includable in gross income under the Code;

(3) The Issuer receives a certificate of the Consultant which demonstrates and certifies that immediately upon such sale or conveyance the transferee entity will not, as a result thereof, be in default in the performance or observance of any covenant or agreement to be performed or observed by it under this Bond Resolution;

(4) Such transferee entity possesses such licenses to operate the System as may be required if it is to operate the System; and

(5) The Issuer receives an opinion of Bond Counsel, in form and substance satisfactory to the Issuer, as conclusive evidence that any such sale, lease or conveyance, and any such assumption, is permitted by law and complies with the provisions of this Section.

(6) The Issuer receives the written consent of the Bond Insurer.

Section 805. Insurance. The Issuer will carry and maintain insurance with respect to the System and its operations against such casualties, contingencies and risks (including but not limited to property and casualty, fire and extended coverage insurance upon all of the properties forming a part of the System insofar as the same are of an insurable nature, public liability, worker's compensation and employee dishonesty insurance), such insurance to be of the character and coverage and in such amounts as would normally be carried by other enterprises engaged in similar activities of comparable size and similarly situated; provided the amount of such liability insurance shall be in amounts not less than the then maximum liability of a governmental entity for claims arising out of a single occurrence, as provided by the State's tort claims act or other similar future law (currently \$500,000 per occurrence). In the event of loss or damage, the Issuer, with reasonable dispatch, will use the proceeds of such insurance in reconstructing and replacing the property damaged or destroyed, or in paying the claims on account of which such proceeds were received, or if such reconstruction or replacement is unnecessary or impracticable, then the Issuer will pay and deposit the proceeds of such insurance into the Revenue Fund. The Issuer will annually review the insurance it maintains with respect to the System to determine that it is customary and adequate to protect its property and operations. The Issuer may elect to be self-insured for all or any part of the foregoing requirements if (a) the Issuer annually obtains a written evaluation with respect to such self-insurance program from an Insurance Consultant, (b) the evaluation is to the effect that the self-insurance program is actuarially sound, (c) unless the evaluation states that such reserves are not necessary, the Issuer deposits and maintains adequate reserves for the self-insurance program with a corporate trustee, who may also be the Paying Agent, and (d) in the case of workers' compensation, adequate reserves created by the Issuer for such self-insurance program are deposited and maintained in such amount and manner as are acceptable to the State. The Issuer shall pay any fees and expenses of such Insurance Consultant in connection therewith. The cost of all insurance obtained pursuant to the requirements of this Section shall be paid as an Expense out of the Revenues.

Section 806. Books, Records and Accounts. The Issuer will install and maintain proper books, records and accounts (entirely separate from all other records and accounts of the Issuer) in which complete and correct entries will be made of all dealings and transactions of or in relation to the System. Such accounts shall show the amount of Revenues received from the System, the application of such funds, and all financial transactions in connection therewith. Said books shall be kept by the Issuer according to standard accounting practices as applicable to the operation of municipal utilities.

Section 807. Annual Budget. Prior to the commencement of each Fiscal Year, the Issuer will cause to be prepared and filed with the Clerk a budget setting forth the estimated receipts and

expenditures of the System for the next succeeding Fiscal Year. Said annual budget shall be prepared in accordance with the requirements of the laws of the State and shall contain all information that is required by such laws, including:

- (a) An estimate of the Revenues from the System during the next ensuing Fiscal Year.
- (b) A statement of the estimated Expenses during the next ensuing Fiscal Year.
- (c) A statement of any anticipated unusual Expenses for the System during the next Fiscal Year.
- (d) A statement of any necessary repairs or replacements to the System which may be anticipated during the next Fiscal Year.
- (e) A statement of the amount of Debt Service Requirements to be paid on Outstanding Bonds and Additional Obligations to be paid from Net Revenues during the next Fiscal Year.
- (f) A statement of the estimated Net Revenues during the next Fiscal Year.

Section 808. Annual Audit. Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements System for the preceding Fiscal Year by an Independent Accountant to be employed for that purpose and paid from the Revenues. Said annual audit shall cover in reasonable detail the operation of the System during such Fiscal Year. The report of said annual audit shall include:

- (a) A classified statement of the Revenues received, the Expenses for operation and maintenance, the Net Revenues and the amount of any capital expenditures made in connection with the System during the previous Fiscal Year;
- (b) A complete balance sheet as of the end of each Fiscal Year with the amount on hand at the end of such Fiscal Year in each of the Funds and Accounts created by and referred to in this Bond Resolution;
- (c) A statement of all Bonds and Additional Obligations matured or redeemed and interest paid on Bonds and Additional Obligations during said Fiscal Year;
- (d) A statement of the number of customers served by the System at the beginning and the end of such Fiscal Year;
- (e) A statement showing the amount and character of the insurance carried on the property constituting the System and showing the names of the insurers, the expiration dates of the policies and the premiums thereon;
- (f) A calculation of the Debt Service Coverage Ratio for such Fiscal Year, and a statement regarding compliance by the Issuer with the rate covenants set forth in the Bond Resolution; and
- (g) Such remarks and recommendations regarding the practices and procedures of operating the System and its accounting practices as said Independent Accountant may deem appropriate.

Within 30 days after the completion of each such annual audit, a copy of the report of thereof shall be filed in the office of the Clerk, and a duplicate copy shall be mailed to the Purchaser. Such audit

reports shall at all times during the usual business hours be open to the examination and inspection by any user of the services of the System, any Owner of any of the Bonds, or by anyone acting for or on behalf of such user or Owner.

As soon as possible after the completion of the annual audit, the governing body of the Issuer shall review the report of such audit, and if the audit report discloses that proper provision has not been made for all of the requirements of this Bond Resolution and the Act, the Issuer will promptly cure such deficiency and will promptly proceed to modify the rates and charges to be charged for the use and services furnished by the System or take such other action as may be necessary to adequately provide for such requirements.

Section 809. Right of Inspection. The Purchaser of the Bonds and any Owner or Owners of 10% of the principal amount of the Bonds then Outstanding shall have the right at all reasonable times to inspect the System and all records, accounts and data relating thereto, and shall be furnished all such information concerning the System and the operation thereof which the Purchaser or such Owner or Owners may reasonably request.

Section 810. Administrative Personnel. The Issuer shall use its best efforts to employ at all times administrative personnel experienced and well qualified to operate the System. The Issuer further agrees that such administrative personnel shall be employed in sufficient numbers to ensure that the System will be operated in a prudent and efficient manner.

Section 811. Performance of Duties and Covenants. The Issuer will faithfully and punctually perform all duties, covenants and obligations with respect to the operation of the System now or hereafter imposed upon the Issuer by the Constitution and laws of the State and by the provisions of this Bond Resolution.

Section 812. Report on System Condition. The Issuer shall annually cause a qualified employee of the Issuer to make an examination of and report on the condition and operations of the System. Each such report shall make recommendations as to any changes in operations of the System deemed desirable and shall also make reference to any unusual or extraordinary items of maintenance and repair and any extensions, enlargements or improvements that may be needed in the period prior to the preparation of the next report required by this Section. A copy of each such report shall be filed in the office of the Clerk, shall be sent to the Purchaser of the Bonds and, upon written request, to any Owner (at the expense of such Owner).

Section 813. Parity Bond Certification. The Issuer hereby represents and covenants that the Series 2014A Bonds directed to be issued by this Bond Resolution are so issued in full compliance with the restrictions and conditions upon which the Issuer may issue Additional Bonds payable out of the Revenues derived from the operation of the System and which stand on a parity with the Parity Bonds heretofore issued and Outstanding, as set forth and contained in the Parity Resolution, and that the Series 2014A Bonds herein directed to be issued are so issued in all respects on a parity and equality with the Parity Bonds heretofore issued and Outstanding.

ARTICLE IX

ADDITIONAL BONDS AND OBLIGATIONS

Section 901. Senior Lien Bonds. The Issuer covenants and agrees that so long as any of the Parity Bonds remain Outstanding, the Issuer will not issue any System Indebtedness payable out of the Revenues which are superior to the Parity Bonds with respect to the lien on the Revenues.

Section 902. Parity Bonds and Parity Obligations. The Issuer covenants and agrees that it will not issue any System Indebtedness which stands on a parity or equality of lien against the Net Revenues with the Parity Bonds unless the following conditions are met:

(a) The Issuer shall not be in default in the payment of principal of or interest on any Parity Bonds or Parity Obligations at the time Outstanding or in making any payment at the time required to be made into the respective Funds and Accounts created by and referred to in this Bond Resolution or any Parity Resolution (unless such System Indebtedness is being issued to provide funds to cure such default) nor shall any other Event of Default have occurred and be continuing;

(b) The Issuer shall deliver the following:

(1) **Long-Term Indebtedness.** A certificate signed by the Issuer evidencing *either* of the following:

(i) The Debt Service Coverage Ratio for the Fiscal Year immediately preceding the issuance of such System Indebtedness, as reflected by information provided by the Independent Accountant, shall be not less than 1.10, including the System Indebtedness proposed to be issued. In the event that the Issuer has instituted any increase in rates for the use and services of the System and such increase shall not have been in effect during the full Fiscal Year immediately preceding the issuance of such proposed System Indebtedness, the additional Net Revenues which would have resulted from the operation of the System during said preceding Fiscal Year had such rate increase been in effect for the entire period may be added to the stated Net Revenues for the calculation of the Debt Service Coverage Ratio, provided that such estimated additional Net Revenues shall be determined by a Consultant.

(ii) The estimated Debt Service Coverage Ratio (as determined by a Consultant), for the Fiscal Year immediately following the Fiscal Year in which the project, the cost of which is being financed by such System Indebtedness, is to be in commercial operation, shall be not less than 1.10, including the System Indebtedness proposed to be issued. In the event that the Issuer anticipates additional Revenues as a result of expansion or modification of the System by such System Indebtedness, the Issuer may adjust the estimated Net Revenues in determining the Debt Service Coverage Ratio, by adding thereto any estimated increase in Net Revenues resulting from any increase in Revenues, which, in the opinion of the Consultant, are reasonable based on projected operations of the System for such Fiscal Year.

(2) **Short-Term Indebtedness.** A certificate signed by the Issuer evidencing any *one* of the following:

(i) The principal amount of all Outstanding Short-Term Indebtedness does not exceed 15% of the Revenues for the most recently ended Fiscal Year for which financial information is available from the Independent Accountant;

(ii) The Short-Term Indebtedness could be incurred under **subsection (b)(1)** hereof assuming it was Long-Term Indebtedness.

(iii) There is delivered to the Issuer a certificate of a Consultant to the effect that it is such Consultant's opinion that it is reasonable to assume that the Issuer will be able to refinance such Short-Term Indebtedness prior to its Stated Maturity in compliance with the provisions of this Section and the conditions described in **subsection (b)(1)** are met with respect to such Short-Term Indebtedness when it is assumed that such Short-Term Indebtedness is Long-Term Indebtedness maturing over 20 years (or such shorter period as such Consultant indicates is reasonable to assume in such statement) from the date of issuance of the Short-Term Indebtedness and bears interest on the unpaid principal balance at the Index Rate and is payable on a level annual debt service basis over a 20-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement).

(3) **Interim Indebtedness.** A certificate signed by the Issuer evidencing *either* of the following:

(i) The Interim Indebtedness could be incurred under **subsection (b)(1)** hereof assuming it was Long-Term Indebtedness.

(ii) There is delivered to the Issuer a certificate of a Consultant to the effect that it is such Consultant's opinion that it is reasonable to assume that the Issuer will be able to refinance such Interim Indebtedness prior to its Stated Maturity in compliance with the provisions of this Section and the conditions described in **subsection (b)(1)** are met with respect to such Interim Indebtedness when it is assumed that such Interim Indebtedness is Long-Term Indebtedness maturing over 20 years (or such shorter period as such Consultant indicates is reasonable to assume in such statement) from the date of issuance of the Interim Indebtedness and bears interest on the unpaid principal balance at the Index Rate and is payable on a level annual debt service basis over a 20-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement).

(c) When the issuance of System Indebtedness of equal stature and priority is permitted by the Statutes of the State.

(d) With respect to the issuance of Additional Bonds, an additional deposit to the Debt Service Reserve Account shall be made to bring the Debt Service Reserve Account to an amount equal to the Debt Service Reserve Requirement.

(e) The ordinance and/or resolution authorizing such System Indebtedness shall contain or provide for substantially the same terms, conditions, covenants and procedures as established in this Bond Resolution.

Notwithstanding the foregoing restrictions, additional System Indebtedness may be issued under this Section if it is necessary: (1) in the opinion of the Consulting Engineer to do so to repair the System if damaged or destroyed by disaster to such extent necessary to keep it in good operating condition; or (2) in the opinion of the Issuer's legal counsel to remedy any deficiency of the System relating to environmental pollution matters or to comply with the requirements of any governmental agency having jurisdiction over the Issuer with respect thereto.

Additional System Indebtedness issued under the conditions set forth in this Section shall stand on a parity with the Parity Bonds and Parity Obligations and shall enjoy complete equality or lien on and

claim against the Net Revenues, and the Issuer may make equal provision for paying the Debt Service Requirements on such System Indebtedness out of the Revenue Fund and may likewise provide for the creation of reasonable debt service accounts and debt service reserve accounts for the payment of the Debt Service Requirements on such System Indebtedness and the interest thereon out of moneys in the Revenue Fund.

Section 903. Junior Lien Obligations. Nothing in this Article shall prohibit or restrict the right of the Issuer to issue Junior Lien Obligations for any lawful purpose in connection with the operation of and benefiting the System and to provide that the Debt Service Requirements on such Junior Lien Obligations shall be payable out of the Net Revenues, provided at the time of the issuance of such Junior Lien Obligations the Issuer is not in default in the performance of any covenant or agreement contained in the Bond Resolution (unless such System Indebtedness shall be issued to cure such default and shall be junior and subordinate to the Parity Bonds and Parity Obligations) so that if at any time the Issuer shall be in default in paying either interest on or principal of the Parity Bonds or Parity Obligations, or of the Issuer is in default in making debt service, operation and maintenance or debt service reserve deposits or payments required to be made by it under the Bond Resolution, the Issuer shall make no payments of either principal of or interest on said Junior Lien Obligations until said default or defaults be cured.

Section 904. Subordinate Lien Bonds. Nothing in this Article shall prohibit or restrict the right of the Issuer to issue Subordinate Lien Bonds for any lawful purpose in connection with the operation of and benefiting the System and to provide that the Debt Service Requirements on such Subordinate Lien Bonds shall be payable out of the Net Revenues, provided at the time of the issuance of such Subordinate Lien Bonds the Issuer is not in default in the performance of any covenant or agreement contained in the Bond Resolution (unless such System Indebtedness shall be issued to cure such default and shall be junior and subordinate to the Parity Bonds, Parity Obligations and Junior Lien Obligations) so that if at any time the Issuer shall be in default in paying either interest on or principal of the Parity Bonds, Parity Obligations and Junior Lien Bonds, or of the Issuer is in default in making debt service, operation and maintenance or debt service reserve deposits or payments required to be made by it under the Bond Resolution, the Issuer shall make no payments of either principal of or interest on said Subordinate Lien Bonds until said default or defaults be cured. Such Subordinate Lien Bonds may also constitute general obligations of the Issuer.

Section 905. Refunding Bonds. The Issuer shall have the right, without complying with the provisions of *Section 902* hereof, to issue Refunding Bonds for the purpose of refunding any of the System Indebtedness under the provisions of any law then available, and the Refunding Bonds so issued shall enjoy complete equality of pledge as did the System Indebtedness that was refunded; provided, however, that if only a portion of any series of System Indebtedness is refunded and if said System Indebtedness is refunded in such manner that the Refunding Bonds bear a higher average rate of interest or become due on a date earlier than that of the System Indebtedness which is refunded, then said System Indebtedness may be refunded without complying with the provisions of *Section 902* hereof only by and with the written consent of the Owners of a majority in principal amount of the System Indebtedness that is not refunded; provided that such consent is not needed from Owners of Subordinate Lien Bonds or Junior Lien Obligations, nor is such consent needed if the System Indebtedness to be refunded constitutes Junior Lien Obligations or Subordinate Lien Bonds.

ARTICLE X

DEFAULT AND REMEDIES

Section 1001. Remedies. The provisions of this Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Bond Resolution or by the Constitution and laws of the State;

(b) by suit, action or other proceedings in equity or at law to require the Issuer, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds.

The Issuer hereby directs the Paying Agent to notify the Owners and Bond Insurer of any Event of Default of which it has actual notice.

Section 1002. Limitation on Rights of Owners. The covenants and agreements of the Issuer contained herein and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds of any series shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the Funds and Accounts herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Bond Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Bonds.

Section 1003. Remedies Cumulative. No remedy conferred herein upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Owners of the Bonds by this Bond Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. If action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the Issuer and the Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

Section 1004. No Obligation to Levy Taxes. Nothing contained in this Bond Resolution shall be construed as imposing on the Issuer any duty or obligation to levy any taxes either to meet any obligation incurred herein or to pay the principal of or interest on the Bonds.

Section 1005. Control of Remedies Upon an Event of Default and Event of Insolvency. Notwithstanding anything herein to the contrary, upon the occurrence and continuance of an Event of Default, the Bond Insurer, provided the Bond Insurance Policy is in full force and effect and the Bond Insurer shall not be in default thereunder, shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners under this Bond Resolution.

Any reorganization or liquidation plan with respect to the Issuer must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Owners who hold the Insured Bonds insured by the Bond Insurer absent a default by the Bond Insurer under the applicable Bond Insurance Policy insuring such Insured Bonds.

ARTICLE XI

DEFEASANCE

Section 1101. Defeasance. When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Bond Resolution and the pledge of the Revenues hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption in compliance with **Section 303** of this Bond Resolution. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the Issuer, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Bond Resolution. The Issuer shall notify the Bond Insurer of any defeasance of any Insured Bonds insured by the Bond Insurer.

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

ARTICLE XII

TAX COVENANTS

Section 1201. General Covenants. The Issuer covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2014A Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Mayor and Clerk are hereby authorized and directed to execute the Federal Tax Certificate in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the Issuer. The Issuer will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Series 2014A Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

Section 1202. Survival of Covenants. The covenants contained in this Article and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Series 2014A Bonds pursuant to *Article XI* hereof or any other provision of this Bond Resolution until such time as is set forth in the Federal Tax Certificate.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 1301. Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of this Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Bond;
- (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond;
- (c) permit preference or priority of any Bond over any other Bond;
- (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Bond Resolution; or
- (e) permit the creation of a lien on the Revenues prior or equal to the lien of the Parity Bonds or Additional Obligations.

Any provision of the Bonds or of this Bond Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement this Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity herein, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to conform this Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

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

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

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

Section 1302. Notices, Consents and Other Instruments by Owners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Bond Resolution, and shall be conclusive in favor of the Issuer and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

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

(b) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Bond Resolution, Bonds owned by the Issuer shall be disregarded and deemed not to be Outstanding under this Bond Resolution, except that, in determining whether the Owners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the

satisfaction of the Owners the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Issuer.

Section 1303. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Bond Resolution shall be in writing, given to the Notice Representative at the Notice Address and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

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

Section 1304. Inconsistent Provisions. In case any one or more of the provisions of this Bond Resolution or of the Bonds issued hereunder shall for any reason be inconsistent with the provisions of any Parity Resolution or any Parity Bonds: (a) the provisions of any Parity Resolution adopted prior to this Bond Resolution shall prevail with respect to Parity Bonds issued prior in time, so long as such Parity Bonds are Outstanding; and (b) the provisions of this Bond Resolution shall prevail with respect to any Parity Resolution adopted subsequent to the Bond Resolution, so long as any Parity Bonds issued under this Bond Resolution are Outstanding.

Section 1305. Electronic Transactions. The issuance of the Series 2014A Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

Section 1306. Further Authority. The officers and officials of the Issuer, including the Mayor and Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Bond Resolution and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 1307. Severability. If any section or other part of this Bond Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Bond Resolution.

Section 1308. Governing Law. This Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 1309. Effective Date.
This Bond Resolution shall take effect and be in full force from and after its adoption by the governing body of the Issuer.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

ADOPTED by the governing body of the Issuer on October 20, 2014.

(SEAL)

Mayor

ATTEST:

Clerk

CERTIFICATE

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of the Resolution No. _____ (the "Bond Resolution") of the City of Maize, Kansas, adopted by the governing body on October 20, 2014, as the same appears of record in my office, and that the Bond Resolution has not been modified, amended or repealed and is in full force and effect as of this date.

DATED: October 20, 2014.

Clerk

EXHIBIT A
(FORM OF SERIES 2014A BONDS)

**REGISTERED
NUMBER** ____

**REGISTERED
\$**_____

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

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF SEDGWICK
CITY OF MAIZE
WASTEWATER SYSTEM UTILITY REVENUE BOND
SERIES 2014A**

**Interest
Rate:**

**Maturity
Date:**

**Dated
Date:**

CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Maize, in the County of Sedgwick, State of Kansas (the “Issuer”), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Maturity Date shown above, unless called for redemption prior to said Maturity Date, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable semiannually on April 1 and October 1 of each year, commencing April 1, 2015 (the “Interest Payment Dates”), until the Principal Amount has been paid.

Method and Place of Payment. The principal or redemption price of this Series 2014A Bond shall be paid at maturity or upon earlier redemption to the person in whose name this Series 2014A Bond is registered at the maturity or redemption date thereof, upon presentation and surrender of this Series 2014A Bond at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”). The interest payable on this Series 2014A Bond on any Interest Payment Date shall be paid to the person in whose name this Series 2014A Bond is registered on the registration books maintained by the Bond Registrar at the close of business on the Record Date(s) for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding the

Interest Payment Date. Such interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner or, (b) in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Series 2014A Bonds, by electronic transfer to such Registered Owner upon written notice given to the Bond Registrar by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Registered Owner wishes to have such transfer directed. The principal or redemption price of and interest on the Series 2014A Bonds shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. Interest not punctually paid will be paid in the manner established in the within defined Bond Resolution.

Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the hereinafter defined Bond Resolution.

ADDITIONAL PROVISIONS OF THIS SERIES 2014A BOND ARE CONTINUED ON THE REVERSE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

Authentication. This Series 2014A Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter defined Bond Resolution until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Bond Registrar.

IT IS HEREBY DECLARED AND CERTIFIED that all acts, conditions, and things required to be done and to exist precedent to and in the issuance of this Series 2014A Bond have been properly done and performed and do exist in due and regular form and manner as required by the Constitution and laws of the State of Kansas, that the total indebtedness of the Issuer, including this series of bonds, does not exceed any constitutional or statutory limitation, and that provision has been duly made for the collection and segregation of the Revenues of the Wastewater Utility System (the "System") and for the application of the same as provided in the hereinafter defined Bond Resolution.

IN WITNESS WHEREOF, the Issuer has caused this Series 2014A Bond to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its Clerk, and its seal to be affixed hereto or imprinted hereon.

CITY OF MAIZE, KANSAS

[(Facsimile Seal)]

_____ (facsimile)
Mayor

ATTEST:

By _____ (facsimile)
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Series 2014A Bond is one of a series of Wastewater System Utility Revenue Bonds, Series 2014A, of the City of Maize, Kansas, described in the within-mentioned Bond Resolution.

Registration Date _____

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

By _____

Registration Number _____

(FORM OF REVERSE SIDE OF BOND)

ADDITIONAL PROVISIONS

Authorization of Series 2014A Bonds. This Series 2014A Bond is one of an authorized series of bonds of the Issuer designated “Wastewater System Utility Revenue Bonds, Series 2014A,” aggregating the principal amount of \$995,000 (the “Series 2014A Bonds”) issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Series 2014A Bonds and the Resolution of the Issuer prescribing the form and details of the Series 2014A Bonds (collectively the “Bond Resolution”). The Series 2014A Bonds are issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and laws of the State of Kansas, including K.S.A. 10-1201 *et seq.*, as amended by Charter Ordinance No. 26-14 of the City, and K.S.A. 10-620 *et seq.*, as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

Special Obligations. The Series 2014A Bonds are special obligations of the Issuer payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the taxing power of the Issuer is not pledged to the payment of the Series 2014A Bonds either as to principal or interest. The Series 2014A Bonds shall not be or constitute a general obligation of the Issuer, nor shall they constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provision, limitation or restriction. The Series 2014A Bonds stand on a parity and are equally and ratably secured with respect to the payment of principal and interest from the Net Revenues and in all other respects with a series of Wastewater Utility System Refunding Revenue Bonds, Series 2012A, of the Issuer, dated August 30, 2012. ***Under the conditions set forth in the Bond Resolution, the Issuer has the right to issue additional System Indebtedness payable from the same source and secured by the Revenues on a parity with said Revenues; provided, however, that such additional System Indebtedness may be so issued only in accordance with and subject to the covenants, conditions and restrictions relating thereto set forth in the Bond Resolution.***

The Issuer hereby covenants and agrees with the Registered Owner of this Series 2014A Bond that it will keep and perform all covenants and agreements contained in the Bond Resolution, and will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the System, as will produce Net Revenues sufficient to pay the costs of operation and maintenance of the System, pay the principal of and interest on the Series 2014A Bonds as and when the

same become due, and provide reasonable and adequate reserve funds. Reference is made to the Bond Resolution for a description of the covenants and agreements made by the Issuer with respect to the collection, segregation and application of the Revenues, the nature and extent of the security for the Series 2014A Bonds, the rights, duties and obligations of the Issuer with respect thereto, and the rights of the Registered Owners thereof.

Redemption Prior to Maturity. The Series 2014A Bonds are subject to redemption prior to maturity, as follows:

Optional Redemption. At the option of the Issuer, the Series 2014A Bonds maturing on October 1, in the years 2020 and thereafter will be subject to redemption and payment prior to maturity on October 1, 2019, or thereafter, as a whole or in part (selection of maturities and the amount of Series 2014A Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

[Mandatory Redemption.] Each of the Series 2014A Bonds maturing on October 1, 2038 (the "Term Bonds") shall also be subject to mandatory redemption and payment prior to maturity, pursuant to the redemption schedule set forth in the Bond Resolution at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.]

[Mandatory Redemption.] Each of the Series 2014A-[_____] Term Bonds [and Series 2014A-[_____] Bonds] shall also be subject to mandatory redemption and payment prior to maturity, pursuant to the redemption schedule set forth in the Bond Resolution at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.]

Redemption Denominations. Whenever the Bond Registrar is to select Series 2014A Bonds for the purpose of redemption, it shall, in the case of Series 2014A Bonds in denominations greater than a minimum Authorized Denomination, if less than all of the Series 2014A Bonds then Outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such Series 2014A Bond as though it were a separate Series 2014A Bond in the denomination of a minimum Authorized Denomination.

Notice of Redemption. Notice of redemption, unless waived, shall be given by the Issuer to the Purchaser of the Series 2014A Bonds and to the Bond Registrar in accordance with the Bond Resolution. The Issuer shall cause the Bond Registrar to notify each Registered Owner at the address maintained on the Bond Register, such notice to be given by mailing an official notice of redemption by first class mail at least 30 days prior to the redemption date. Notice of redemption having been given as aforesaid, the Series 2014A Bonds or portions of Series 2014A Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer defaults in the payment of the redemption price) such Series 2014A Bonds or portions of Series 2014A Bonds shall cease to bear interest.

Book-Entry System. The Series 2014A Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Bond Resolution. One certificate with respect to each date on which the Series 2014A Bonds are stated to mature or with respect to each form of Series 2014A Bonds, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Series 2014A Bonds by the Securities Depository's participants, beneficial ownership of the Series 2014A Bonds in Authorized Denominations being evidenced in the records of such participants. Transfers of ownership

shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Issuer and the Bond Registrar will recognize the Securities Depository nominee, while the Registered Owner of this Series 2014A Bond, as the owner of this Series 2014A Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Series 2014A Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to Beneficial Owners of the Series 2014A Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such Beneficial Owners. The Issuer and the Bond Registrar will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the Owner of this Series 2014A Bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Series 2014A Bond shall be made in accordance with existing arrangements among the Issuer, the Bond Registrar and the Securities Depository.

Transfer and Exchange. EXCEPT AS OTHERWISE PROVIDED IN THE BOND RESOLUTION, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY. This Series 2014A Bond may be transferred or exchanged, as provided in the Bond Resolution, only on the Bond Register kept for that purpose at the principal office of the Bond Registrar, upon surrender of this Series 2014A Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Bond Registrar duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Series 2014A Bond or Series 2014A Bonds in any Authorized Denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Bond Resolution and upon payment of the charges therein prescribed. The Issuer shall pay all costs incurred in connection with the issuance, payment and initial registration of the Series 2014A Bonds and the cost of a reasonable supply of bond blanks. The Issuer and the Paying Agent may deem and treat the person in whose name this Series 2014A Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. The Series 2014A Bonds are issued in fully registered form in Authorized Denominations.

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of such Series 2014A Bonds:

GILMORE & BELL, P.C.

Attorneys at Law

100 N. Main Suite 800

Wichita, Kansas 67202

(PRINTED LEGAL OPINION)

BOND ASSIGNMENT

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

(Name and Address)

(Social Security or Taxpayer Identification No.)

the Series 2014A Bond to which this assignment is affixed in the outstanding principal amount of \$_____, standing in the name of the undersigned on the books of the Bond Registrar. The undersigned do(es) hereby irrevocably constitute and appoint _____ as agent to transfer said Series 2014A Bond on the books of said Bond Registrar with full power of substitution in the premises.

Dated _____

Name

Social Security or
Taxpayer Identification No.

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

Signature guarantee:

By _____

CERTIFICATE OF CLERK

STATE OF KANSAS)
) SS.
COUNTY OF SEDGWICK)

The undersigned, Clerk of the City of Maize, Kansas, does hereby certify that the within Series 2014A Bond has been duly registered in my office according to law as of as of the Issue Date.

WITNESS my hand and official seal.

(Facsimile Seal)

(facsimile)
Clerk

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

RON ESTES, Treasurer of the State of Kansas, does hereby certify that a transcript of the proceedings leading up to the issuance of this Series 2014A Bond has been filed in the office of the State Treasurer, and that this Series 2014A Bond was registered in such office according to law on _____.

WITNESS my hand and official seal.

(Facsimile Seal)

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

**MAIZE CITY COUNCIL
REGULAR MEETING
MONDAY, OCTOBER 20, 2014**

AGENDA ITEM #8A

**ITEM: **MAIZE ROAD FINANCING
(GENERAL OBLIGATION BONDS)****

BACKGROUND:

The city has utilized temporary financing for its share of the cost of the Maize Road improvements. With the project completed and costs finalized, the city is ready to permanently bond finance its costs. The water and sewer portion of the project is being financed with utility revenue bonds. The remaining amount (approximately \$2,990,000) is to be financed with general obligation bonds.

<u>Tracking the Temp Notes</u>	<u>Initial Project Money</u>	+	<u>Interim Interest & Costs</u>	=	<u>TOTAL</u>
2009B --> 2011C --> 2013C	1,400,000.00		106,472.05		1,506,472.05
2011A --> 2013A	1,000,000.00		67,587.50		1,067,587.50
2012A --> 2014A	1,484,586.00		70,589.00		1,555,175.00
					4,129,234.55
			Add: Costs of Bonding		140,765.45
			Total to be Bonded		4,275,000.00
			Water Revenue Bonds		285,000.00
			Wastewater Revenue Bonds		995,000.00
			General Obligation Bonds		2,990,000.00
					4,270,000.00

FINANCIAL CONSIDERATIONS:

The G.O. (general obligation) bonds (to be issued in November) would be structured to take advantage of anticipated valuation growth in order to keep the mill levy rate lower in earlier years. Annual debt service amounts are estimated to grow at a rate of 5% per year. As the city's valuation grows, a steady mill levy would bring in more dollars to service the larger debt in later years.

General Obligation Bond Portion (\$2,990,000)							"At-Large" General Obligation Debt	
Date	GO Bonds			GO Debt Service (Total P+I)	Valuation Grows 5% per year	Mill Levy Rate	OTHER At-large G.O. Debt Service	TOTAL At-large G.O. Debt Service (incl. Maize Rd)
	Principal	Coupon	Interest					
10/01/2013								
10/01/2014								
10/01/2015	55,000.00	0.750%	78,787.50	133,787.50	34,312,017	3.8991441x	80,632	214,420
10/01/2016	45,000.00	1.000%	94,132.50	139,132.50	36,032,501	3.8613057x	67,821	206,953
10/01/2017	55,000.00	1.200%	93,682.50	148,682.50	37,834,126	3.9298516x	69,364	218,046
10/01/2018	60,000.00	1.400%	93,022.50	153,022.50	39,725,832	3.8519646x	67,213	220,235
10/01/2019	70,000.00	1.600%	92,182.50	162,182.50	41,712,124	3.8881381x	70,306	232,489
10/01/2020	80,000.00	1.800%	91,062.50	171,062.50	43,797,730	3.9057389x	69,281	240,344
10/01/2021	90,000.00	2.000%	89,622.50	179,622.50	45,987,617	3.9058884x	68,290	247,912
10/01/2022	100,000.00	2.200%	87,822.50	187,822.50	48,286,997	3.8897117x	70,770	258,592
10/01/2023	110,000.00	2.300%	85,622.50	195,622.50	50,701,347	3.8583294x	69,604	265,226
10/01/2024	125,000.00	2.500%	83,092.50	208,092.50	53,236,415	3.9088376x	45,582	253,675
10/01/2025	135,000.00	2.700%	79,967.50	214,967.50	55,898,235	3.8456938x	46,457	261,425
10/01/2026	150,000.00	2.900%	76,322.50	226,322.50	58,693,147	3.8560294x	46,646	272,969
10/01/2027	165,000.00	3.100%	71,972.50	236,972.50	61,627,805	3.8452205x	46,764	283,737
10/01/2028	185,000.00	3.400%	66,857.50	251,857.50	64,709,195	3.8921439x	47,381	299,239
10/01/2029	205,000.00	3.550%	60,567.50	265,567.50	67,944,654	3.9085856x	-	265,568
10/01/2030	225,000.00	3.700%	53,290.00	278,290.00	71,341,887	3.9007939x	-	278,290
10/01/2031	245,000.00	3.800%	44,965.00	289,965.00	74,908,982	3.8708976x	-	289,965
10/01/2032	270,000.00	3.900%	35,655.00	305,655.00	78,654,431	3.8860494x	-	305,655
10/01/2033	295,000.00	4.000%	25,125.00	320,125.00	82,587,152	3.8762082x	-	320,125
10/01/2034	325,000.00	4.100%	13,325.00	338,325.00	86,716,510	3.9015062x	-	338,325
10/01/2035								
10/01/2036								
10/01/2037								
10/01/2038								
Total	\$2,990,000.00	-	\$1,417,077.50	\$4,407,077.50	-	-	-	-

The bonds will be callable after a number of years. Not only will this allow savings due to refunding opportunities – but the debt service can be also be adjusted as the city continues to monitor its growth in valuation.

Bidders have until 11 AM, November 17, to submit bids for the G.O. bonds. When all bids are received, the City’s Financial Advisor (Larry Kleeman) will prepare a bid tab sheet summarizing the results of the bond sales.

LEGAL CONSIDERATIONS:

Kim Bell (Bond Counsel) has prepared the attached “sale resolution” authorizing bids for the G.O. bonds to be received prior to next month’s meeting.

RECOMMENDATION/ACTION:

MOTION: Move to approve the “sale resolution” for the General Obligation Bonds, Series 2014A.

Reminder about State Law Debt Limit

State law limits most cities’ debt to 30% of their assessed valuation – but excludes some kinds of debt (such as utility debt for sewer, water, etc.). Of Maize’s \$22.19 million in debt (as of November 1), only about \$6.85 million applies toward the state law debt limit.

Assessed Tangible Valuation (2014)	\$34,312,017
Motor Vehicle Valuation (2013)	<u>4,929,223</u>
Total Valuation for computation of Bonded Indebtedness Limitations	\$39,241,240
Legal limitation of Bonded Debt (30%)	\$11,772,372
Applicable general obligation debt	<u>6,847,714</u>
Additional Debt Capacity	\$4,924,658

The City’s “applicable debt” (\$6,847,713.70) is 17.45% of its valuation – significantly below the 30% state-imposed debt limit.

General Obligation Bonds and Notes

The table below lists the City of Maize’s outstanding general obligation bonds and notes (anticipated as of November 1):

General Obligation Bonds				
<u>Issue</u>	<u>Date of Indebtedness</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
Series 2004	7/15/2004	9/1/2019	405,000	\$165,000
Series A, 2007	4/15/2007	10/1/2022	1,162,471	730,000
Series B, 2007	9/15/2007	9/1/2028	4,941,983	4,035,000
Series 2010	11/30/2010	9/1/2017	515,000	135,000
Series A, 2011	9/29/2011	10/1/2032	4,630,000	4,235,000
Series 2013A	3/28/2013	10/1/2033	3,840,000	3,720,000
Series 2013B	8/29/2013	9/1/2028	2,115,000	2,115,000
Series 2014A	11/26/2014	10/1/2034	2,990,000	<u>2,990,000</u>
				\$18,125,000

Temporary Notes				
<u>Issue</u>	<u>Date of Indebtedness</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
Series 2013A	3/28/2013	4/1/2015	4,020,000	2,970,000
Series 2013B	9/26/2013	10/1/2015	1,090,000	<u>1,090,000</u>
				\$4,060,000

“Debt to Valuation” Ratios

	All G.O. Debt	Net of Self-Supporting Debt (excludes special assessed debt)
Assessed Valuation (including motor vehicle valuation)	\$39,241,240	\$39,241,240
Population - 2013 Census Bureau Estimate	3,823	3,823
General Obligation Bonds and Notes ("G.O. Bonds")	\$22,185,000	\$4,485,385
G.O. Bonds Per Capita (or, "per resident")	\$5,803	\$1,173
Ratio of G.O. Bonds to Assessed Valuation	56.53%	11.43%

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION BONDS, SERIES 2014A, OF THE CITY OF MAIZE, KANSAS.

WHEREAS, the City of Maize, Kansas (the “Issuer”), has previously authorized certain internal improvements described as follows (the “Improvements”):

<i>Project Description</i>	<i>Ord./Res. No.</i>	<i>Authority (K.S.A.)</i>	<i>Estimated Cost</i>
Maize Road Improvements ; and	799/467-09	K.S.A. 12-685 <i>et seq.</i>	\$7,000,000

WHEREAS, the Issuer desires to issue its general obligation bonds in order to permanently finance the costs of such Improvements and to (i) retire the following temporary of the Issuer, which were issued to temporarily finance a portion of the costs of the Improvements (collectively the “Notes”) and (ii) refund the following general obligation bonds which were issued to finance a portion of the costs of the Improvements (the “Refunded Bonds”), as set forth below:

The Notes:

<u>Series</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>	<u>Redemption Amount</u>	<u>Redemption Date</u>
2013A	03/28/2013	04/01/2015	\$4,020,000	\$4,020,000	1,050,000	12/01/2014
2014A	03/07/2014	10/01/2015	1,550,000	330,000	330,000	12/01/2014

The Refunded Bonds:

<u>Series</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>	<u>Redemption Amount</u>	<u>Redemption Date</u>
2013C	09/26/2013	10/01/2015	\$1,495,000	\$1,495,000	1,495,000	12/01/2014

; and

WHEREAS, the Issuer has selected the firm of CityCode Financial, L.L.C., Wichita, Kansas 67206 (“Financial Advisor”), as financial advisor for one or more series of general obligation bonds of the Issuer to be issued in order to provide funds to permanently finance the Improvements, to retire the Notes and to refund the Refunded Bonds; and

WHEREAS, the Issuer desires to authorize the Financial Advisor to proceed with the offering for sale of said general obligation bonds and related activities; and

WHEREAS, one of the duties and responsibilities of the Issuer is to prepare and distribute a preliminary official statement relating to said general obligation bonds; and

WHEREAS, the Issuer desires to authorize the Financial Advisor and Gilmore & Bell, P.C., Wichita, Kansas (“Bond Counsel”), in conjunction with the Clerk to proceed with the preparation and distribution of a preliminary official statement and notice of bond sale and to authorize the distribution thereof and all other preliminary action necessary to sell said general obligation bonds.

**BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF MAIZE, KANSAS,
AS FOLLOWS:**

Section 1. The Issuer is hereby authorized to offer for sale the Issuer's General Obligation Bonds, Series 2014A (the "Bonds") described in the Notice of Bond Sale, which is hereby approved in substantially the form presented to the governing body this date. Proposals for the purchase of the Bonds shall be submitted upon the terms and conditions set forth in said Notice of Bond Sale, and shall be reviewed by the Mayor, Clerk, Financial Advisor and Bond Counsel as soon after the submittal hour as possible. The Mayor and Clerk are hereby authorized to award the sale of the Bonds to the submitter of the best proposal as determined pursuant to the provisions of the Notice of Bond Sale or to reject all proposals. All proposals for the purchase of the Bonds shall be delivered to the governing body at its meeting to be held on the sale date referenced in the Notice of Bond Sale, at which meeting the governing body shall review such bids and ratify the award of the sale of the Bonds or the rejection of all proposals.

Section 2. The Mayor and Clerk in conjunction with the Financial Advisor and Bond Counsel are hereby authorized to cause to be prepared a Preliminary Official Statement, and such officials and other representatives of the Issuer are hereby authorized to use such document in connection with the sale of the Bonds.

Section 3. The Clerk, in conjunction with the Financial Advisor and Bond Counsel, is hereby authorized and directed to give notice of said bond sale by distributing copies of the Notice of Bond Sale and Preliminary Official Statement to prospective purchasers of the Bonds. Proposals for the purchase of the Bonds shall be submitted upon the terms and conditions set forth in said Notice of Bond Sale, and shall be delivered to the governing body at its meeting to be held on the sale date referenced in the Notice of Bond Sale, at which meeting the governing body shall review such bids and shall award the sale of the Bonds or reject all proposals.

Section 4. For the purpose of enabling the purchaser of the Bonds (the "Purchaser") to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the Mayor and Clerk or other appropriate officers of the Issuer are hereby authorized: (a) to approve the form of said Preliminary Official Statement and to execute the "Certificate Deeming Preliminary Official Statement Final" in substantially the form attached hereto as *Exhibit A* as approval of the Preliminary Official Statement, such official's signature thereon being conclusive evidence of such official's and the Issuer's approval thereof; (b) covenant to provide continuous secondary market disclosure by annually transmitting certain financial information and operating data and other information necessary to comply with the Rule to the Municipal Securities Rulemaking Board; and (c) take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of the Rule.

Section 5. The Issuer agrees to provide to the Purchaser within seven business days of the date of the sale of Bonds or within sufficient time to accompany any confirmation that requests payment from any customer of the Purchaser, whichever is earlier, sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of the Rule and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 6. The Mayor, Clerk and the other officers and representatives of the Issuer, the Financial Advisor and Bond Counsel are hereby authorized and directed to take such other action as may be necessary to carry out the sale of the Bonds. Such officials are also directed and authorized to make provision for payment and/or redemption of the Notes from proceeds of the Bonds.

Section 7. The officers and representatives of the Issuer are hereby authorized and directed to take such action as may be necessary, after consultation with the Financial Advisor and Bond Counsel, to provide for notice of redemption of the Refunded Bonds.

Section 8. This Resolution shall be in full force and effect from and after its adoption.

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ADOPTED by the governing body on October 20, 2014.

(SEAL)

ATTEST:

Mayor

Clerk

EXHIBIT A
CERTIFICATE DEEMING
PRELIMINARY OFFICIAL STATEMENT FINAL

November 1, 2014

[To: [Purchaser]
[Purchaser City, State]

Re: \$2,990,000 City of Maize, Kansas, General Obligation Bonds, Series 2014A

The undersigned are the duly acting Mayor and Clerk of the City of Maize, Kansas (the “Issuer”), and are authorized to deliver this Certificate to the addressee (the “Purchaser”) on behalf of the Issuer. The Issuer has previously caused to be delivered to the Purchaser copies of the Preliminary Official Statement (the “Preliminary Official Statement”) relating to the above-referenced bonds (the “Bonds”).

For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the “Rule”), the Issuer hereby deems the information regarding the Issuer contained in the Preliminary Official Statement to be final as of its date, except for the omission of such information as is permitted by the Rule, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal per maturity, delivery dates, ratings, identity of the underwriters and other terms of the Bonds depending on such matters.

CITY OF MAIZE, KANSAS

By: _____
Title: Mayor

By: _____
Title: Clerk

NOTICE OF BOND SALE
\$2,990,000
CITY OF MAIZE, KANSAS
GENERAL OBLIGATION BONDS
SERIES 2014A

(GENERAL OBLIGATION BONDS PAYABLE
FROM UNLIMITED AD VALOREM TAXES)

Bids. Written and electronic (as explained below) bids for the purchase of the above-referenced bonds (the “Bonds”) of the City of Maize, Kansas (the “Issuer”) herein described will be received on behalf of the undersigned Clerk of the Issuer at the address hereinafter set forth in the case of written bids, and via PARITY® in the case of electronic bids, until 11:00 a.m., Central Time (the “Submittal Hour”), on

NOVEMBER 17, 2014

(the “Sale Date”). All bids will be publicly evaluated at said time and place and the award of the Bonds to the successful bidder (the “Successful Bidder”) will be acted upon by the governing body at its meeting to be held at 7:00 p.m. on the Sale Date. No oral or auction bids will be considered. Capitalized terms not otherwise defined herein shall have the meanings set forth in the hereinafter referenced Preliminary Official Statement relating to the Bonds.

Terms of the Bonds. The Bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof (the “Authorized Denomination”). The Bonds will be dated November 26, 2014 (the “Dated Date”), and will become due in principal installments on October 1 in the years as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2015	\$55,000	2025	\$135,000
2016	45,000	2026	150,000
2017	55,000	2027	165,000
2018	60,000	2028	185,000
2019	70,000	2029	205,000
2020	80,000	2030	225,000
2021	90,000	2031	245,000
2022	100,000	2032	270,000
2023	110,000	2033	295,000
2024	125,000	2034	325,000

The Bonds will bear interest from the Dated Date at rates to be determined when the Bonds are sold as hereinafter provided, which interest will be payable semiannually on April 1 and October 1 in each year, beginning on April 1, 2015 (the “Interest Payment Dates”).

Adjustment of Issue Size. The Issuer reserves the right to increase or decrease the total principal amount of the Bonds, depending on the purchase price and interest rates bid and the offering prices specified by the Successful Bidder. The principal amount of any maturity may be adjusted by the Issuer in order to properly size the Bond issue based on the required size of the discount and interest rates bid on the Bonds. The Successful Bidder may not withdraw its bid or change the interest rates bid as a result of any changes made to the principal amount of the Bonds or principal of any maturity as described herein. If there is an increase or decrease in the final aggregate principal amount of the Bonds or the schedule of principal payments as described above, the Issuer will notify the Successful Bidder by means of telephone or facsimile transmission, subsequently confirmed in writing, no later than 2:00 p.m., central standard time, on the Sale Date. The actual purchase price for the Bonds shall be calculated by applying the percentage of par value bid by the Successful Bidder against the final aggregate principal amount of the Bonds, as adjusted, plus accrued interest from the date of the Bonds to the date of delivery.

Place of Payment. The principal of and interest on the Bonds will be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent" and "Bond Registrar"). The principal of each Bond will be payable at maturity or earlier redemption to the owner thereof whose name is on the registration books (the "Bond Register") of the Bond Registrar (the "Registered Owner") upon presentation and surrender at the principal office of the Paying Agent. Interest on each Bond will be payable to the Registered Owner of such Bond as of the fifteenth day (whether or not a business day) of the calendar month next preceding each Interest Payment Date (the "Record Date") (a) mailed by the Paying Agent to the address of such Registered Owner as shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds, by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address to which such Registered Owner wishes to have such wire directed.

Bond Registration. The Bonds will be registered pursuant to a plan of registration approved by the Issuer and the Attorney General of the State of Kansas (the "State"). The Issuer will pay for the fees of the Bond Registrar for registration and transfer of the Bonds and will also pay for printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, will be the responsibility of the Owners.

Book-Entry-Only System. The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The Bonds will initially be issued exclusively in "book entry" form and shall be initially registered in the name of Cede & Co., as the nominee of DTC and no beneficial owner will receive certificates representing their interests in the Bonds. During the term of the Bonds, so long as the book-entry-only system is continued, the Issuer will make payments of principal of, premium, if any, and interest on the Bonds to DTC or its nominee as the Registered Owner of the Bonds, DTC will make book-entry-only transfers among its participants and receive and transmit payment of principal of, premium, if any, and interest on the Bonds to its participants who shall be responsible for transmitting payments to beneficial owners of the Bonds in accordance with agreements between such participants and the beneficial owners. The Issuer will not be responsible for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the Issuer determines that continuation of the book-entry-only form of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Issuer will discontinue the book-entry-only form of registration with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will cause to be authenticated and delivered to the beneficial owners replacement Bonds in the form of fully registered certificates. Reference is made to

the Official Statement for further information regarding the book-entry-only system of registration of the Bonds and DTC.

Redemption of Bonds Prior to Maturity.

General. Whenever the Issuer is to select Bonds for the purpose of redemption, it will, in the case of Bonds in denominations greater than the minimum Authorized Denomination, if less than all of the Bonds then outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such fully registered Bond as though it were a separate Bond in the minimum Authorized Denomination.

Optional Redemption. At the option of the Issuer, Bonds maturing on October 1 in the years 2020, and thereafter, will be subject to redemption and payment prior to maturity on October 1, 2019, and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Mandatory Redemption. A bidder may elect to have all or a portion of the Bonds scheduled to mature in consecutive years issued as term bonds (the "Term Bonds") scheduled to mature in the latest of said consecutive years and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth above, subject to the following conditions: (a) not less than all Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements; and (b) a bidder shall make such an election by completing the applicable paragraph on the Official Bid Form or completing the applicable information on PARITY[®].

Notice and Effect of Call for Redemption. Unless waived by any owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar and the Successful Bidder. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the registered owners of said Bonds. Each of said written notices shall be deposited in United States first class mail not less than 30 days prior to the date fixed for redemption. All notices of redemption shall state the date of redemption, the redemption price, the Bonds to be redeemed, the place of surrender of Bonds so called for redemption and a statement of the effect of the redemption. The Issuer shall also give such additional notice as may be required by Kansas law or regulation of the Securities and Exchange Commission in effect as of the date of such notice. If any Bond be called for redemption and payment as aforesaid, all interest on such Bond shall cease from and after the date for which such call is made, provided funds are available for its payment at the price hereinbefore specified.

Authority, Purpose and Security. The Bonds are being issued pursuant to K.S.A. 12-685 et seq., as amended, K.S.A. 10-427, as amended, and an ordinance and a resolution adopted by the governing body of the Issuer (collectively the "Bond Resolution") for the purpose of paying a portion of the cost of certain internal improvements (the "Improvements") and refunding certain outstanding bonds of the Issuer. The Bonds shall be general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal and interest on the Bonds as the same become due.

USE THE FOLLOWING TWO PARAGRAPHS FOR ELECTRONIC BIDS

Submission of Bids. Written bids must be made on forms which may be procured from the Clerk or the Financial Advisor and shall be addressed to the undersigned, and marked “Proposal for General Obligation Bonds, Series 2013C.” Written bids submitted by facsimile should not be preceded by a cover sheet and should be sent only once to **(316) 722-0346**. Written bids submitted by email should be sent only once to larry@citycode.com. Confirmation of receipt of facsimile and email bids may be made by contacting the undersigned at the number listed below. Bids must be received prior to the Submittal Hour on the Sale Date. The Issuer shall not be responsible for failure of transmission of facsimile or email or delivery by mail or in person of any bid.

Electronic bids via PARITY® must be submitted in accordance with its Rules of Participation, as well as the provisions of this Notice of Bond Sale. If provisions of this Notice of Bond Sale conflict with those of PARITY®, this Notice of Bond Sale shall control. Bids must be received prior to the Submittal Hour on the Sale Date. The Issuer shall not be responsible for any failure, misdirection or error in the means of transmission selected by any bidder.

Conditions of Bids. Proposals will be received on the Series 2014A Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: (a) the same rate shall apply to all Series 2014A Bonds of the same maturity year; (b) no interest rate may exceed a rate equal to the daily yield for the 10-year Treasury Bond published by **THE BOND BUYER**, in New York, New York, on the Monday next preceding the day on which the Series 2014A Bonds are sold, plus 6.00%; and (c) no supplemental interest payments will be considered. No bid shall be for less than **98.75%** of the principal amount of the Series 2014A Bonds and accrued interest thereon to the date of delivery will be considered. Each bid shall specify the total interest cost (expressed in dollars) during the term of the Bonds on the basis of such bid, and the average annual net interest rate (expressed as a percentage) on the basis of such bid. Each bidder shall certify to the Issuer the correctness of the information contained on the Official Bid Form; the Issuer will be entitled to rely on such certification. Each bidder agrees that, if it is awarded the Bonds, it will provide the certification as to initial offering prices described under the caption “Certification as to Offering Price” in this Notice.

Basis of Award. Subject to the timely receipt of the Deposit set forth above, the award of the Bonds will be made on the basis of the lowest net interest cost (expressed in dollars), which will be determined by subtracting the amount of the premium bid, if any, from or adding the amount of the discount bid, if any, to the total interest cost to the Issuer. The Issuer or its Financial Advisor will compute the net interest cost based on such bids. If there is any discrepancy between the net interest cost specified and the interest rates specified, the specified net interest cost shall govern and the interest rates specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest net interest cost are received, the governing body of the Issuer will determine which bid, if any, will be accepted, and its determination is final.

The Issuer reserves the right to reject any and/or all bids and to waive any irregularities in a submitted bid. Any bid received after the Submittal Hour on the Sale Date will be returned to the bidder. Any disputes arising hereunder shall be governed by the laws of the State, and any party submitting a bid agrees to be subject to jurisdiction and venue of the federal and state courts within Kansas with regard to such dispute.

The Issuer’s acceptance, including electronic acceptance through PARITY®, of the Successful Bidder’s proposal for the purchase of the Bonds in accordance with this Notice of Bond Sale shall constitute a bond purchase agreement between the Issuer and the Successful Bidder for purposes of the laws of the State and a contract between the Issuer and the Successful Bidder for the purposes of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) and Rule G-32 of the Municipal

Securities Rulemaking Board (“Rule G-32”). The method of acceptance shall be determined solely by the governing body of the Issuer.

Optional Bond Insurance. The Issuer has **not** applied for any policy of municipal bond insurance with respect to the Bonds. If the Bonds qualify for municipal bond insurance, and any bidder desires to purchase such policy, such indication and the name of the desired insurer must be set forth on the bidder’s Official Bid Form. The Issuer specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest net interest cost to the Issuer. All costs associated with the issuance of such policy and associated ratings and expenses (other than any independent rating requested by the Issuer) shall be paid by the Successful Bidder. Failure of the municipal bond insurer to issue the policy after the award of the Bonds shall not constitute cause for failure or refusal by the Successful Bidder to accept delivery of the Bonds.

CUSIP Numbers. CUSIP identification numbers will be assigned and printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Notice. All expenses in relation to the assignment and printing of CUSIP numbers on the Bonds will be paid by the Issuer.

Delivery and Payment. The Issuer will pay for preparation of the Bonds and will deliver the Bonds properly prepared, executed and registered without cost on or about **NOVEMBER 26, 2014** (the “Closing Date”), to DTC for the account of the Successful Bidder. The Successful Bidder will be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the Bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Bonds affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Bonds shall be made in federal reserve funds, immediately available for use by the Issuer. The Issuer will deliver one Bond of each maturity registered in the nominee name of DTC.

Reoffering Prices. To provide the Issuer with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), the Successful Bidder will be required to complete, execute and deliver to the Issuer prior to the delivery of the Bonds, a written certification (the “Issue Price Certificate”) containing the following: (a) the initial offering price and interest rate for each maturity of the Bonds; (b) that all of the Bonds were offered to the public in a bona fide public offering at the initial offering prices on the Sale Date; and (c) on the Sale Date the Successful Bidder reasonably expected that at least 10% of each maturity of the Bonds would be sold to the “public” at prices not higher than the initial offering prices. For purposes of the preceding sentence “public” means persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers. However, such Issue Price Certificate may indicate that the Successful Bidder has purchased the Bonds for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Bonds for sale to the public.

Subsequent to the Submittal Hour, such initial offering prices to the public shall be provided to the Issuer or the Financial Advisor not more than 20 minutes after requested by the Issuer or the Financial Advisor.

At the request of the Issuer, the Successful Bidder will provide information explaining the factual basis for the Successful Bidder’s Issue Price Certificate. This agreement by the Successful Bidder to provide such information will continue to apply after the Closing Time if: (a) the Issuer requests the information in connection with an audit or inquiry by the Internal Revenue Service (the “IRS”) or the Securities and Exchange Commission (the “SEC”) or (b) the information is required to be retained by the

Issuer pursuant to future regulation or similar guidance from the IRS, the SEC or other federal or state regulatory authority.

Preliminary Official Statement and Official Statement. The Issuer has prepared a Preliminary Official Statement dated November 1, 2014, “deemed final” by the Issuer except for the omission of certain information as provided in the Rule, copies of which may be obtained from the Clerk or from the Financial Advisor. Upon the sale of the Bonds, the Issuer will adopt the final Official Statement and will furnish the Successful Bidder, without cost, within seven business days of the acceptance of the Successful Bidder’s proposal, with a sufficient number of copies thereof, which may be in electronic format, in order for the Successful Bidder to comply with the requirements of the Rule and Rule G-32. Additional copies may be ordered by the Successful Bidder at its expense.

Continuing Disclosure. In the Bond Resolution, the Issuer has covenanted to provide annually certain financial information and operating data and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board. This covenant is for the benefit of and is enforceable by any Registered Owner of the Bonds. For further information, reference is made to the caption “CONTINUING DISCLOSURE” in the Preliminary Official Statement.

Assessed Valuation and Indebtedness. The total assessed valuation of the taxable tangible property within the Issuer for the year 2013 is as follows:

Equalized Assessed Valuation of	
Taxable Tangible Property	\$34,312,017
Tangible Valuation of Motor Vehicles.....	4,929,223
Equalized Assessed Tangible Valuation	
for Computation of Bonded Debt Limitations	\$39,241,240

The total general obligation indebtedness of the Issuer as of the Dated Date, including the Bonds being sold, is \$[25,060,000]. Temporary notes in the principal amount of \$1,380,000 and general obligation bonds in the principal amount of \$1,495,000 will be retired out of proceeds of the Bonds, which will reduce the outstanding general obligation indebtedness of the Issuer to \$[22,185,000].

Legal Opinion. The Bonds will be sold subject to the approving legal opinion of GILMORE & BELL, P.C., WICHITA, KANSAS, Bond Counsel, which opinion will be furnished and paid for by the Issuer, will be printed on the Bonds, if the Bonds are printed, and will be delivered to the Successful Bidder when the Bonds are delivered. Said opinion will also include the opinion of Bond Counsel relating to the interest on the Bonds being excludable from gross income for federal income tax purposes and exempt from income taxation by the State of Kansas. Reference is made to the Preliminary Official Statement for further discussion of federal and Kansas income tax matters relating to the interest on the Bonds.

Additional Information. Additional information regarding the Bonds may be obtained from the undersigned or from the Financial Advisor at the addresses set forth below:

DATED: November 1, 2014.

CITY OF MAIZE, KANSAS
By Jocelyn Reid, Clerk

Written and Facsimile Bid Delivery Address:

City Hall, 10100 Grady Avenue
Maize, Kansas 67101
Phone No.: (316) 722-7561
Fax No.: (316) 722-0346
Email: jreid@cityofmaize.org

Financial Advisor – Email Bid Delivery Address:

CityCode Financial, L.L.C.
12201 E. Tipperary
Wichita, Kansas
Attn: Larry Kleeman
Phone No.: (316) 685-5911
Email: larry@citycode.com

OFFICIAL BID FORM
 PROPOSAL FOR THE PURCHASE OF CITY OF MAIZE, KANSAS
 GENERAL OBLIGATION BONDS

TO: Jocelyn Reid, Clerk
 City of Maize, Kansas

November 17, 2014

For \$2,990,000 principal amount of General Obligation Bonds, Series 2014A, of the City of Maize, Kansas, to be dated November 26, 2014, as described in the Notice of Bond Sale dated October 20, 2014, said Bonds to bear interest as follows:

<u>Stated Maturity</u> <u>October 1</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Stated Maturity</u> <u>October 1</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>
2015	\$55,000	_____ %	2025	\$135,000	_____ %
2016	45,000	_____ %	2026	150,000	_____ %
2017	55,000	_____ %	2027	165,000	_____ %
2018	60,000	_____ %	2028	185,000	_____ %
2019	70,000	_____ %	2029	205,000	_____ %
2020	80,000	_____ %	2030	225,000	_____ %
2021	90,000	_____ %	2031	245,000	_____ %
2022	100,000	_____ %	2032	270,000	_____ %
2023	110,000	_____ %	2033	295,000	_____ %
2024	125,000	_____ %	2034	325,000	_____ %

*Subject to change, see Notice of Bond Sale dated October 20, 2014

the undersigned will pay the purchase price for the Bonds set forth below, plus accrued interest to the date of delivery.

Principal Amount\$2,990,000
 Less Discount (not to exceed 1.25%).....-
 Plus Premium (if any)
 Total Purchase Price\$
 Total interest cost to maturity at the rates specified\$
 Net interest cost (adjusted for Discount and/or Premium)\$
 Average annual net interest rate %

- The Bidder elects to purchase Municipal Bond Insurance from: [Assured] [AGM] [BAM] [_____]. Circle one or complete blank.
- The Bidder elects to have the following Term Bonds:

<u>Maturity Date</u>	<u>Years</u>	<u>Amount*</u>
October 1, _____	_____ to _____	\$ _____
October 1, _____	_____ to _____	\$ _____

*subject to mandatory redemption requirements in the amounts and at the times shown above.

This proposal is subject to all terms and conditions contained in said Notice of Bond Sale, and if the undersigned is the Successful Bidder, the undersigned will comply with all of the provisions contained in said Notice. The acceptance of this proposal by the Issuer by execution below shall constitute a contract between the Issuer and the Successful Bidder for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission and a bond purchase agreement for purposes of the laws of the State of Kansas.

Submitted by: _____

(LIST ACCOUNT MEMBERS ON REVERSE)

By: _____
 Telephone No. (____) _____

ACCEPTANCE

Pursuant to action duly taken by the Governing Body of the City of Maize, Kansas, the above proposal is hereby accepted on November 17, 2014.
 Attest:

 Clerk

 Mayor

NOTE: No additions or alterations in the above proposal form shall be made, and any erasures may cause rejection of any bid. Sealed bids may be filed with the Clerk, Jocelyn Reid, City Hall, 10100 Grady Avenue, Maize, Kansas 67101, facsimile bids may be filed with the Clerk, Fax No. (316) 722-0346, email bids may be filed with the Financial Advisor, larry@citycode.com, or electronic bids may be submitted via **PARITY**[®], at or prior to 11:00 a.m., Central Time, on November 17, 2014. Any bid received after such time will not be accepted or shall be returned to the bidder.

**MAIZE CITY COUNCIL
REGULAR MEETING
MONDAY, October 20, 2014**

AGENDA ITEM #8B

ITEM: 2014 BUDGET AMENDMENT

BACKGROUND:

When preparing any budget for the revenue funds (wastewater and water), the budget authority is limited to the amount of projected revenues. In the 2014 budget, wastewater revenues were projected to be \$681,000. Budget authority equaled the projected revenues.

Staff monitors each fund closely throughout the year. Revenues in the wastewater fund are projected to be higher than original estimates and, due to items that have increased in cost this year, expenditures are also projected to be higher than original estimates. Expenditures will still be lower than revenues resulting in a fund that is “right side up”.

While most expenditures have been at or below 2013 costs, a few line items have been considerably higher. Electric utilities, specifically, are 34% higher (\$13,400) than 2013 due to more kilowatt-hours being used at the wastewater treatment plant and rate increases. Other increased expenditures include a new pump installed at the Longbranch lift station and increased costs for sludge removal and sewer line maintenance.

FINANCIAL CONSIDERATIONS:

Staff recommends that the budget authority for the wastewater fund be increased from \$681,000 to \$707,000. This will ensure that there is sufficient budget authority to finish the last quarter of 2014.

The revenues in the wastewater fund will more than offset the increased budget authority that is needed for 2014. Staff projects that revenues for the wastewater fund will be over \$790,000.

The projected 2014 carryover in the wastewater fund is \$451,090.

LEGAL CONSIDERATIONS:

The budget needs to be amended for this fund in order to comply with Kansas Budget Law.

RECOMMENDATION:

Approve the recommendation to amend the 2014 budget and set the public hearing for 7:00 pm on November 17, 2014 and publish in *The Clarion*.

**Notice of Budget Hearing for Amending the
2014 Budget**

The governing body of

Maize

will meet on the day of 11/17/14 at 7:00 PM at City Hall, 10100 Grady Avenue for the purpose of hearing and answering objections of taxpayers relating to the proposed amended use of funds.

Detailed budget information is available at City Hall, 10100 Grady Avenue and will be available at this hearing.

Summary of Amendments

Fund	2014 Adopted Budget			2014 Proposed Amended Expenditures
	Actual Tax Rate	Amount of Tax that was Levied	Expenditures	
Wastewater			681,000	707,000
			0	0
			0	0
			0	0
			0	0

Jocelyn Reid, CMC
Official Title: City Clerk

**MAIZE CITY COUNCIL
REGULAR MEETING
MONDAY, OCTOBER 20, 2014**

AGENDA ITEM #8C

ITEM: Zone change from SF-5 Single-Family Residential to LI Limited Industrial (Z-03-014) for approximately 70 acres of property located at the northwest corner of 53rd Street North and 119th Street West (except for the hard corner).

BACKGROUND: When annexed into the City of Maize, this property was designated as Single-Family Residential “SF-5,” per Kansas State Statues. At the September 4, 2014 Planning Commission meeting the Planning Commission reviewed this request and recommended approval of the zone change with a 4-2 vote.

The property has recently been purchased and is being developed by Dave Larson with Reiloy/Westland Corporation. 27 acres of the property are in the process of being platted. The Planning Commission recommended that the approval for a zone change be subject to the entire property being platted within five years.

The Planning Commission recommendation was based upon the property being designated as appropriate for industrial development in the City of Maize Comprehensive Plan. There were no formal protests filed against the Planning Commission’s action. A copy of the staff report that was presented to the Planning Commission is attached for your review.

A copy of the Ordinance that will effectuate the zone change is attached to this agenda item.

FINANCIAL CONSIDERATIONS: None

LEGAL CONSIDERATIONS: City Attorney has approved Ordinance as to form

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

ORDINANCE NO.

AN ORDINANCE CHANGING THE ZONING DISTRICT CLASSIFICATION OF CERTAIN PROPERTY LOCATED IN THE CITY OF MAIZE, KANSAS, UNDER THE AUTHORITY GRANTED BY THE ZONING REGULATIONS OF THE CITY AS ORIGINALLY APPROVED BY ORDINANCE NO. 548.

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

SECTION 1. After proper notice having been given and hearing held as provided by law and under authority and subject to the provisions of the Zoning Regulations of the City as originally approved by Ordinance No. 548, the Maize City Planning Commission recommends approval of Case No. Z-03-014, and, that the zoning district classification of the property legally described herein be changed as follows:

Change of zoning district classification from the SF-5 Single-Family Residential District to LI Limited Industrial District.

Legal Description:

The E ½ SE ¼ LY S RR ROW EXC N 687 FT & EXC S 417.4 FT
E 521.75 FT & EXC RDS. SEC 13-26-2W

And

The SW ¼ SE ¼ SEC 13-26-2W

Maize, Sedgwick County, Kansas.

General Location: Northwest corner of 53rd Street North and 119th Street West

SECTION 2. Upon the taking effect of the ordinance, the above zoning change shall be entered and shown on the Official Zoning Map(s) as previously adopted by reference and said Map(s) is (are) hereby reincorporated as a part of the Zoning Regulations as amended.

SECTION 3. This zone change shall be subject to the following condition:

Platting of the property shall be completed within five years of approval of zoning change by Maize City Council.

SECTION 4. This ordinance shall take effect and be in force from and after its passage, approval and publication once in the official city newspaper.

PASSED by the City Council and APPROVED by the Mayor on the 20th day of
October, 2014

(SEAL)

Clair Donnelly, Mayor

Jocelyn Reid, City Clerk

STAFF REPORT**CASE NUMBER:** Z-03-014**OWNER/APPLICANT:** Jerome Weninger
16510 W 48th Circle
Colwich, KS 67030**GENERAL LOCATION:** Northwest corner of 53rd Street North and 119th Street West (except the hard corner)**SITE SIZE:** +/- 70 acres**CURRENT ZONING:** SF-5 Single-Family Residential District**PROPOSED ZONING:** LI Limited Industrial**PROPOSED USE:** Future Industrial Park**BACKGROUND:**

In August the Maize City Council approved Industrial Revenue Bond financing for the construction of a 45,000 square foot industrial facility for Reiloy/Westland Corporation at this location. Reiloy/Westland is currently located on South Maize Road and is planning to open their new location at this site within one year. The contract purchaser, Dave Larsen, also intends to market the remaining property for additional industrial development.

<u>ADJACENT</u>	<u>ZONING</u>	<u>LAND USE:</u>
NORTH:	LI Limited Industrial	Worthington Cylinders
SOUTH:	SF-5 Single-Family Residential	Residential
EAST:	SF-5 Single-Family Residential	Residential
WEST:	SF-5 Single-Family Residential	Residential

PUBLIC SERVICES: 53rd Street and 119th Street are both paved arterials and will serve this site.**CONFORMANCE TO PLANS/POLICIES:** This property is recognized in the adopted Maize Comprehensive Plan as appropriate for Industrial Park development.**RECOMMENDATION:** The proposed change can be an appropriate use of land given its close proximity to K-96, the railroad and other similar type uses. Based upon these factors, plus the information available prior to the public hearing, staff recommends the request as submitted be APPROVED, subject to the property being platted within five years.

This recommendation is based on the following findings:

1. **The zoning, uses and character of the neighborhood:** This property is located within an area that is currently mixed-use in character with industrial, and agricultural uses.
2. **The suitability of the subject property for the uses to which it has been restricted:** The property is currently being farmed but has much higher development potential as an industrial park.
3. **Extent to which removal of the restrictions will detrimentally affect nearby property:** LI zoning at this location would require screening from any adjacent residential and is in keeping with other neighboring land uses.
4. **Conformance of the requested change to the adopted or recognized Comprehensive Plan and Policies:** The City of Maize Comprehensive Plan recommends this property for industrial use. The nature of the proposed use is in compliance with this recommendation and is appropriate given the property's proximity to the existing similar uses.

5. Impact of the proposed development on community facilities: The requested zone change would introduce a somewhat more intensive land use to the area. Existing public streets are capable of handling this type of use.

Planning Commission Action

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

Recommend approval of the zone change request to the City Council, based upon the findings of fact outlined above and the requirements recommended by Staff, or

Recommend denial of the zone change request to the City Council for reasons heretofore agreed upon

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

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

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

**MAIZE CITY COUNCIL
REGULAR MEETING
MONDAY, OCTOBER 20, 2014**

AGENDA ITEM #8D

ITEM: One-step final plat of Maize Industrial Addition (S/D 02-014)

BACKGROUND: This is a 3-lot, 27 acre plat for the future development of an industrial park. Reiloy/Westland Corporation will be developing on Lot 1, with the other lots being actively marketed for industrial users.

Planning Commission unanimously approved this project contingent upon a drainage plan approved by the City Engineer. The drainage plan has since been submitted and approved by the City Engineer.

Attached you will find a copy of the final plat and the staff report that was prepared for the Planning Commission.

The Planning Commission, based on its findings, recommended approval with the following conditions: guarantee for the installation of all utilities and facilities; if necessary, notarized certificate listing the petitions, with cost estimates to be submitted to the City of Maize for recording; submittal of a title binder and any relevant conditions found by such a review.

FINANCIAL CONSIDERATIONS: The applicant intends to file petitions with the City for necessary improvements.

LEGAL CONSIDERATIONS: The final plat document will be reviewed and approved as to form by the City Attorney and the County Surveyor. All utilities have reviewed the plat and requested additions have been incorporated.

RECOMMENDATION/ACTION: Accept the Maize Industrial Addition one-step final plat with accompanying dedications, with plat to be filed with the County Register of Deeds.

STAFF REPORT

CASE NUMBER: S/D 02-014 One-Step final plat Maize Industrial Addition

OWNER/APPLICANT: Jerome C. and Lynda L. Weninger
16510 W 48th Circle
Colwich, KS 67030

SURVEYOR/ENGINEER: Kirk Miller
KE Miller Engineering
117 E Lewis
Wichita, KS 67202

GENERAL LOCATION: Northwest corner of 53rd Street North and 119th Street West

SITE SIZE: 27.18 ± acres

NUMBER OF LOTS

Single-family residential:

Multi-family residential:

Office:

Commercial:

Industrial: 3

Total: 3

PREDOMINANT LOT AREA: 4± acres

CURRENT ZONING: SF-5 Single Family Residential (a zone change to LI Limited Industrial is in process)

Planning Staff recommends approval of the plat, subject to the following comments:

STAFF COMMENTS:

- A. City water and sewer services will be available to serve the site.
- B. A final drainage plan approved by the City Engineer shall be on file with the City prior to the plat being reviewed by the Governing Body.
- C. The title of the plat should read “One-step final plat of Maize Industrial Addition.”
- D. A clearly identified date of preparation should be displayed above the engineer’s title block.
- E. The names of owners of adjacent properties should be displayed.
- F. A certified copy of a title report shall be submitted to the City prior to the plat being reviewed by the Governing Body.
- G. Contour lines shall be shown on the plat.
- H. Minimum pad elevations shall be listed for each lot.
- I. A statement providing for the proposed use for reserves shall be displayed on the plat.
- J. The owner of the subdivision should note that any construction that results in earthwork activities that will disturb

one (1) acre or more of ground cover requires a Federal/State NPDES Storm Water Discharge Permit from the Kansas Department of Health and Environment in Topeka. Also, for projects located within the City of Maize, erosion and sediment control devices must be used on ALL projects.

- K. Plat shall include a statement as to the nature and type of improvements proposed for the subdivision, and in what manner the subdivider intends to finance and provide for their installation, e.g. petition, actual construction, monetary guarantee, etc.
- L. If improvements are guaranteed by petition, a notarized certificate listing the petitions, with cost estimates shall be submitted to the City of Maize for recording along with the final plat.
- M. Provisions shall be made for ownership and maintenance of the proposed reserves. The applicant shall either form a lot owners' association prior to recording the final plat or shall submit a covenant stating when the association will be formed, when the reserves will be deeded to the association and who is to own and maintain the reserves prior to the association taking over those responsibilities.
- N. This property is in Area C on the FEMA flood map, not in the floodplain.
- O. The applicant shall install or guarantee the installation of all utilities and facilities which are applicable (water service and fire hydrants required for fire protection shall be as per the direction and approval of the Chief of the Sedgwick County Fire Department.)
- P. To receive mail delivery without delay, and to avoid unnecessary expense, the applicant is advised of the necessity to meet with the U.S. Postal Service Growth Management Coordinator (Phone 316-946-4556) prior to development of the plat so that the type of delivery, and the tentative mailbox locations can be determined.
- Q. The applicant is advised that various State and Federal requirements (specifically but not limited to the Army Corps of Engineers, Kanopolis Project Office, Rt. 1, Box 317, Valley Center, KS 67147) for the control of soil and wind erosion and the protection of wetlands may impact how this site can be developed. It is the applicant's responsibility to contact all appropriate agencies to determine any such requirements.
- R. Recording of the plat within thirty (30) days after approval by the City Council.
- S. The applicant is reminded that flash drive shall be submitted with the final plat tracing to the City of Maize detailing this plat in digital format in AutoCAD, or sent via e-mail to svillareal@cityofmaize.org. This will be used by the County GIS Department.

Planning Commission Action

Having reviewed the one-step final plat for Maize Industrial Addition filed as S/D 02-014, I, _____ move that the Planning Commission

Approve the one-step final plat subject to conditions and modifications as heretofore agreed upon and listed, or

Disapprove the one-step final plat for reasons heretofore agreed upon

Or defer the plat until the November regular meeting of the Planning Commission for further information or study as

heretofore specified

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

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

One-step final plat of Maize Industrial Addition Maize, Sedgwick County, Kansas

Part of the SW 1/4 of the SE 1/4, Section 13, Township 26 South, Range 2 West of the 6th P.M.



State of Kansas)
County of Sedgwick) SS

I, Bradley C. Ward, a licensed land surveyor of the State of Kansas, do hereby certify that the following described tract of land was surveyed on the 8th day of September, 2014 and the accompanying final plat was prepared and that all the monuments shown herein actually exist and their positions are correctly shown to the best of my knowledge and belief:

LEGAL DESCRIPTION

That part of the East Half of the Southeast Quarter of Section 13, Township 26 South, Range 2 West of the Sixth Principal Meridian, Sedgwick County, Kansas, lying South of the Right of Way of the Missouri Pacific Railroad, except the North 687 feet and except the South 717.00 feet of the East 521.75 feet. 1192763.2 sq ft or 27.38 acres ±.

All easements and rights-of-way within said tract are hereby vacated by virtue of KSA 12-512b as amended.

Bradley C. Ward, L.S. #920 Date

State of Kansas)
County of Sedgwick) SS

This is to certify that the undersigned owners of the land described in the Land Surveyor's Certificate; have caused the same to be surveyed and subdivided on the accompanying plat into lots, blocks, streets, reserves and other public use under the name of Maize Industrial Addition to Maize, Sedgwick County, Kansas; that all the highways, streets, easements and public sites as denoted on the plat are hereby dedicated to and for the use of the public for the purpose of constructing, operating, maintaining and repairing public improvements; and further that the land contained herein is held and shall be conveyed subject to any applicable restrictions, reservations, and covenants now on file or hereafter filed in the Office of the Register of Deeds of Sedgwick County, Kansas. The Reserves are for drainage and utilities. Reserve A shall be maintained by the owner of Lot 1. Reserve B shall be maintained by the owner of Lot 2.

By: Jerome C. Weninger, Owner

By: Lynda L. Weninger, Owner

The foregoing instrument was acknowledged before me on this _____ day of _____, 2014, by Jerome C. Weninger, owner.

Notary Public

My Commission Expires: _____

The foregoing instrument was acknowledged before me on this _____ day of _____, 2014, by Lynda L. Weninger, owner.

Notary Public

My Commission Expires: _____

KNOW ALL MEN BY THESE PRESENTS:

That the xx holders of a mortgage on the property described in the surveyor's certificate, do hereby consent to the plat of the Maize Industrial, an addition to the City of Maize, Sedgwick County, Kansas.

Officer Name, Central Bank and Trust

The foregoing instrument was acknowledged before me on this _____ day of _____, 2014, by _____

Notary Public

My Commission Expires: _____

State of Kansas)
County of Sedgwick) SS

This plat of Maize Industrial Addition, in Maize, Sedgwick County, Kansas, has been submitted to and approved by the Maize City Planning Commission, Wichita, Kansas. Dated this _____ day of _____, 2014.

At the Direction of the Maize City Planning Commission.

Gary Kirk, Chairman

Bryan Aubuchon, Secretary

This plat approved and all dedications shown hereon accepted by the City Council of the City of Maize, Kansas, Dated this _____ day of _____, 2014.

At the Direction of the City Council

Claire Donnelly, Mayor

ATTEST:

Jocelyn Reid, City Clerk

Entered on transfer record this _____ day of _____, 2014.

Kelly Arnold, County Clerk

State of Kansas)
County of Sedgwick) SS

This is to certify that this instrument was filed for record in the Office of the Register of Deeds this _____ day of _____, 2014, at _____ o'clock _____ M, and is duly recorded.

Bill Meek, Register of Deeds

Tonya Buckingham, Deputy

COUNTY SURVEYOR'S CERTIFICATE

Reviewed in accordance with K.S.A. 58-2005 on this _____ day of _____, 2014.

Tricia L. Robello, L.S.#1246
Deputy County Surveyor
Sedgwick County, Kansas

14150 Maize 27 acre Ind. Park\Plot\FINAL PLAT.dwg 9-26-14

KEMILLER
ENGINEERING PA
117 E. Lewis, Wichita, KS 67202 (316)264-0242

**MAIZE CITY COUNCIL
REGULAR MEETING
MONDAY, October 20, 2014**

AGENDA ITEM #8E

ITEM: Economic Development Incentive Plans Extension

BACKGROUND:

The current tax incentive program was implemented in August 2011. Its purpose was to assist and stabilize a struggling housing market. Builders and developers were on the verge of defaulting due to a stagnate housing market and the City at large would have been responsible for the special tax debt incurred by these developers.

The ten-year grant/tax plan provides homeowners a refund of paid Maize annual taxes on a sliding scale. The first three years is a 100% refund, the next three years is an 80% refund, the next two years is a 60% refund and the final two years is a 40% refund. The incentive is attached to the property and can be transferred if the property is sold during the grant period. The program has been reviewed during the past four years and extended through 2014. Currently, 162 homes have qualified for the current incentive program. This number does not reflect a majority of the 2014 home permits that have been issued.

The program has been very successful and resulted in the largest increase in new home starts in the history of Maize. In fact, during this incentive period, per-capita, Maize has had more housing starts than any other city in the State, by far. This strategy has established the base for the continuing growth in the city's assessed valuation, the increase in population and the strong balance of the City's financial growth and stability.

The current housing market has improved since 2011, but still requires monitoring and review. Maize taxes still remain 32-mills higher than Wichita, which is our primary competitor in the housing market. Additionally, the majority of the seven housing developments in Maize are getting close to exhausting their lot supplies. So it is anticipated that, regardless of the housing incentives in place, the overall number of housing starts will begin to decrease. It is further expected that the housing market in Maize will remain sturdy and above average when compared to other cities. Attachment #1 illustrates the number of housing starts from 2008 through September 2014.

After review and discussion with the Council, staff is recommending the Council consider modifying the current 10-year tax incentive program to a 5-year tax incentive program beginning on January 1, 2015. This program could be implemented for two years subject to review and revision at any time. The 5-year plan would provide three-years at 100% refund, the fourth year at 75% refund and the final year at 50% refund. Attachment #2 is a chart outlining housing grant examples of the 5-year plan.

Some exceptions to this 5-year plan are also recommended. There are currently several large parcels of land that would be of benefit the City if they were to agree to being annexed. Staff is

recommending a plan that allows these parcels to be eligible for the original 10-year plan if they consent to be annexed. The property owners and/or developers would also be required to plat and begin building within a certain time frame. A general format for the 10-year exception is outlined on Attachment #3.

Staff recommends the current Commercial tax incentive plan remain in place and that it be extended through 2015. To date this incentive has not been applied for. However with the increased interest in commercial development activity it is just a matter of time. This is a 3-year incentive outlined in *Attachment #4*.

FINANCIAL CONSIDERATIONS:

Again in Attachment #1 it is possible to track the positive impact of the incentive plan. The total evaluation for new housing starts has continued to increase.

LEGAL CONSIDERATIONS:

Bond Council and City Attorney approved the original plan. Modifying the length of the plan will not impact its legality.

RECOMMENDATION/ACTION:

Move to approve modifying the tax incentive plan as follows.

- The current 10-year housing tax incentive plan will be modified to a 5-year plan as outlined in Attachment #2.
- The plan will be effective from January 1, 2015 thru December 31, 2017 and reviewed by the Council every 6-months and subject to modification if conditions require.
- Exceptions to the 5-year plan will be allowed as outline in Attachment #3.
- The current 3-year commercial plan will be extended through December 31, 2017 and reviewed by the Council every 6-months and subject to modification if conditions require.

City of Maize: Housing Starts 2008 - Sept 30, 2014

	Before the 10 Year Housing Incentive Plan					Transition Year	With the 10 year Housing Incentive Plan		
NEW SINGLE-FAMILY HOME PERMITS	2006	2007	2008	2009	2010	2011	2012	2013	2014*
JANUARY	2	4	1	1	1	1	2	8	6
FEBRUARY	0	3	0	8	0	1	9	5	12
MARCH	0	3	3	3	2	1	2	11	9
APRIL	7	6	7	1	2	2	5	12	13
MAY	9	5	5	4	1	3	10	6	4
JUNE	1	1	3	6	8	0	2	9	6
JULY	2	2	0	2	1	3	2	7	4
AUGUST	12	2	2	0	1	4	7	3	6
SEPTEMBER	6	4	1	12	4	6	6	5	6
OCTOBER	1	2	0	1	0	3	8	9	
NOVEMBER	0	4	2	0	2	3	6	5	
DECEMBER	3	0	0	6	2	3	3	6	
YEAR TOTAL	43	36	24	44	24	30	62	86	66
TOTAL VALUATION	\$ 7,035,479.00	\$ 7,781,792.00	\$ 6,980,505.00	\$ 7,721,690.00	\$ 4,947,210.00	\$ 7,857,824.00	\$ 16,442,660.00	\$ 24,587,351.00	\$ 18,560,075.00
YEARLY NEW HOME AVERAGE	\$ 163,615.79	\$ 216,160.89	\$ 158,647.84	\$ 175,492.95	\$ 206,133.75	\$ 261,927.47	\$ 265,204.19	\$ 285,899.43	\$ 281,213.26
* Housing statistics January 1, 2014 through September 30, 2014									

Housing Grant Examples - 5 Year (100/100/100/75/50)

<u>Year</u>	<u>Appraised Value</u>	<u>Grant Amount</u>
1	\$ 100,000.00	\$ 498.21
2		\$ 498.21
3		\$ 498.21
4		\$ 373.66
5		\$ 249.11
Total		\$ 2,117.41

1	\$ 150,000.00	\$ 747.32
2		\$ 747.32
3		\$ 747.32
4		\$ 560.49
5		\$ 373.66
Total		\$ 3,176.12

1	\$ 225,000.00	\$ 1,120.98
2		\$ 1,120.98
3		\$ 1,120.98
4		\$ 840.74
5		\$ 560.49
Total		\$ 4,764.18

<u>Year</u>	<u>Appraised Value</u>	<u>Grant Amount</u>
1	\$ 300,000.00	\$ 1,494.64
2		\$ 1,494.64
3		\$ 1,494.64
4		\$ 1,120.98
5		\$ 747.32
Total		\$ 6,352.23

1	\$ 350,000.00	\$ 1,743.75
2		\$ 1,743.75
3		\$ 1,743.75
4		\$ 1,307.81
5		\$ 871.88
Total		\$ 7,410.94

1	\$ 425,000.00	\$ 2,117.41
2		\$ 2,117.41
3		\$ 2,117.41
4		\$ 1,588.06
5		\$ 1,058.71
Total		\$ 8,999.00

<u>Year</u>	<u>Appraised Value</u>	<u>Grant Amount</u>
1	\$ 500,000.00	\$ 2,491.07
2		\$ 2,491.07
3		\$ 2,491.07
4		\$ 1,868.30
5		\$ 1,245.54
Total		\$ 10,587.06

1	\$ 600,000.00	\$ 2,989.29
2		\$ 2,989.29
3		\$ 2,989.29
4		\$ 2,241.97
5		\$ 1,494.64
Total		\$ 12,704.47

1	\$ 700,000.00	\$ 3,487.50
2		\$ 3,487.50
3		\$ 3,487.50
4		\$ 2,615.63
5		\$ 1,743.75
Total		\$ 14,821.88

October 20, 2014

Agenda Item #8E

10-year Tax Incentive Exception General Format:

1. About 23 - 25 large parcels of land outside the city have been identified that are currently eligible for consent annexation.
2. These parcels vary in area from approximately 22 acres to over 150 acres.
3. The 10-year tax incentive plan would be offered to those property owners that:
 - Consent to be annexed into the city by the end of March 2015.
 - Plat and/or begin development by the end of December 2017.
 - The sell of the property is allowed for the purpose of development provided the developer meets the December 2017 timeline.
4. Property owners will receive a letter by the end of October outlining the 10-year tax incentive plan along with a consent-to-annex form.
5. Staff will conduct discussions with property owners as needed.
6. Any deviation from the 10-year Tax Incentive General Format would require Council approval.

CITY OF MAIZE, KANSAS

**ECONOMIC DEVELOPMENT
INITIATIVE**

**Commercial Incentive Plan
Effective January 1, 2015**

Summary

With respect to Property a portion of which is being leased by a Qualified Business, such lessee is eligible for a Grant in the following amount:

Year	Grant Calculation
1	Assessed Value of the Property as of January 1 times City of Maize Mill Levy, pro-rated based on the square footage of the Property occupied by the Qualified Business (the "Base Amount")
2	90% of the Base Amount
3	80% of the Base Amount

The Grant shall be paid to the lessee of the Property and not to the record owner of the Property. At such time as the lease of the Property terminates, the Grant with respect to such Property shall cease.

**MAIZE CITY COUNCIL
REGULAR MEETING
MONDAY, OCTOBER 20, 2014**

AGENDA ITEM #8F

ITEM: Organizational Chart Recommended Changes

BACKGROUND

During the 2015 Budget Process, two positions were added to the budget. Public Works received the addition of a Maintenance Worker I while eliminating a part-time seasonal worker. The Police Department eliminated 2 part-time Police Officers and added 1 full-time Police Officer. The purpose of this agenda item is two-fold: 1) add the 2 aforementioned positions while eliminating the part-time; and 2) Amend the City of Maize Organizational Chart to reflect these changes.

FINANCIAL CONSIDERATIONS

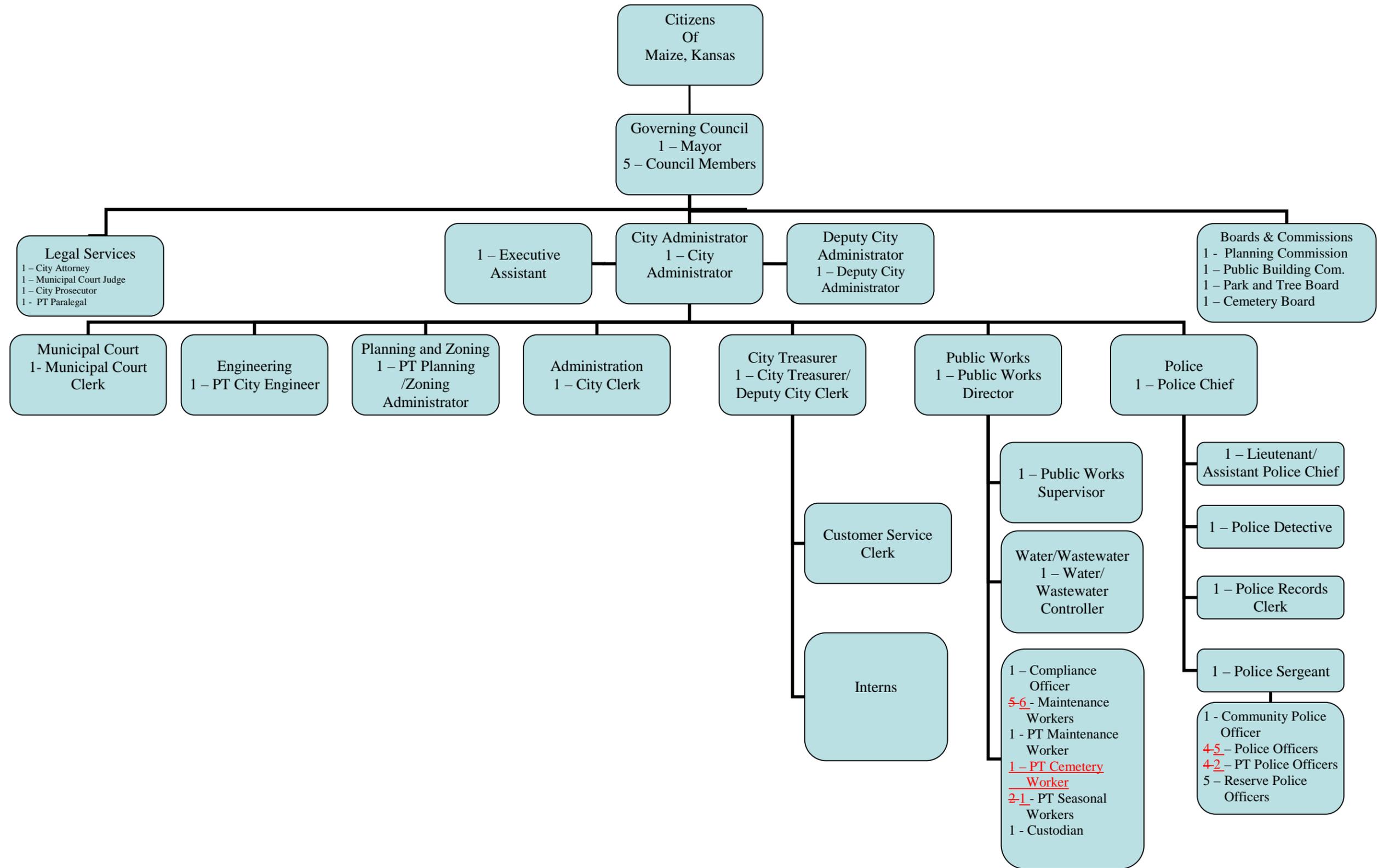
The two position additions and the 3 part-time position eliminations add to a total impact of \$54,100. The money is already budgeted for 2015.

LEGAL CONSIDERATIONS:

RECOMMENDED ACTION:

- 1) Make the following changes to the Public Works portion of the Organizational Chart:
 - Remove one part-time seasonal worker from Public Works
 - Add one full-time Maintenance Worker I
- 2) Make the following changes to the Police Department portion of the Organizational Chart:
 - Remove two part-time Patrol Officers
 - Add one full-time Police Officer

**SECTION XIV - ORGANIZATIONAL CHART
"CHAIN OF COMMAND"**



~~February 17, 2014~~ Draft October 15, 2014

**MAIZE CITY COUNCIL
REGULAR MEETING
MONDAY, October 20, 2014**

AGENDA ITEM #8G

ITEM: 2015 Pay Plan Adjustment

BACKGROUND:

The current pay plan was effective on January 1, 2011.

As per city policy the pay plan is now due for review and discussion by the Council.

Research was conducted and a council workshop was convened on October 6, 2014. The purpose of the workshop was to allow for council discussion and to provide direction regarding the pay plan. After discussion it was agreed the pay plan was an effective plan and will be maintained.

At the conclusion of the workshop, the Council provided a consensus that while the pay plan was to be maintained some adjustment was warranted based on council input. Staff was instructed to revise the pay plan based on council direction and bring it back for council consideration.

Attached is the revised pay plan for consideration. The revised plan has received a 4% overall adjustment. This adjustment is for the plan only and not for individual employees. In addition the two lowest pay steps have been eliminated to provide an entry level more in line with the current job market. Two additional steps have been added to the top pay range for long term, career employees.

In addition it was the consensus of the Council that this adjusted pay plan will be in effect from January 1, 2015 through December 31, 2018. During the 2018 year the City will contract with an outside firm to conduct a pay plan review and assessment for the Council. This information would be used to determine if adjustments to the pay plan are warranted at that time.

FINANCIAL CONSIDERATIONS:

The pay plan adjustment for 2015 would cost approximately \$27,000. The overall average for the adjustment is 1.6%, however the overall majority of employees pay adjustment would be about 1.3% with a couple of exceptions for employees at the bottom of their pay scale and they would receive a larger percentage. Money for this adjustment is in the 2015 budget.

LEGAL CONSIDERATIONS:

The City Attorney approves the ordinance as to form.

RECOMMENDATION/ACTION:

Move to approve:

- Adopt the salary ordinance and authorize the Mayor to sign.
- The revised Pay Plan will be in effect thru December 31, 2018.
- The plan will be reviewed during 2018 at the direction of the Council.

[Published in *The Mount Hope Clarion* on ___ day of October, 2014]

ORDINANCE #

AN ORDINANCE ESTABLISHING SALARIES FOR CERTAIN OFFICIALS AND EMPLOYEES OF THE CITY OF MAIZE, SEDGWICK COUNTY, KANSAS, AND REPEALING ORDINANCE NO. 654.

BE IT ORDAINED BY THE COVERING BODY OF THE CITY OF MAIZE, SEDGWICK COUNTY, KANSAS;

Section 1. Effective January 1, 2015, the compensation of the following officers and employees of the City of Maize, Kansas shall be established, based upon the formally adopted Personnel Policy of the City of Maize, as set forth within the limits hereby fixed and determined:

RANGE OF COMPENSATION

POSITION	DEPARTMENT	MINIMUM SALARY (Annual except where noted)	MAXIMUM SALARY (Annual except where noted)
City Administrator	Administration	Contract	
Deputy City Administrator	Administration	\$52,126.36	\$73,883.76
City Clerk	Administration	\$44,199.82	\$62,648.75
City Treasurer/Deputy City Clerk	Administration	\$39,769.60	\$56,347.20
Municipal Court Clerk	Municipal Court	\$28,641.60	\$40,560.00
Customer Service Clerk	Administration	\$26,707.20	\$37,814.40
Executive Assistant	Administration	\$27,331.20	\$38,688.00
Chief of Police	Police	\$57,812.85	\$81,943.80
Police Lieutenant/Asst. Chief	Police	\$46,439.84	\$65,823.71
Police Sergeant	Police	\$42,081.52	\$59,589.40
Community Policing Officer	Police	\$33,920.12	\$48,074.00
Patrol Officer	Police	\$33,696.52	\$47,805.68
Police Records Clerk	Police	\$27,289.60	\$38,688.00
Public Works Director	Public Works	\$56,340.96	\$79,857.51
Public Works Supervisor	Public Works	\$46,987.20	\$66,580.80
Water/Wastewater Controller	Public Works	\$39,145.60	\$55,432.00
Maintenance Worker I	Public Works	\$22,984.00	\$32,552.00
Maintenance Worker II	Public Works	\$26,374.40	\$37,398.40
Maintenance Worker III	Public Works	\$29,473.60	\$41,724.80
Custodian	Public Works	\$24,003.20	\$34,590.40
Compliance Office	Public Works	\$29,473.60	\$41,724.80
Code Enforcement Officer (PT)	Administration	\$15.36/Hour	\$21.77/Hour
City Engineer (PT)	Administration	\$31.32/Hour	\$44.39/Hour
Planning/Zoning Administrator (PT)	Administration	\$27.13/Hour	\$38.46/Hour
Detective (PT)	Police	\$16.89/Hour	\$23.94/Hour
Patrol Officer (PT)	Police	\$15.08/Hour	\$21.38/Hour
Maintenance Worker (Seasonal)	Public Works	\$10.45/Hour	\$13.05/Hour
Maintenance Worker (PT)	Public Works	\$11.05/Hour	\$15.65/Hour
Intern (PT)	Administration	\$7.88/Hour	\$10.61/Hour

Section 2. Ordinance No. 743 and all other ordinances in conflict are repealed effective.

Section 3. This Ordinance shall upon its passage be published once in the official City newspaper.

Section 4. This Ordinance shall take effect on January 1, 2015.

PASSED by the City Council and approved by the Mayor on this 20th day of October, 2014.

Clair Donnelly, Mayor

(Seal)

Jocelyn Reid, City Clerk

Employees

POSITION															
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>
City Treasurer/Deputy City Clerk	19.12	19.61	20.11	20.63	21.16	21.70	22.24	22.80	23.37	23.95	24.55	25.16	25.79	26.43	27.09
Municipal Court Clerk	13.77	14.12	14.48	14.85	15.23	15.62	16.01	16.41	16.82	17.24	17.67	18.11	18.56	19.02	19.50
Executive Assistant	13.14	13.48	13.83	14.18	14.54	14.91	15.28	15.66	16.05	16.45	16.86	17.28	17.71	18.15	18.60
Customer Service Clerk	12.84	13.17	13.51	13.86	14.22	14.58	14.94	15.31	15.69	16.08	16.48	16.89	17.31	17.74	18.18
Police Sergeant	18.82	19.30	19.79	20.30	20.82	21.35	21.88	22.43	22.99	23.56	24.15	24.75	25.37	26.00	26.65
Community Police Officer	15.17	15.56	15.96	16.37	16.79	17.22	17.65	18.09	18.54	19.00	19.48	19.97	20.47	20.98	21.50
Patrol Officer	15.07	15.46	15.86	16.27	16.69	17.12	17.55	17.99	18.44	18.90	19.37	19.85	20.35	20.86	21.38
Police Records Clerk	13.14	13.48	13.83	14.18	14.54	14.91	15.28	15.66	16.05	16.45	16.86	17.28	17.71	18.15	18.60
Public Works Supervisor	22.59	23.17	23.76	24.37	24.99	25.63	26.27	26.93	27.60	28.29	29.00	29.73	30.47	31.23	32.01
Water & Wastewater Controller	18.82	19.30	19.79	20.30	20.82	21.35	21.88	22.43	22.99	23.56	24.15	24.75	25.37	26.00	26.65
Compliance Officer	14.17	14.53	14.90	15.28	15.67	16.07	16.47	16.88	17.30	17.73	18.17	18.62	19.09	19.57	20.06
Maintenance Worker I	11.05	11.33	11.62	11.92	12.23	12.54	12.85	13.17	13.50	13.84	14.19	14.54	14.90	15.27	15.65
Maintenance Worker II	12.68	13.00	13.33	13.67	14.02	14.38	14.74	15.11	15.49	15.88	16.28	16.69	17.11	17.54	17.98
Maintenance Worker III	14.17	14.53	14.90	15.28	15.67	16.07	16.47	16.88	17.30	17.73	18.17	18.62	19.09	19.57	20.06
Custodian	11.54	11.84	12.14	12.45	12.77	13.10	13.43	13.77	14.11	14.46	14.82	15.19	15.57	15.96	16.36

Salaried Positions

POSITION	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>
Deputy City Administrator	52,126.36	53,462.93	54,833.77	56,239.76	57,681.80	59,160.82	60,639.84	62,155.84	63,709.74	65,302.48	66,935.04	68,608.42	70,323.63	72,081.72	73,883.76
City Clerk	44,199.82	45,333.15	46,495.54	47,687.73	48,910.49	50,164.61	51,418.73	52,704.20	54,021.81	55,372.36	56,756.67	58,175.59	59,629.98	61,120.73	62,648.75
Chief of Police	57,812.85	59,295.23	60,815.62	62,374.99	63,974.35	65,614.72	67,255.09	68,936.47	70,659.88	72,426.38	74,237.04	76,092.97	77,995.29	79,945.17	81,943.80
Lieutenant/Assistant Police Chief	46,439.84	47,630.60	48,851.90	50,104.51	51,389.24	52,706.91	54,024.58	55,375.19	56,759.57	58,178.56	59,633.02	61,123.85	62,651.95	64,218.25	65,823.71
Public Works Director	56,340.96	57,785.60	59,267.28	60,786.95	62,345.59	63,944.19	65,542.79	67,181.36	68,860.89	70,582.41	72,346.97	74,155.64	76,009.53	77,909.77	79,857.51

Part Time Employees

POSITION	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>
City Engineer	31.32	32.12	32.94	33.78	34.65	35.54	36.43	37.34	38.27	39.23	40.21	41.22	42.25	43.31	44.39
Planning & Zoning Administrator	27.13	27.83	28.54	29.27	30.02	30.79	31.56	32.35	33.16	33.99	34.84	35.71	36.60	37.52	38.46
Code Enforcement Officer	15.36	15.75	16.15	16.56	16.98	17.42	17.86	18.31	18.77	19.24	19.72	20.21	20.72	21.24	21.77
Detective	16.89	17.32	17.76	18.22	18.69	19.17	19.65	20.14	20.64	21.16	21.69	22.23	22.79	23.36	23.94
Patrol Officer	15.08	15.47	15.87	16.27	16.69	17.12	17.55	17.99	18.44	18.90	19.37	19.85	20.35	20.86	21.38
Maintenance Worker	11.05	11.33	11.62	11.92	12.23	12.54	12.85	13.17	13.50	13.84	14.19	14.54	14.90	15.27	15.65
Seasonal Maintenance Worker	-	-	-	-	-	10.45	10.71	10.98	11.25	11.53	11.82	12.12	12.42	12.73	13.05
Intern	-	-	7.88	8.08	8.29	8.50	8.71	8.93	9.15	9.38	9.61	9.85	10.10	10.35	10.61

Monthly Council Report

October 2014



Department Highlights

- All departmental operations are functioning normally.
- Both new patrol units are operational and in service. One unit was sold to Butler County Community College Police, the other is being used by the compliance officer.
- Terry Sharp was hired to fill the full time vacancy. He has begun his field training and will attend the academy after the first of the year.
- Officers participated in specialized firearms training hosted at our city police range. Officer trained on handguns, shotguns and rifles.
- 3rd quarter investigations report attached.

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: 70.12 / 100%

Major purchases:

Current Staff Levels.

7 Full-time
3 Part-time
3 Reserve
2 Reserve -Vacant
2 Part-time - Vacant

Monthly Activities

September Police Reports - 678
September calls for service - 386

Community Policing:

Fall festival activities were a success. Officer Rudrow was instrumental in collaboration with the Lions Club.

ATTENTION: Chief Jensby (through channels)

SUBJECT: 2014 3rd Quarter Investigations Report (July – September)

As shown in the below report, 2014 has seen a mixed increase in certain Part 1 and Part 2 offenses reported to the Maize Police Department, particularly burglary, theft and vandalism. It is not uncommon for cities to experience fluctuation in crime from year to year. While it is the hope the numbers will eventually level out and/or decrease, as the city continues to grow, it is anticipated certain crimes may continue to increase. It is important for the community and officers to be aware of certain trends, especially property related crimes, which can be either deterred or easily detected through vigilant citizens in partnership with pro-active policing. One such example of this type of partnership can be found at the end of this report under noteworthy information. The department is using social media to better inform Maize residents of crime trends which are occurring in the city to heighten citizen awareness.

DEPARTMENT STATISTICS:

UCR Part 1 Offenses

	Reported		% Change	2014 Cleared**
	2013	2014		
Homicide / Murder*	0	0	--	0
Rape*	0	0	--	0
Robbery	1	0	--	0
Aggravated Assault / Battery*	6	5	-17%	3
Burglary	6	12	100%	2
Larceny / Theft	31	63	103%	16
Auto Theft	3	1	-67%	0
Arson	0	0	--	0

* For reporting purposes, crimes against persons are counted by number of victims.

**For *department* reporting purposes, clearance rates are calculated by arrest and/or when charges are filed and a warrant is drawn. This differs from the UCR clearance definition.

At the end of the 3rd quarter, the city has seen double the reported thefts and burglaries over the same period of 2013. One significant factor in the increase of reported thefts are gas drive offs as shown in the break down summary below. These have occurred at mostly one particular business whose corporate policy prohibits the practice of pre-pay. Theft and burglary cases are among the most difficult crimes to solve due to lack of evidence/witnesses.

2014 YTD Burglary Cases:

- 5 Residence
- 7 Non-Residence

2014 YTD Thefts Cases:

- 2 Theft of Auto Accessories
- 6 Thefts from Auto
- 1 Theft/Shoplift
- 19 Thefts all Other (*These include thefts from buildings not open or legally accessible to the public, fenced enclosures, boats, etc.*)
- 4 Theft from Building
- 27 Theft of Motor Fuel (*Gas Drive Off*)
- 4 Thefts from forgeries

PROPERTY RECOVERED YTD: \$4239.00

UCR Part 2 Offenses

	Reported		% Change	2014 Cleared**
	2013	2014		
Simple Assault / Battery*	19	35	84%	24
Forgery / Counterfeiting	7	5	-29%	2
Fraud	11	53***	382%***	39
Embezzlement	1	0	--	--
Stolen Property; buying, receiving, possessing	1	0	--	--
Vandalism	18	33	83%	8
Weapons Violations	2	0	--	--
Prostitution / Vice	3	0	--	--
Sex Offenses	0	4	400%	1
Drugs	13	19	46%	17
Gambling	0	0	--	--
Offenses Against Family / Children	2	1	-100%	1
DUI	26	22	-15%	22
Liquor Law Violations	9	4	-55%	3
Drunkenness	0	0	--	--
Disorderly Conduct	10	10	0%	4
Vagrancy	0	0	--	--
Curfew / Loitering	4	5	20%	5
Runaways	4	6	34%	6

* For reporting purposes, crimes against persons are counted by number of victims.

**For *department* reporting purposes, clearance rates are calculated by arrest and/or when charges are filed and a warrant is drawn. This differs from the UCR clearance definition.

***The increase in Fraud is contributed to a change in the manner in which these crimes are reported.

INVESTIGATIONS SECTION SUMMARY FOR 2014:

CASES ASSIGNED/REVIEWED/ASSISTING YTD: 31

201400120, 201400147, 201400150, 201400157, 201400193, 201400194, 201400214, 201400237, 201400283, 201400327, 201400335, 201400336, 201400346, 201400367, 201400373, 201400413, 201400424, 201400433, 201400443, 201400465, 201400488, 201400490, 201400497, 201400524, 201400584, 201400598, 201400631, 201400634, 201400636, 201400664, 201400667

OPEN/PENDING CASES: 5

201400150, 201400237, 201400373, 201400664

CASES CLEARED: 32

- **Arrest / Charge: 26**

- **Felony: 18**

201300452, 201300468, 201300528, 201300537, 201300570, 201300795, 201300812, 201300819, 201400147, 201400157, 201400193, 201400194, 201400327, 201400335, 201400346, 201400488, 201400524, 201400584

- **Misdemeanor: 1**

201300772, 201300825, 201400433, 201400443, 201400465, 201400490, 201400497, 201400667

- **Other: 6**

- **LOP: 5**

201400336, 201400413, 201400424, 201400598, 201400631

- **Reclassified: 1**

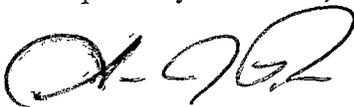
201400120

CASES CLOSED: 9

201300307, 201300327, 201300548, 201300787, 201400214, 201400283, 201400367, 201400634, 201400636

NOTEWORTHY INFORMATION: Between June 3 and July 22, the department took 10 reports of criminal mischief occurring during the overnight hours in the residential neighborhoods along Plantation and Longbranch streets. Many of these reports included the theft and damage of property. On August 2, Officers Stitt and Pritchett responded to a similar call in the area and took the pro-active approach in using an unmarked vehicle to survey the area. As a result four subjects, two adults and two juveniles, were detained, interviewed and subsequently charged by the Sedgwick County District Attorney's Office with multiple misdemeanor charges and one felony. The court cases are pending in district court.

Respectfully Submitted,



Detective Grover J. Piper MZ087

10/09/2014 2012 hrs.

PUBLIC WORKS REPORT 10-14-2014

Regular Maintenance

- Graded all streets several times this past month. Not much mowing going on right now. About done with that for the year.
- We finished installing all the electronic read water meters. When Jake and I read them last month we read 1250 of them in about three hours. It used to take six men most of the day to read that many. It will really help this winter when snow and ice cover the meter can or a rain storm fills the meter can with water. The electronics should read through all of that. Also, another benefit is there should be no mistakes in the reading.

Special Projects

- Still working with Richard on paving options for 37th west of Maize Road to 119th. We have some real estimates to propose to Wichita and to the County. Also waiting on some bids to grade the ditch along 45th north side between Maize and Plantation.
- Have built the enclosure for the Cemetery directory stand. I think it looks good and it will certainly help protect the panel and the posts. Plus, people can get out of the wind and rain to study the cemetery graves and names.
- Helped the P.D. and the Lions Club prepare for the Fall Festival and parade. Put out barricades and helped to keep the parade going smoothly. Also put up the flags along Maize for the Festival as well.
- Jeff Priddle and Jake have begun installing the new lights, siren, rumblers, and push bumper for the new PD car. I think this will be the last one to do this year.

Ron Smothers
Public Works Director

Water and Wastewater Report
September 9, 2014 – October 14, 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).

Wastewater Operation

September 9 – Helped a contractor raise a manhole in Village Place.

September 18 – Made temporary repairs of freeze/thaw damage to the cat walk railing over the plant.

September 24 – Pulled the Worthington quarterly samples. Results were within range.

October 2 – Mayer's came in here to do some rehabilitation work on 3 manholes on the Fieldstone line. Unfortunately, they broke through the bottom of one manhole and immediately began shipping a full 8" pipeline of groundwater into the collection system. After having 2 dewatering wells drilled and started pumping they were able to make a temporary plug to stop the worst of the infiltration. As it stands now, every aspect of the workmanship of this manhole is appearing questionable and inadequate.

Routine maintenance continues as scheduled.

Matt Meeks
Water and Wastewater Operator

City Engineer's Report **10/20/14**

New Home Permits

Seventy-three (73) new single-family and two (2) triplex permits have been issued in 2014; ten (10) in The Woods at Watercress, three (3) in Watercress II, five (5) in Fiddler's Cove, eighteen (18) in Watercress Village, seven (7) in Emerald Springs, fourteen (14) in Eagles Nest, fifteen (15) in Hampton Lakes and two (2) in Carriage Crossing.

Eagles Nest

Water/ sanitary sewer work has installed on the next phase 2A.

The storm sewer is now being installed and after installation the paving should commence, weather permitting.

Stover's Parking Lot

Construction is completed.

Industrial Park

Staff has been meeting with developer's engineering firm to discuss platting and utilities.

PLANNING ADMINISTRATOR'S REPORT

DATE: **October 20, 2014**

TO: **Maize City Council**

FROM: **Kim Edgington, Planning Administrator**

RE: **Regular October Council Meeting**

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

1. Conditional Use for expansion of existing sand extraction operation at 8001 W 53rd Street North – The applicant withdrew their first current Conditional Use application and has now resubmitted a substantially different request to be heard by the Planning Commission at their November 6th meeting.

2. Zone change request at the northwest corner of 53rd Street and 119th Street – a zone change request from SF-5 Single Family to LI Limited Industrial was reviewed and recommended for approval by the Planning Commission at their September 4, 2014 meeting. This case is on the current Council agenda.

3. One-step final plat for approximately 27 acres at the northwest corner of 53rd Street and 119th Street – related to the zone change request that was reviewed and recommended for approval by the Planning Commission at their September meeting. The plat is on the current Council agenda.

4. 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.



MUNICIPAL COURT

October 1, 2014

AS OF 9/30/14

3rd Quarter Activity

	<u>2014</u>	<u>YTD</u>	<u>2013</u>	<u>YTD</u>
DUI	7	20	8	27
Traffic Violations	93	253	200	688
Parking Violations	0	2	1	7
Ordinance Violations	17	56	53	73
Crimes Against Persons	6	14	8	16
Total Violations Closed	<u>123</u>	<u>345</u>	<u>270</u>	<u>811</u>

Case Dispositions

Dismissals	93	408	83	537
Paid Fine	51	231	157	477

Warrants

Issued	20	70	32	72
Cleared	18	70	24	66

Respectfully,

Sara A. Javier

MUNICIPAL COURT FEE COLLECTIONS
2014

Fund	FEE TYPE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
GF	Municipal Court Warrants	\$ 115.00	\$ 130.00	\$ 340.00	\$ 250.00	\$ -	\$ 150.00	\$ 200.00	\$ 300.00	\$ 250.00				\$ 1,735.00
GF	Court Fines	6,354.50	4,286.43	5,486.50	4,701.03	1,861.54	3,470.50	1,316.00	3,575.00	1,772.00				\$ 32,823.50
GF	Municipal Court Late Fee	72.50	170.00	105.00	77.50	92.50	40.00	22.50	17.50	40.00				\$ 637.50
GF	Municipal Court Costs	2,275.50	1,392.00	1,537.00	1,027.00	791.00	1,096.00	739.50	745.66	1,016.84				\$ 10,620.50
GF	Municipal Police Reports	217.85	148.05	255.00	354.80	245.25	249.25	89.45	185.05	160.00				\$ 1,904.70
GF	Municipal Bond Receipts	-	-	-	-	-	-	-	-	-				\$ -
GF	Restitution Fees	85.00	514.00	(46.98)	-	-	-	-	-	5.00				\$ 557.02
GF	Diversion Fees	418.00	300.00	486.95	826.50	1,252.03	888.34	525.00	1,006.18	552.00				\$ 6,255.00
GF	ADSAP	-	-	-	-	-	-	-	-	-				\$ -
GF	Police Video Fee	99.99	50.00	-	50.00	-	25.00	50.00	100.00	-				\$ 374.99
GF	Jail Housing Fees	84.68	82.12	89.14	134.62	75.14	38.68	133.02	527.14	230.74				\$ 1,395.28
LETF	Local Law Enforcement Training Funds	476.00	244.00	244.00	192.00	144.00	204.00	156.00	132.00	180.00				\$ 1,972.00
MCF	State Court Training	19.50	11.50	11.00	7.50	6.00	8.50	6.00	5.50	8.00				\$ 83.50
MCF	State Law Enforcement Training	780.00	385.88	340.00	280.00	220.00	294.12	240.00	218.00	280.00				\$ 3,038.00
MCF	Reinstatement Fees	81.00	172.00	264.84	192.02	-	4.13	-	142.00	81.00				\$ 936.99
MCF	Municipal Court Bond Receipt	-	1,531.00	(831.00)	-	2,216.00	-	(266.00)	(310.00)	620.00				\$ 2,960.00
MCF	Diversion Fees	-	40.00	350.00	73.00	184.52	-	747.00	168.32	-				\$ 1,562.84
MCF	Public Defender Fees	97.50	57.50	55.00	40.00	32.50	192.50	25.00	27.50	190.00				\$ 717.50
MCF	ADSAP	-	-	-	-	-	-	-	-	-				\$ -
MCF	DUI Supervisory Fund	352.00	402.00	850.00	500.00	278.21	798.00	306.95	238.98	700.00				\$ 4,426.14
	Total Fee Assessed	\$11,529.02	\$ 9,916.48	\$ 9,536.45	\$ 8,705.97	\$ 7,398.69	\$7,459.02	\$ 4,290.42	\$ 7,078.83	\$ 6,085.58	\$ -	\$ -	\$ -	\$ 72,000.46

CODE ENFORCEMENT

DATE: October 15, 2014
TO: Maize City Council
FROM: Pat Longwell & Jeff Greep, Code Enforcement Officers
RE: 2014 Third Quarter Summary

The following is a summary intended to keep the Council apprised of the status of ongoing code enforcement violations. In addition to the major violations listed below, code enforcement has written approximately 106 other violations (most of which have been corrected) for trash, junk cars, etc. during 2014. Additionally, 151 storm water notices of violations were written.

1. Housing Case #19: 323 S. Queen – Shed roof needs repaired; owner has requested additional time. (Ongoing since 5-8-2013)
2. Housing Case #21: 305 E. Albert – Since the last report the owner has closed in one porch and roofed the house. There are still violations pertaining to miscellaneous debris in the yard and proper vehicle registrations. Has requested more time to cleanup and fence (Ongoing since 6-5-2013). Has recently put up more fencing. (Court Costs)
3. 109 Khedive – There is an individual who seems to be interested in purchasing the property to refurbish. They were not able to get clear title. They may have to wait until it sells at the Tax Sale next year.
4. 111 N. King – The owner has been notified that he needs to fix the fence, mow, and remove the mobile from the property. The mobile home has been removed. The grass and brush has also been mowed and cut down. He is currently working on repairing the fencing. (Ongoing)
5. 110 N. King – Building new storage building to help correct violations on property. (Ongoing)
6. 110 N. Park – The owner is working to remove the salvage materials from the property. (Ongoing)
7. 321 E. Central – Burned garage. Permit has been pulled and in process of repair. Garage has been reroofed and they are still working on siding.
8. 8915 W. 61st N – Demolished old house and replaced with manufactured home on permanent foundation. Owners continue to clean up the lot.
9. 742 S. Longbranch – Citation issued for violations. Fined court costs after they cleaned up the property.
10. 9010 W. 61st/6225 N. Tyler – Fined \$2,000 for violations. Court will lower fine if violations are corrected. (Ongoing)
11. 200/300 Block of Albert – Mobile Home Court has mowed and is hauling off limbs and trash to help correct violations on property. (Ongoing)

12. 517 Plantation – Citation issued for junk and inoperable vehicle. (Dismissed)
13. 107 Park – Citation issued for several inoperative vehicles parked in front of house. Owner was running a repo business out of the house. (Ongoing)
14. 4865 N. Maize Rd. – Citation issued for tall weeds and brush. (Ongoing)
15. 4885 N. Maize Rd. – Citation issued for tall weeds and brush. (Ongoing)
16. 9035 W 61st N – Citation issued for junk, tall weeds, brush. (Ongoing)
17. 633 Trotter Ave. – Citation issued for parking in front yard. (Ongoing)
18. 106 Code notice of violations most have been corrected (Ongoing)



**City Clerk Report
REGULAR COUNCIL MEETING
October 20, 2014**

Year to date status (Through 09/30/14):

General Fund –			
	Budget	YTD	
Rev.	\$2,577,446	\$ 2,393,292	92.86%
Exp.	\$3,030,450	\$ 1,882,487	62.12%
Streets –			
Rev.	\$280,040	\$ 217,170	77.55%
Exp.	\$268,000	\$ 228,518	85.27%
Wastewater Fund-			
Rev.	\$681,000	\$ 628,120	92.23%
Exp.	\$681,000	\$ 536,442	78.77%
Water Fund-			
Rev.	\$749,600	\$ 607,588	81.05%
Exp.	\$749,600	\$ 555,079	74.05%

Health & Dental Benefits

Per Council's request, here are the 2014 numbers (through 09/30/2014) 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:	\$ 128,896.80	\$ 32,227.37	\$161,124.17
Dental:	11,670.19	2,918.43	14,588.62
Life:	<u>5,161.50</u>	<u>0</u>	<u>5,161.50</u>
	\$ 145,728.49	\$ 35,145.80	\$180,874.29

Administrative Employees:

As of 09/30/2014, we had the following number of administrative employees:

Part-Time:	6 (City Engineer, Planning Administrator, Code Enforcement, City Attorney, City Attorney's Assistant, Intern)
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 09/30/2014)

Starting Balance:	\$304,736.57
Phase II Playground Equipment:	- 18,563.00
Master Park Plan:	- 10,000.00
Park Equipment:	- 8,000.00
Community Building Remodel:	- 36,580.00
Emergency Lighting Upgrade	- 1,057.47
Playground Signs (5-12 year old):	- 120.00
Volunteer Supplies:	- 19.12
Soap/Towel Dispensers:	- 454.56
Epoxy for Picnic Tables:	- 71.33
New Ceiling Registers:	- 123.33
Parts to Install Picnic Tables:	- 44.33
Concrete to Install Benches:	- 13.16
Ceiling Fans, Wall Plates:	- 171.44
Guttering for Comm. Building	- 955.50
New Chairs for Comm. Building	- 558.82
Appliances for Comm. Building	- 1,313.94
Electrical Receptacles at Park	- 1,679.21
Skate Park Equipment	- 7,214.04
Supplies to Install Equipment	- 871.80
Signs for Skate Park	- 340.00
Clean Up/Repair Bathrooms	- 127.49
Park Shelters	- 52,443.10
Skate Park Equipment	- 28,990.38
Removal of Light Poles	- 11,600.00
Skate Park Installation	- 29,678.30
Remaining Balance:	\$ 93,746.25

2014 Budget Update:

I have attached the 3rd quarter financial reports. With the amendment of the wastewater budget, all funds are within parameters. The projected cash carryover in the General Fund is approximately \$850,000. When the 2015 budget was approved, the projected carryover was \$814,000.

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 09/30/14	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	\$ 119.34	\$ 8,451.10	\$ 203,548.90
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 Phase 2 Sewer	05	511-12	\$ 70,000.00	\$ 61,640.82		\$ 61,640.82	\$ 8,359.18
Watercress Village 2nd Addition Phase 2 Storm Water	05	512-12	\$ 249,000.00	\$ 161,281.73		\$ 161,281.73	\$ 87,718.27
Watercress Village 2nd Addition Phase 3 Water	05	513-12	\$ 57,000.00	\$ 40,722.47	\$ -	\$ 40,722.47	\$ 16,277.53
Watercress Village 2nd Addition Phase 3 Paving	05	514-12	\$ 103,000.00	\$ 93,803.50	\$ -	\$ 93,803.50	\$ 9,196.50
Watercress Village 2nd Addition Phase 3 Sewer	05	515-12	\$ 64,000.00	\$ 53,869.13	\$ -	\$ 53,869.13	\$ 10,130.87
Central Street Project	05	549-13	\$ 400,000.00	\$ 390,010.89		\$ 390,010.89	\$ 9,989.11
Woods @ Watercress Water	05	523-13	\$ 191,000.00	\$ 173,618.26	\$ 8,039.18	\$ 181,657.44	\$ 9,342.56
Woods @ Watercress Paving	05	524-13	\$ 444,000.00	\$ 214,666.32	\$ 180,110.48	\$ 394,776.80	\$ 49,223.20
Woods @ Watercress Sewer	05	525-13	\$ 222,000.00	\$ 208,082.65	\$ 5,937.93	\$ 214,020.58	\$ 7,979.42
Woods @ Watercress Storm Water	05	526-13	\$ 164,000.00	\$ 95,198.15	\$ 7,427.48	\$ 102,625.63	\$ 61,374.37
Totals for Series A 2013			\$ 3,530,958.21	\$ 201,674.19		\$ 3,732,632.40	\$ 716,607.60

Temporary Note Resolution Series B 2011

Project	Fund	Resolution of Advisability	Total Resolution Amount	Expenditures thru 12/31/13	Expenditures 1/1/14 thru 09/30/14	Total Expenditures	Resolution Authorization Less Expenditures
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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	
Totals for Series B 2011 Notes			\$ 1,990,000.00	\$ 1,927,048.05	\$ -	\$ 1,927,048.05	\$ 62,951.95	

Temporary Note Resolution Series A 2012

Project	Fund	Resolution of Advisability	Total Resolution Amount	Expenditures thru 12/31/13	Expenditures 1/1/14 thru 09/30/14	Total Expenditures	Expenditures Reimbursed by County	Resolution Authorization Less Expenditures
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Maize Road Improvements	47	Temp Note Res #506-12	\$ 1,658,413.00	\$1,888,458.29	\$34,987.02	\$1,923,445.31	\$315,439.50	\$50,407.19
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**Temp Notes
Series 2013B**

Project	Fund	Resolution of Advisability	Total Resolution Amount	Expenditures thru 12/31/13	Expenditures 1/1/14 thru 09/30/14	Total Expenditures	Resolution Authorization Less Expenditures
Watercress Village 3rd Water	05	532-13	\$ 98,000.00	\$ 69,275.18	\$ 821.05	\$ 70,096.23	\$ 27,903.77
Watercress Village 3rd Paving	05	546-13	\$ 339,000.00	\$ 121,863.17	\$ 175,013.82	\$ 296,876.99	\$ 42,123.01
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	\$ 38,814.97	\$ 109.13	\$ 38,924.10	\$ 1,075.90
Hampton Lakes 2nd Phase 2 Paving	05	536-13	\$ 89,000.00	\$ 83,205.26	\$ 5,794.34	\$ 88,999.60	\$ 0.40
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	\$ 285.57	\$ 325,734.68	\$ 19,265.32
Lakelane Paving	05	541-13	\$ 100,000.00	\$ 89,335.01	\$ -	\$ 89,335.01	\$ 10,664.99
Totals			\$ 1,175,000.00	\$ 839,310.31	\$ 182,947.82	\$ 1,022,258.13	\$ 152,741.87

**Projects w/o
Temp Notes**

Project	Fund	Resolution of Advisability	Total Resolution Amount	Expenditures thru 12/31/13	Expenditures 1/1/14 thru 07/31/14	Total Expenditures	Resolution Authorization Less Expenditures
Eagles Nest Phase 2A Water	05	556-14	\$ 104,000.00	\$ -	\$ 53,830.89	\$ 53,830.89	\$ 50,169.11
Eagles Nest Phase 2A Paving	05	555-14	\$ 515,000.00	\$ -	\$ 26,987.29	\$ 26,987.29	\$ 488,012.71
Eagles Nest Phase 2 Sanitary Sewer	05	547-14	\$ 240,000.00	\$ -	\$ 51,438.58	\$ 51,438.58	\$ 188,561.42
Totals			\$ 859,000.00	\$ -	\$ 132,256.76	\$ 132,256.76	\$ 726,743.24

**Grand Totals
Series A
2011, Series
B 2011,
Series B
2012, Series
A 2013**

\$8,185,774.86 \$551,865.79 \$8,605,383.89 \$1,247,740.92 \$50,407.19

CIP 2014 (As of 09/30/2014)

<u>Detail</u>	<u>Reason</u>	<u>September Revenue</u>	<u>September 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	47.02
Interest	From Bank Accounts	247.57		500.00	1,445.66
Reimbursements	Sale of Skate Park Equipment	5,200.00			5,200.00
Transfers	From General Fund	14,583.33		175,000.00	131,249.97
Total Revenues		20,030.90		175,750.00	137,942.65
Total Resources					556,660.39
Street Improvements			142,566.70	150,000.00	142,566.70
Park Improvements	From Dugan Park Funds		29678.3	164,000.00	70,268.68
Central Street				150,000.00	
Other Capital Costs				100,000.00	
Total Expenditures			-	564,000.00	212,835.38
Cash Balance - 09/30/14					\$ 343,825.01

Equipment Reserve 2014 (As of 09/30/2014)

<u>Detail</u>	<u>Reason</u>	<u>September Revenue</u>	<u>September Expense</u>	<u>Budget</u>	<u>Year to Date Actual Cash</u>
Beg Cash - 01/01/14					\$ 96,949.54
Interest	From Bank Accounts	21.61		100.00	126.21
Transfers	From General Fund	12,500.00		150,000.00	112,500.00
Total Revenues		\$ 12,521.61		\$ 150,100.00	\$ 112,626.21
Total Resources					\$ 209,575.75
Trucks/Heavy Equipment			\$ -	\$ 75,000.00	\$ 28,000.99
Computers			224.87	45,000.00	41,572.81
Police Department Expenses			2,459.73	75,000.00	76,618.20
Total Expenditures			\$ 2,684.60	\$ 195,000.00	\$ 146,192.00
Cash Balance - 09/30/2014					\$ 63,383.75

**2014 General Fund
Summary**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Starting Cash Balance	\$ 606,419.74	\$ 1,100,746.29	\$ 1,261,492.40	
Revenue:	1,105,535.80	801,419.22	486,336.80	
Expenditures	611,209.25	640,673.11	630,604.38	
Ending Cash Balance	\$ 1,100,746.29	\$ 1,261,492.40	\$ 1,117,224.82	\$ -

Revenues

First Quarter = \$1,105,535.80
 Second Quarter = \$801,419.22
 Third Quarter = \$486,336.80
 Fourth Quarter = \$

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2013 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Taxes	\$ 936,597.37	\$ 678,223.12	\$ 325,976.60		\$ 1,940,797.09	\$ 2,075,671.00	\$ 1,745,238.43	\$ 1,782,367.80
Permits & Licenses	49,290.23	26,768.57	20,253.53		\$ 96,312.33	94,000.00	92,221.89	76,433.05
Franchise Fees	85,472.45	68,979.31	120,480.16		\$ 274,931.92	295,000.00	238,078.70	200,700.01
Senior Services Revenue	-	-	-		\$ -	-	-	5,000.00
Planning/Zoning Revenue	970.00	-	300.00		\$ 1,270.00	1,000.00	630.00	1,020.00
Community Building Rental	1,375.00	1,100.00	1,850.00		\$ 4,325.00	5,200.00	4,237.50	3,550.00
Municipal Court Revenue	25,048.23	17,696.68	13,558.58		\$ 56,303.49	96,575.00	76,420.38	144,238.57
Returned Checks/Fees	-	-	-		\$ -	-	-	1,232.00
Interest	72.52	441.09	625.63		\$ 1,139.24	500.00	632.61	425.00
911 Camp Revenue	5,870.00	7,120.00	300.00		\$ 13,290.00	9,500.00	13,655.00	14,200.00
Other Revenues	210.00	385.45	2,709.37		\$ 3,304.82	-	1,390.35	2,091.00
Reimbursements	280.00	605.00	282.93		\$ 1,167.93	-	4,798.51	16.29
City-Wide Clean Up Day	350.00	100.00	-		\$ 450.00	-	100.00	100.00
Transfer	-	-	-		\$ -	-	-	-
Totals	\$ 1,105,535.80	\$ 801,419.22	\$ 486,336.80	\$ -	\$ 2,393,291.82	\$ 2,577,446.00	\$ 2,177,403.37	\$ 2,231,373.72

Quarterly Financial Report
 General Fund Revenues
 10/13/2014

GENERAL FUND EXPENDITURES

First Quarter Total = \$611,209.25
 Second Quarter Total = \$640,673.11
 Third Quarter Total = \$630,604.38
 Fourth Quarter Total =

Council Expenditures

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Salaries & Wages	\$ 4,100.00	\$ 4,325.00	\$ 4,430.00		\$ 12,855.00	\$ 16,600.00	\$ 12,367.00	\$ 12,580.00
Organizations/Conferences	50.00	-	200.00		250.00	50.00	65.00	50.00
General Liability	-	-	-		-	300.00	328.75	300.25
Professional Services	-	-	-		-	-	-	-
Supplies	245.13	208.94	110.26		564.33	1,050.00	540.97	459.45
Totals	\$ 4,395.13	\$ 4,533.94	\$ 4,740.26	\$ -	\$ 13,669.33	\$ 18,000.00	\$ 13,301.72	\$ 13,389.70

Admin Expenditures

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Salaries & Wages	53,973.90	45,618.13	53,786.26		\$ 153,378.29	216,000.00	155,315.56	149,627.28
Overtime	148.80	171.90	148.68		469.38	1,000.00	409.20	536.91
Organizations/Conferences	7,839.49	1,405.65	1,082.41		10,327.55	12,500.00	8,267.19	8,783.99
Travel Expenses	874.20	1,081.46	580.81		2,536.47	4,750.00	1,704.53	2,821.37
Telephone/Fax/Internet	1,400.95	1,424.50	2,542.65		5,368.10	6,500.00	4,170.40	4,071.70
Postage	1,313.53	1,325.04	340.00		2,978.57	3,500.00	2,809.27	2,429.96
Newsletter/Printing	741.00	1,126.00	921.99		2,788.99	4,000.00	3,786.60	2,432.00
Legal Publications	150.00	512.50	680.25		1,342.75	2,000.00	718.75	1,203.13
Property & Liability Insurance	-	-	3,956.33		3,956.33	7,000.00	9,341.05	6,456.59
Engineering & Professional Services	6,940.46	4,659.26	1,918.09		13,517.81	7,500.00	4,295.93	3,043.45
Computer Technical Support	6,212.88	1,760.00	9,491.95		17,464.83	10,000.00	14,389.00	6,323.33
Equipmental Rental/Maintenance	1,239.71	1,892.48	2,279.97		5,412.16	5,000.00	6,597.49	3,998.08
Maps	-	-	-		-	-	-	-
Pre-Printed Forms/Letterhead	498.81	1,335.71	321.74		2,156.26	750.00	430.03	1,604.27
Supplies	10,595.62	1,829.69	3,251.94		15,677.25	17,900.00	19,306.37	13,539.61
Computers	732.91	122.97	669.96		1,525.84	1,500.00	849.08	1,609.45
Totals	\$ 92,662.26	\$ 64,265.29	\$ 81,973.03	\$ -	\$ 238,900.58	\$ 299,900.00	\$ 232,390.45	\$ 208,481.12

Quarterly Financial Report
 General Fund Expenses
 10/13/2014

Police Expenditures

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Salaries & Wages	\$ 120,670.15	\$ 90,421.65	\$ 114,550.30		\$ 325,642.10	\$ 474,000.00	\$ 335,926.93	\$ 345,825.23
Overtime	1,717.72	3,778.17	3,478.03		8,973.92	9,000.00	5,505.84	6,701.28
Organizations/Conferences	708.00	90.00	648.76		1,446.76	1,500.00	2,244.78	1,405.12
Travel Expenses	-	333.99	-		333.99	-	42.49	50.98
Crime Prevention	-	-	-		-	-	-	75.75
Certification Fees	-	-	-		-	-	-	245.00
Pre-Employment Expenses	-	175.00	80.00		255.00	-	-	89.00
Telephone/Fax/Internet	1,772.57	1,723.98	2,837.85		6,334.40	6,500.00	5,056.13	5,112.21
Postage	403.66	406.39	340.00		1,150.05	1,000.00	771.44	1,220.10
Newsletter/Printing	-	-	-		-	-	-	-
Property & Liability Insurance	-	-	14,436.33		14,436.33	14,000.00	12,942.80	13,474.84
Professional Services	913.77	1,045.50	567.01		2,526.28	1,500.00	1,292.27	4,774.79
Computer Technical Support	480.00	340.00	1,311.25		2,131.25	1,000.00	1,936.25	1,893.33
911 Camp Expenses	216.57	2,405.35	5,987.65		8,609.57	9,500.00	6,093.27	10,177.58
National Night Out	-	-	1,180.77		1,180.77	-	2,530.23	4,593.42
Pre-Printed Forms/Letterhead	-	50.00	189.65		239.65	500.00	209.70	2,121.36
Office Supplies	1,831.30	1,494.97	537.88		3,864.15	3,250.00	2,909.55	4,707.90
Uniforms	33.48	543.50	1,248.65		1,825.63	2,500.00	1,980.35	3,228.79
Automotive	922.10	3,381.55	1,286.62		5,590.27	10,250.00	8,529.89	10,173.07
Tools/Equipment/Radio	3,229.77	1,445.83	403.30		5,078.90	1,500.00	3,224.74	1,591.16
Unleaded Fuel	6,991.94	5,883.31	8,316.01		21,191.26	50,000.00	28,938.05	30,713.47
Computers	63.97	-	-		63.97	-	259.34	775.00
Totals	\$ 139,955.00	\$ 113,519.19	\$ 157,400.06	\$ -	\$ 410,874.25	\$ 586,000.00	\$ 420,394.05	\$ 448,949.38

Municipal Court Expenditures

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Salaries & Wages	\$ 10,696.80	\$ 9,554.40	\$ 11,022.40		\$ 31,273.60	\$ 42,800.00	\$ 42,866.88	\$ 42,871.81
Overtime	-	-	-		-	500.00	-	1,027.64
Organizations/Conferences	75.00	-	112.75		187.75	100.00	327.78	160.75
Travel Expenses	-	-	-		-	-	-	233.88
Telephone/Fax/Internet	721.67	719.68	1,057.51		2,498.86	3,000.00	2,147.41	2,218.55
Postage	403.66	406.39	340.00		1,150.05	1,000.00	740.71	1,026.33
Newsletter/Printing	-	-	-		-	-	-	-
General Liability	-	-	2,787.33		2,787.33	500.00	678.00	685.15
Computer Technical Support	1,889.56	353.34	1,673.13		3,916.03	2,000.00	2,811.52	363.33
Restitution	796.02	-	-		796.02	-	619.25	205.73
Professional Services	3,119.80	3,880.74	4,291.27		11,291.81	18,000.00	1,747.34	603.92
Pre-Printed Forms/Letterhead	-	117.83	130.65		248.48	300.00	369.20	509.39
Office Supplies	184.54	-	247.41		431.95	2,500.00	971.07	1,497.64
Computers	-	-	-		-	-	-	91.85
Returned Check Fee	-	-	-		-	-	174.00	392.00
Municipal Bond Expense	-	-	-		-	-	2,436.50	-
Jail Housing Fees	1,036.88	697.32	1,071.72		2,805.92	10,000.00	5,452.76	5,145.88
Overpayment Refund	-	-	-		-	-	166.50	1,162.00
Totals	\$ 18,923.93	\$ 15,729.70	\$ 22,734.17	\$ -	\$ 57,387.80	\$ 80,700.00	\$ 61,508.92	\$ 58,195.85

Community Facilities

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Property Tax (Solid Waste Fees)	-	-	-	-	\$ -	-	5.60	\$ -
Salaries & Wages	5,753.60	4,884.68	7,437.89	-	\$ 18,076.17	32,500.00	18,914.70	18,363.60
Trash Service/Utilities	342.54	342.54	398.02	-	\$ 1,083.10	1,500.00	1,046.17	950.74
Property & Liability Insurance	-	(4,554.80)	11,312.00	-	\$ 6,757.20	7,500.00	3,323.70	6,855.16
Professional Services	758.16	3,781.80	242.46	-	\$ 4,782.42	6,500.00	7,958.76	2,847.10
Equipment Rental/Maintenance	268.35	714.27	4,219.08	-	\$ 5,201.70	7,500.00	8,796.68	6,747.50
Building/Grounds Maintenance	5,333.07	3,742.24	3,559.71	-	\$ 12,635.02	9,500.00	13,359.49	12,081.65
Supplies	2,334.13	26.73	1,703.23	-	\$ 4,064.09	7,500.00	5,997.00	5,575.17
Totals	\$ 14,789.85	\$ 8,937.46	\$ 28,872.39	\$ -	\$ 52,599.70	\$ 72,500.00	\$ 59,402.10	\$ 53,420.92

Planning & Zoning

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Hourly Wages	\$ 12,832.68	\$ 12,075.59	\$ 15,109.63	-	\$ 40,017.90	\$ 62,000.00	\$ 40,817.55	\$ 43,198.36
Planning Commission Expenses	-	-	49.00	-	\$ 49.00	500.00	-	-
Totals	\$ 12,832.68	\$ 12,075.59	\$ 15,158.63	\$ -	\$ 40,066.90	\$ 62,500.00	\$ 40,817.55	\$ 43,198.36

Accountant

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Audit/Review	\$ 15,000.00	\$ -	\$ -	-	\$ 15,000.00	\$ 16,000.00	\$ 14,600.00	\$ 13,680.00
Totals	\$ 15,000.00	\$ -	\$ -	\$ -	\$ 15,000.00	\$ 16,000.00	\$ 14,600.00	\$ 13,680.00

Miscellaneous

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Employee Benefits	\$ 132,449.24	\$ 100,648.05	\$ 110,120.74	-	\$ 343,218.03	\$ 451,750.00	\$ 342,761.29	\$ 351,534.74
General Liability	225.00	-	65.00	-	\$ 290.00	-	125.00	125.00
Community Services	410.00	7,084.56	509.74	-	\$ 8,004.30	10,000.00	10,031.34	12,458.05
CMB License	-	-	-	-	\$ -	-	150.00	175.00
Building Inspections	12,521.34	10,668.69	9,117.35	-	\$ 32,307.38	33,000.00	30,162.13	24,143.93
Utilities	7,406.23	4,562.94	8,135.79	-	\$ 20,104.96	25,000.00	16,608.81	16,262.58
Transfers	118,749.99	118,749.99	118,749.99	-	\$ 356,249.97	475,000.00	342,375.03	363,750.01
Contingency Funds	-	-	-	-	\$ -	30,000.00	-	-
Housing Grant	19,325.73	57,954.67	10,232.20	-	\$ 87,512.60	85,000.00	27,234.52	3,025.15
Transient Guest Tax Rebate	-	13,530.31	53,374.96	-	\$ 66,905.27	85,000.00	73,075.18	60,502.96
Principal & Interest on City Hall Bonds	-	101,328.80	-	-	\$ 101,328.80	155,600.00	98,557.68	92,585.55
Cash Reserve	-	-	-	-	\$ -	200,000.00	-	-
Totals	\$ 291,087.53	\$ 414,528.01	\$ 310,305.77	\$ -	\$ 1,015,921.31	\$ 1,550,350.00	\$ 941,080.98	\$ 924,562.97

Research & Development

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Economic Development	\$ 20,887.47	\$ 1,650.00	\$ 5,920.00	-	\$ 28,457.47	\$ 15,000.00	\$ 3,634.60	\$ 7,219.08
Tree/Park Board	675.40	5,104.27	3,337.49	-	\$ 9,117.16	10,000.00	5,242.54	4,243.37
Senior Services	-	329.66	162.58	-	\$ 492.24	2,500.00	2,500.00	3,100.00
Maize Road Match	-	-	-	-	\$ -	317,000.00	-	-
Totals	\$ 21,562.87	\$ 7,083.93	\$ 9,420.07	\$ -	\$ 38,066.87	\$ 344,500.00	\$ 11,377.14	\$ 14,562.45
Grand Totals	\$ 611,209.25	\$ 640,673.11	\$ 630,604.38	\$ -	\$ 1,882,486.74	\$ 3,030,450.00	\$ 1,794,872.91	\$ 1,778,440.75

Quarterly Financial Report
General Fund Expenses
10/13/2014

STREET FUND

Summary

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Starting Cash Balance	\$ 105,358.15	\$ 93,748.28	\$ 105,166.40	
Revenues	71,903.57	70,613.89	74,652.82	
Expenditures	83,513.44	59,195.77	85,808.30	
Ending Cash Balance	<u>\$ 93,748.28</u>	<u>\$ 105,166.40</u>	<u>\$ 94,010.92</u>	<u>\$ -</u>

Revenues

First Quarter = \$71,903.57

Second Quarter = \$70,613.89

Third Quarter = \$74,652.82

Fourth Quarter = \$

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
County & State Gas Taxes	\$ 34,403.57	\$ 33,113.89	\$ 35,773.49		\$ 103,290.95	\$ 130,040.00	\$ 93,031.83	\$ 95,583.15
Other Revenues	-	-	1,379.33		\$ 1,379.33	-	100.00	1,755.70
Transfer	37,500.00	37,500.00	37,500.00		\$ 112,500.00	150,000.00	112,500.00	112,500.00
Totals	<u>\$ 71,903.57</u>	<u>\$ 70,613.89</u>	<u>\$ 74,652.82</u>	<u>\$ -</u>	<u>\$ 217,170.28</u>	<u>\$ 280,040.00</u>	<u>\$ 205,631.83</u>	<u>\$ 209,838.85</u>

Quarterly Financial Reports
Street Fund
10/13/2014

Expenditures

First Quarter = \$83,513.44

Second Quarter = \$59,195.77

Third Quarter = \$85,808.30

Fourth Quarter = \$

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Property Tax (Solid Waste Fee)	-	-	-	-	\$ -	-	3.85	\$ -
Salaries & Wages	37,216.00	32,783.50	38,863.21		\$ 108,862.71	143,000.00	103,412.81	99,866.48
Overtime	1,408.73	412.00	1,177.53		\$ 2,998.26	4,000.00	2,861.39	537.46
Organizations/Workshops	-	-	-		\$ -	300.00	100.00	195.00
Travel Expenses	-	5.60	136.27		\$ 141.87	-	-	-
Pre-Employment Expenses	-	-	-		\$ -	-	26.67	16.00
Utilities	2,754.59	1,931.38	913.42		\$ 5,599.39	7,000.00	3,962.07	2,739.86
Street Lights	7,513.27	8,947.65	9,045.38		\$ 25,506.30	30,000.00	21,298.34	19,814.99
Trash Service	148.50	148.50	148.50		\$ 445.50	500.00	445.50	405.00
Telephone/Fax/Internet	896.22	713.70	616.96		\$ 2,226.88	2,200.00	1,650.71	1,719.12
Postage	-	89.41	-		\$ 89.41	-	-	-
Property & Liability Insurance	-	-	7,133.33		\$ 7,133.33	9,000.00	7,149.29	5,715.49
Professional Services	78.42	384.17	-		\$ 462.59	500.00	250.50	1,873.25
Computer Tech Support	-	-	-		\$ -	1,000.00	400.00	173.35
Equipment	4,303.27	1,528.82	2,659.42		\$ 8,491.51	6,000.00	5,486.90	5,270.95
Uniforms	1,286.79	1,162.51	1,409.54		\$ 3,858.84	5,000.00	3,250.96	3,042.03
Supplies	3,314.10	1,910.92	2,085.27		\$ 7,310.29	6,500.00	5,376.59	5,128.43
Automotive	3,804.66	217.84	513.92		\$ 4,536.42	8,000.00	7,457.69	7,019.85
Trucks/Heavy Equipment	5,019.20	2,732.16	2,923.21		\$ 10,674.57	10,000.00	8,338.85	10,122.40
Cement/Concrete	-	2,128.48	193.50		\$ 2,321.98	500.00	-	488.13
Asphalt - Hot/Cold	1,890.00	-	11,758.77		\$ 13,648.77	7,500.00	6,273.15	6,785.10
Sand/Gravel/Stone	-	-	2,866.87		\$ 2,866.87	3,000.00	2,457.61	2,269.25
Diesel Fuel	959.99	1,580.00	1,057.34		\$ 3,597.33	7,500.00	5,255.47	5,657.63
Unleaded Fuel	1,104.81	1,360.48	1,365.53		\$ 3,830.82	5,000.00	3,321.43	3,333.76
Propane	-	-	241.99		\$ 241.99	-	84.50	83.43
Welding	-	262.19	-		\$ 262.19	-	230.67	370.94
Snow/Ice Removal	10,228.09	-	-		\$ 10,228.09	10,000.00	12,377.10	16.99
Permanent Signs	1,586.80	896.46	698.34		\$ 3,181.60	1,500.00	2,672.99	100.00
Computers	-	-	-		\$ -	-	-	-
Drainage Improvements	-	-	-		\$ -	-	-	-
Totals	\$ 83,513.44	\$ 59,195.77	\$ 85,808.30	\$ -	\$ 228,517.51	\$ 268,000.00	\$ 204,145.04	\$ 182,744.89

CAPITAL IMPROVEMENTS

Summary

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Starting Cash Balance	\$ 418,717.74	\$ 462,605.32	\$ 477,926.09	
Revenues	43,887.58	44,311.15	49,743.92	
Expenditures	-	28,990.38	183,845.00	
Ending Cash Balance	\$ 462,605.32	\$ 477,926.09	\$ 343,825.01	\$ -

Revenues

First Quarter = \$418,717.74
 Second Quarter = \$44,311.15
 Third Quarter = \$49,743.92
 Fourth Quarter = \$

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Taxes	\$ 45.56	\$ 1.46	\$ -		\$ 47.02	\$ 250.00	\$ 103.19	\$ 1,151.06
Interest	92.03	559.70	793.93		1,445.66	500.00	802.77	8,000.00
Maize Rec Reimbursement	-	-	-		-	-	-	-
Other Revenues	-	-	5,200.00		5,200.00	-	-	111,250.01
Transfer	43,749.99	43,749.99	43,749.99		131,249.97	175,000.00	150,000.03	120,940.39
Totals	\$ 43,887.58	\$ 44,311.15	\$ 49,743.92	\$ -	\$ 137,942.65	\$ 175,750.00	\$ 150,905.99	\$ 120,940.39

Expenditures

First Quarter = \$0
 Second Quarter = \$28,990.38
 Third Quarter = \$183,845.00
 Fourth Quarter = 0

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Street Improvements	\$ -	\$ -	\$ 142,566.70		\$ 142,566.70	\$ 300,000.00	\$ 32,380.68	\$ 100,412.51
Utility Easements	-	-	-		-	-	-	-
Other Capital Costs	-	-	-		-	100,000.00	-	-
Park Improvements	-	28,990.38	41,278.30		70,268.68	164,000.00	-	-
Maize Road	-	-	-		-	-	-	-
Totals	\$ -	\$ 28,990.38	\$ 183,845.00	\$ -	\$ 212,835.38	\$ 564,000.00	\$ 32,380.68	\$ 100,412.51

**EQUIPMENT RESERVE
Summary**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Starting Cash Balance	\$ 96,949.54	\$ 108,746.13	\$ 123,398.43	
Revenues	37,508.05	37,548.86	37,569.30	
Expenditures	25,711.46	22,896.56	97,583.98	
Ending Cash Balance	\$ 108,746.13	\$ 123,398.43	\$ 63,383.75	\$ -

Revenues

First Quarter = \$37,508.05

Second Quarter = \$37,548.86

Third Quarter = \$37,569.30

Fourth Quarter = \$

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Interest	\$ 8.05	\$ 48.86	\$ 69.30		\$ 126.21	\$ 100.00	\$ 70.06	\$ 47.07
Other Revenues	-	-	-		\$ -	-	-	-
Transfer	37,500.00	37,500.00	37,500.00		\$ 112,500.00	150,000.00	79,875.00	140,000.00
Totals	\$ 37,508.05	\$ 37,548.86	\$ 37,569.30	\$ -	\$ 112,626.21	\$ 150,100.00	\$ 79,945.06	\$ 140,047.07

Expenditures

First Quarter = \$25,711.46

Second Quarter = \$22,896.56

Third Quarter = \$97,583.98

Fourth Quarter = \$

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Trucks/Heavy Equipment	\$ 9,451.43	\$ 18,549.56	\$ -		\$ 28,000.99	\$ 75,000.00	\$ 11,369.44	\$ 30,739.98
Computers	\$ 4,812.58	\$ 2,850.00	\$ 33,910.23		\$ 41,572.81	\$ 45,000.00	\$ 25,136.96	\$ 15,073.94
Police Department Expenses	11,447.45	1,497.00	63,673.75		\$ 76,618.20	75,000.00	-	64,306.06
Totals	\$ 25,711.46	\$ 22,896.56	\$ 97,583.98	\$ -	\$ 146,192.00	\$ 195,000.00	\$ 36,506.40	\$ 110,119.98

**BOND & INTEREST
Summary**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Starting Cash Balance	\$ 466,191.53	\$ 914,413.64	\$ 1,502,828.49	
Revenues	884,958.79	588,414.85	258,144.18	
Expenditures	436,736.68	-	1,425,828.97	
Ending Cash Balance	\$ 914,413.64	\$ 1,502,828.49	\$ 335,143.70	\$ -

Revenues

First Quarter = \$884,958.79
 Second Quarter = \$588,414.85
 Third Quarter = \$258,144.18
 Fourth Quarter = \$

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Taxes	\$ 20,346.00	\$ 14,011.22	\$ 2,425.78		\$ 36,783.00	\$ 38,795.00	\$ 22,175.47	\$ 7,182.97
Special Assessments	714,764.17	424,446.47	105,706.88		1,244,917.52	1,061,620.00	904,462.68	762,763.52
Interest	21.36	129.90	184.26		335.52	300.00	186.31	125.17
Transfer	149,827.26	149,827.26	149,827.26		449,481.78	599,309.00	831,319.12	498,534.59
Total	\$ 884,958.79	\$ 588,414.85	\$ 258,144.18	\$ -	\$ 1,731,517.82	\$ 1,700,024.00	\$ 1,758,143.58	\$ 1,268,606.25

Expenditures

First Quarter = \$436,736.68
 Second Quarter = 0
 Third Quarter = \$1,425,828.97
 Fourth Quarter = \$0

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Bond Principal	-	-	1,045,000.00	\$ -	1,045,000.00	1,170,000.00	1,085,000.00	830,000.00
Interest on Bonds	436,736.68	-	380,828.97	-	817,565.65	861,290.00	715,449.55	788,480.14
Cash Reserve	-	-	-	-	-	160,000.00	-	-
Totals	\$ 436,736.68	\$ -	\$ 1,425,828.97	\$ -	\$ 1,862,565.65	\$ 2,191,290.00	\$ 1,800,449.55	\$ 1,618,480.14

WASTEWATER

Summary

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Starting Cash Balance	\$ 367,639.69	\$ 404,362.03	\$ 454,027.09	
Revenues	209,621.21	\$ 212,977.78	\$205,521.08	
Expenditures	172,898.87	\$ 163,312.72	200,230.65	
Ending Cash Balance	\$ 404,362.03	\$ 454,027.09	\$ 459,317.52	\$ -

Revenues

First Quarter = \$209,621.21
 Second Quarter = \$212,977.78
 Third Quarter = \$205,521.08
 Fourth Quarter = \$

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Delinquent Fees	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
User Fees	161,922.85	165,629.25	175,922.07		\$ 503,474.17	625,000.00	474,124.71	436,969.38
Installation Inspection Fees	22,100.00	21,250.00	12,750.00		\$ 56,100.00	25,500.00	54,400.00	39,100.00
Set-Off Administrative Fee	-	-	-		\$ -	-	-	360.00
Returned Check Fee	-	-	-		\$ -	-	-	576.73
Interest	98.36	598.53	849.01		\$ 1,545.90	500.00	858.43	642.10
Other Revenues	-	-	-		\$ -	-	200.00	52,000.00
Plant Equity Fee	25,500.00	25,500.00	16,000.00		\$ 67,000.00	30,000.00	64,000.00	52,000.00
Totals	\$ 209,621.21	\$ 212,977.78	\$ 205,521.08	\$ -	\$ 628,120.07	\$ 681,000.00	\$ 593,583.14	\$ 529,648.21

Expenditures

First Quarter = \$172,898.87

Second Quarter = \$163,312.72

Third Quarter = \$200,230.65

Fourth Quarter = \$ -

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Property Tax (Solid Waste Fee)	\$ -	\$ -	\$ -		\$ -		\$ -	\$ -
Salaries/Wages	55,253.42	52,173.42	57,644.64		\$ 165,071.48	219,500.00	157,572.42	158,922.39
Overtime	2,550.26	2,503.68	2,427.91		\$ 7,481.85	8,000.00	6,244.81	5,433.38
Organizations/Conferences	598.50	697.50	-		\$ 1,296.00	1,000.00	1,370.00	1,235.00
Travel Expenses	-	65.66	193.95		\$ 259.61	-	116.68	-
Laboratory Testing	1,072.00	1,072.00	2,111.00		\$ 4,255.00	5,000.00	3,945.00	4,065.30
Certification Fee	-	185.00	260.00		\$ 445.00	-	265.00	245.00
Pre-Employment Expenses	-	40.00	-		\$ 40.00	-	247.67	516.00
Utilities	18,744.80	17,566.53	20,051.80		\$ 56,363.13	56,950.00	42,874.36	41,989.48
Trash Service	126.00	126.00	126.00		\$ 378.00	600.00	378.00	369.00
Telephone/Fax/Internet	967.11	783.84	653.29		\$ 2,404.24	3,450.00	2,798.20	2,234.51
Postage	1,126.15	1,145.15	1,149.24		\$ 3,420.54	3,000.00	2,880.13	2,239.22
Property & Liability Insurance	67.00	-	11,892.33		\$ 11,959.33	11,500.00	9,013.94	8,611.73
Professional Services	12,641.77	15,276.95	28,014.04		\$ 55,932.76	55,000.00	57,600.35	45,897.10
Computer Tech Support	1,549.56	73.34	329.38		\$ 1,952.28	2,000.00	1,344.65	673.33
Equipment	1,917.56	4,022.66	7,734.41		\$ 13,674.63	16,000.00	7,208.89	7,614.57
Building/Grounds	2,186.60	30.32	-		\$ 2,216.92	500.00	3,159.28	840.62
Supplies	778.27	697.69	895.05		\$ 2,371.01	4,000.00	4,230.33	2,506.37
Uniforms	1,286.79	1,162.51	1,302.55		\$ 3,751.85	5,000.00	3,250.96	2,984.20
Pre-Printed Forms	-	-	-		\$ -	-	30.00	-
Automotive	119.36	-	210.18		\$ 329.54	500.00	643.47	3,653.02
Diesel Fuel	956.01	1,579.98	1,057.34		\$ 3,593.33	10,000.00	5,255.47	5,657.63
Unleaded Fuel	1,104.81	1,360.48	1,365.53		\$ 3,830.82	8,000.00	2,961.26	3,333.76
Utility Easements	7,102.89	-	-		\$ 7,102.89	20,000.00	12,799.00	10,336.52
Transfers	62,750.01	62,750.01	62,750.01		\$ 188,250.03	251,000.00	202,664.97	204,652.53
Returned Check Fees	-	-	62.00		\$ 62.00	-	300.70	527.00
Totals	\$ 172,898.87	\$ 163,312.72	\$ 200,230.65	\$ -	\$ 536,442.24	\$ 681,000.00	\$ 529,155.54	\$ 514,537.66

**WATER
Summary**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Starting Cash Balance	\$ 323,957.86	\$ 339,304.78	\$ 375,801.93	
Revenues	201,108.99	\$ 217,295.11	189,183.98	
Expenditures	185,762.07	\$ 180,797.96	188,518.79	
Ending Cash Balance	\$ 339,304.78	\$ 375,801.93	\$ 376,467.12	\$ -

Revenues

First Quarter = \$201,108.99

Second Quarter = \$217,295.11

Third Quarter = \$189,183.98

Fourth Quarter = \$

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
User Fees	\$ 141,985.27	\$ 148,971.80	\$ 148,557.05		\$ 439,514.12	\$ 650,000.00	\$ 442,391.57	\$ 481,736.87
Hook On Fees	21,250.00	24,650.00	14,450.00		\$ 60,350.00	25,500.00	61,850.00	50,800.00
Turn On Fees	4,820.61	5,483.99	3,595.19		\$ 13,899.79	10,000.00	13,857.86	11,053.34
Water Tax	1,401.61	1,723.39	1,372.25		\$ 4,497.25	6,000.00	4,565.37	1,861.92
Plant Equity Fee	25,000.00	29,000.00	16,000.00		\$ 70,000.00	30,000.00	71,900.00	50,000.00
Interest	27.63	168.06	238.39		\$ 434.08	500.00	241.04	161.93
Returned Check Fee	-	60.00	90.00		\$ 150.00	-	559.35	844.97
T-Mobile Tower Rent	6,447.87	6,447.87	4,298.58		\$ 17,194.32	27,600.00	16,693.52	18,233.28
Other Revenues	176.00	790.00	582.52		\$ 1,548.52	-	-	473.00
Totals	\$ 201,108.99	\$ 217,295.11	\$ 189,183.98	\$ -	\$ 607,588.08	\$ 749,600.00	\$ 612,058.71	\$ 615,165.31

Expenditures

First Quarter = \$185,762.07

Second Quarter = \$180,797.96

Third Quarter = \$188,518.79

Fourth Quarter = \$

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2014 YTD	2014 Budget	YTD 2013 Actual	YTD 2012 Actual
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries/Wages	47,524.00	42,271.30	49,751.47		139,546.77	186,500.00	131,546.42	131,444.53
Overtime	1,578.05	1,995.40	978.09		4,551.54	5,000.00	3,392.87	3,034.59
Organizations/Conferences	386.50	616.00	-		1,002.50	1,500.00	1,370.00	1,070.00
Travel Expenses	-	23.52	-		23.52	-	12.71	-
Certification Fee	-	-	-		-	-	20.00	-
Pre-Employment Expenses	-	40.00	-		40.00	-	247.66	16.00
Utilities	5,604.06	5,236.02	4,918.64		15,758.72	24,000.00	15,391.83	14,628.20
Lab Analysis	96.00	103.00	110.00		309.00	800.00	441.00	531.00
Chemicals	768.64	-	768.64		1,537.28	5,000.00	2,736.20	4,003.41
Postage	1,206.34	1,844.97	1,152.46		4,203.77	2,500.00	3,283.17	2,627.11
Newsletter/Printing	-	-	-		-	-	-	291.88
Property & Liability Insurance	-	-	8,885.35		8,885.35	7,500.00	6,892.77	6,486.52
Professional Services	1,724.25	2,109.44	2,430.68		6,264.37	15,000.00	2,926.47	17,026.43
Computer Tech Support	1,549.50	73.32	329.34		1,952.16	1,500.00	1,324.58	173.33
Water Tower Maintenance	8,247.03	8,247.03	8,247.03		24,741.09	33,000.00	24,741.09	24,741.09
Equipment	425.95	1,113.14	593.69		2,132.78	5,000.00	10,896.80	8,411.28
Building/Grounds	-	-	-		-	-	-	-
Uniforms	1,286.66	1,123.03	1,402.27		3,811.96	4,000.00	3,250.36	2,977.01
Pre-Printed Forms/Letterhead	-	-	-		-	-	30.00	-
Supplies	1,052.02	4,909.15	1,260.86		7,222.03	4,750.00	4,881.77	5,064.96
Automotive	-	29.99	-		29.99	1,094.00	635.70	1,993.91
Diesel Fuel	956.01	1,579.98	1,057.32		3,593.31	6,000.00	5,255.43	5,657.62
Unleaded Fuel	1,104.81	1,360.48	1,365.52		3,830.81	5,000.00	2,961.29	3,333.72
Computers	-	-	-		-	-	-	-
Utility Easements	2,257.26	-	-		2,257.26	-	2,653.17	-
Transfers	107,864.01	107,864.01	107,864.01		323,592.03	431,456.00	325,190.97	322,644.75
Water Tax Expense	2,130.98	1,534.13	2,937.62		6,602.73	10,000.00	5,972.24	7,065.35
Returned Check Fee	-	-	189.58		189.58	-	471.56	997.59
Refund of Overpayment	-	(1,275.95)	(5,723.78)		(6,999.73)	-	(612.58)	56.31
Totals	\$ 185,762.07	\$ 180,797.96	\$ 188,518.79	\$ -	\$ 555,078.82	\$ 749,600.00	\$ 555,913.48	\$ 564,276.59

Quarterly Financial Reports

Water Fund

10/13/2014

-----ID-----	ITM DATE BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	--ACCOUNT NAME--	DISTRIBUTION
01-0044		BEAR TIRE, INC.				
I-C57997-IN	8/31/2014 AP	FLAT REPAIR-2008 FORD DUE: 8/31/2014 DISC: 8/31/2014 FLAT REPAIR-2008 FORD	16.95	1099: N 02 5-00-8104	AUTOMOTIVE	16.95
		=== VENDOR TOTALS ===	16.95			
01-0056		CASEY'S GENERAL STORES, INC.				
I-201409112131	9/01/2014 AP	UNLEADED FUEL DUE: 9/01/2014 DISC: 9/01/2014 UNLEADED FUEL UNLEADED FUEL UNLEADED FUEL UNLEADED FUEL	2,517.99	1099: N 01 5-20-8306 02 5-00-8306 20 5-00-8306 21 5-00-8306	UNLEADED FUEL UNLEADED FUEL UNLEADED FUEL UNLEADED FUEL	1,007.04 503.65 503.65 503.65
		=== VENDOR TOTALS ===	2,517.99			
01-0057		CASH				
I-201409112137	9/08/2014 AP	PETTY CASH REIMBURSEMENT DUE: 9/08/2014 DISC: 9/08/2014 PETTY CASH REIMBURSEMENT PETTY CASH REIMBURSEMENT PETTY CASH REIMBURSEMENT	107.57	1099: N 01 5-10-7205 01 5-10-8603 21 5-00-7205	LEGAL PUBLICATI COMMODITIES LEGAL PUBLICATI	24.00 10.37 73.20
		=== VENDOR TOTALS ===	107.57			
01-0058		CATHERINE HERR				
I-201409112142	8/28/2014 AP	CAFE PLAN REIMBURSEMENT DUE: 8/28/2014 DISC: 8/28/2014 CAFE PLAN REIMBURSEMENT	520.00	1099: N 38 5-00-9301	MEDICAL EXPENSE	520.00
		=== VENDOR TOTALS ===	520.00			
01-0062		CENTRAL POWER SYSTEMS				
I-1051058	8/28/2014 AP	ANNUAL GENERATOR MAINTENANCE DUE: 8/28/2014 DISC: 8/28/2014 ANNUAL GENERATOR MAINTENANCE ANNUAL GENERATOR MAINTENANCE ANNUAL GENERATOR MAINTENANCE	2,287.51	1099: N 20 5-00-8109 21 5-00-8109 01 5-40-8109	ELECTRICAL EQUI ELECTRICAL EQUI ELECTRICAL EQUI	1,779.19 254.17 254.15
		=== VENDOR TOTALS ===	2,287.51			

Gen Plant Shop - Wtr Wells Adm List Station

-----ID-----	ITM DATE BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	--ACCOUNT NAME--	DISTRIBUTION
=====						
01-0065	CHRISTOPHER FREUND					
I-201409112141	8/27/2014 AP	UNIFORM ALTERATIONS DUE: 8/27/2014 DISC: 8/27/2014 UNIFORM ALTERATIONS	15.95	1099: N 01 5-20-8007	UNIFORMS	15.95
=== VENDOR TOTALS ===			15.95			
=====						
01-0066	CINTAS FIRST AID & SAFETY					
I-5001631168	8/07/2014 AP	FIRST AID KIT REFILL-SHOP DUE: 8/07/2014 DISC: 8/07/2014 FIRST AID KIT REFILL-SHOP	62.18	1099: N 02 5-00-8503	SAFETY EQUIPMEN	62.18
I-5001757200	9/05/2014 AP	FIRST AID KIT REFILL-SHOP DUE: 9/05/2014 DISC: 9/05/2014 FIRST AID KIT REFILL-SHOP	79.57	1099: N 02 5-00-8503	SAFETY EQUIPMEN	79.57
I-5001845403	9/05/2014 AP	FIRST AID KIT REFILLS-PD/ADMI DUE: 9/05/2014 DISC: 9/05/2014 FIRST AID KIT REFILLS-PD/ADMIN FIRST AID KIT REFILLS-PD/ADMIN	116.04	1099: N 01 5-10-8603 01 5-20-8603	COMMODITIES COMMODITIES	50.87 65.17
=== VENDOR TOTALS ===			257.79			
=====						
01-0093	DIGITAL OFFICE SYSTEMS					
I-273556	8/27/2014 AP	MAINTENANCE-COPIERS/PRINTERS DUE: 8/27/2014 DISC: 8/27/2014 MAINTENANCE-COPIERS/PRINTERS	1,411.37	1099: N 01 5-10-7601	EQUIPMENT RENTAL	1,411.37
=== VENDOR TOTALS ===			1,411.37			
=====						
01-0311	DON LEMEN					
I-201409112138	9/08/2014 AP	MILEAGE-080714 THRU 090514 DUE: 9/08/2014 DISC: 9/08/2014 MILEAGE-080714 THRU 090514 MILEAGE-080714 THRU 090514	64.40	1099: N 05 5-00-6305 01 5-10-6305	MILEAGE REIMBUR MILEAGE/TRAVEL	62.16 2.24
=== VENDOR TOTALS ===			64.40			
=====						
01-0096	ERIC HARTENSTEIN					
I-201409112127	9/09/2014 AP	PUBLIC DEFENDER SERVICES DUE: 9/09/2014 DISC: 9/09/2014 PUBLIC DEFENDER SERVICES	150.00	1099: N 12 5-00-7908	PUBLIC DEFENDER	150.00

Colon included

-----ID-----	ITM DATE BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	--ACCOUNT NAME--	DISTRIBUTION
01-0096	ERIC HARTENSTEIN	(** CONTINUED **)				
I-201409112128	9/09/2014 AP	PUBLIC DEFENDER SERVICES DUE: 9/09/2014 DISC: 9/09/2014 PUBLIC DEFENDER SERVICES	150.00	1099: N 12 5-00-7908	PUBLIC DEFENDER	150.00
	===	VENDOR TOTALS ===	300.00			
01-0120	ICE MASTERS					
I-4077391	8/25/2014 AP	ICE MACHINE RENTAL DUE: 8/25/2014 DISC: 8/25/2014 ICE MACHINE RENTAL	80.00	1099: N 01 5-40-8603	COMMODITIES	80.00
	===	VENDOR TOTALS ===	80.00			
01-0380	JASON D & AMI L MILLER					
I-201409112135	9/09/2014 AP	HOUSING GRANT DUE: 9/09/2014 DISC: 9/09/2014 HOUSING GRANT	1,389.63	1099: N 01 5-80-9015	HOUSING GRANT	1,389.63
	===	VENDOR TOTALS ===	1,389.63			
01-0130	JOCELYN REID					
I-201409112129	9/11/2014 AP	CAFE PLAN REIMBURSEMENT DUE: 9/11/2014 DISC: 9/11/2014 CAFE PLAN REIMBURSEMENT	82.00	1099: N 38 5-00-9300	DEPENDENT CARE	82.00
	===	VENDOR TOTALS ===	82.00			
01-0136	KA-COMM, INC.					
I-125860	8/25/2014 AP	NEW PD VEHICLE EQUIPMENT DUE: 8/25/2014 DISC: 8/25/2014 NEW PD VEHICLE EQUIPMENT	704.00	1099: N 10 5-00-9102	POLICE DEPT EQU	704.00
	===	VENDOR TOTALS ===	704.00			
01-0151	KANSAS ONE-CALL SYSTEM, INC.					
I-4080359	8/31/2014 AP	AUGUST LOCATES DUE: 8/31/2014 DISC: 8/31/2014 AUGUST LOCATES AUGUST LOCATES	176.40	1099: N 20 5-00-7502 21 5-00-7502	PROFESSIONAL SE PROFESSIONAL SE	88.20 88.20
	===	VENDOR TOTALS ===	176.40			

es

-----ID-----	ITM DATE BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	--ACCOUNT NAME--	DISTRIBUTION
01-0161	KEENAN KELLEY					
I-1294	9/06/2014 AP	SLUDGE REMOVAL DUE: 9/06/2014 DISC: 9/06/2014 SLUDGE REMOVAL	2,100.00	1099: N 20 5-00-7500	CONTRACTORS	2,100.00
=== VENDOR TOTALS ===			2,100.00			
01-0169	LANDS' END BUSINESS OUTFITTERS					
I-SIN2039378	8/28/2014 AP	TREE/PARK BOARD SHIRT DUE: 8/28/2014 DISC: 8/28/2014 TREE/PARK BOARD SHIRT	44.95	1099: N 01 5-90-7982	TREE BOARD EXPE	44.95
=== VENDOR TOTALS ===			44.95			
01-0413	LAUTZ LAW, LLC					
I-204	8/26/2014 AP	PUBLIC DEFENDER SERVICES DUE: 8/26/2014 DISC: 8/26/2014 PUBLIC DEFENDER SERVICES	112.00	1099: N 12 5-00-7908	PUBLIC DEFENDER	112.00
=== VENDOR TOTALS ===			112.00			
01-0174	LEAGUE OF KANSAS MUNICIPALITIES					
I-14-2620	9/10/2014 AP	SERVICE AWARD-MEEKS DUE: 9/10/2014 DISC: 9/10/2014 SERVICE AWARD-MEEKS	70.55	1099: N 01 5-10-8603	COMMODITIES	70.55
=== VENDOR TOTALS ===			70.55			
01-0175	LEE REED ENGRAVING, INC.					
I-129701	8/25/2014 AP	NAME PLATE-TREE/PARK BOARD DUE: 8/25/2014 DISC: 8/25/2014 NAME PLATE-TREE/PARK BOARD	20.10	1099: N 01 5-90-7982	TREE BOARD EXPE	20.10
=== VENDOR TOTALS ===			20.10			
01-0494	M & M LAWN CARE					
I-0048-30	8/29/2014 AP	MOWING @ CEMETERY-AUGUST DUE: 8/29/2014 DISC: 8/29/2014 MOWING @ CEMETERY	1,300.00	1099: N 98 5-00-7520	CEMETERY GROUND	1,300.00
=== VENDOR TOTALS ===			1,300.00			

10 years of service

4 X in August

-----ID-----	ITM DATE BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	--ACCOUNT NAME--	DISTRIBUTION
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01-0356	MATT MEEKS					
I-201409112139	8/29/2014 AP	TRAVEL EXPENSES-CONFERENCE DUE: 8/29/2014 DISC: 8/29/2014 TRAVEL EXPENSES-CONFERENCE	171.55	1099: N 20 5-00-6305	MILEAGE/TRAVEL	171.55
=== VENDOR TOTALS ===			171.55			
=====						
01-0183	MAUGHAN & MAUGHAN					
I-201409112134	9/09/2014 AP	CITY PROSECUTOR-AUGUST DUE: 9/09/2014 DISC: 9/09/2014 CITY PROSECUTOR-AUGUST	1,200.00	1099: N 01 5-30-7502	PROFESSIONAL SE	1,200.00
=== VENDOR TOTALS ===			1,200.00			
=====						
01-0387	MCCULLOUGH EXCAVATION, INC.					
I-14132-1	8/29/2014 AP	EAGLES NEST PH 2A WATER/SEWER DUE: 8/29/2014 DISC: 8/29/2014 EAGLES NEST PH 2A WATER/SEWER EAGLES NEST PH 2A WATER/SEWER	74,596.50	1099: N 05 5-00-7500 05 5-00-7500	CONTRACTORS CONTRACTORS	42,944.40 31,652.10
=== VENDOR TOTALS ===			74,596.50			
=====						
01-1	MISCELLANEOUS VENDOR					
I-201409112132	9/10/2014 AP	APA-KS:KS PLANNING CONFERENCE DUE: 9/10/2014 DISC: 9/10/2014 APA-KS:KS PLANNING CONFERENCE	49.00	1099: N 01 5-60-7950	PLANNING COMMIS	49.00
=== VENDOR TOTALS ===			49.00			
=====						
01-0190	MUELLER SYSTEMS					
I-2930166	9/05/2014 AP	SOFTWARE MAINTENANCE-METERS DUE: 9/05/2014 DISC: 9/05/2014 SOFTWARE MAINTENANCE-METERS	712.50	1099: N 21 5-00-7502	PROFESSIONAL SE	712.50
=== VENDOR TOTALS ===			712.50			
=====						
01-0200	O'REILLY AUTOMOTIVE, INC.					
I-4598-134414	8/19/2014 AP	NEW PD CAR WIRING DUE: 8/19/2014 DISC: 8/19/2014 NEW PD CAR WIRING	31.24	1099: N 10 5-00-9102	POLICE DEPT EQU	31.24
I-4598-135492	8/28/2014 AP	NEW PD CAR WIRING DUE: 8/28/2014 DISC: 8/28/2014 NEW PD CAR WIRING	38.18	1099: N 10 5-00-9102	POLICE DEPT EQU	38.18

-----ID-----	ITM DATE BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	--ACCOUNT NAME--	DISTRIBUTION
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01-0200	O'REILLY AUTOMOTIVE, INC.	(** CONTINUED **)				
I-4598-13597	8/29/2014 AP	NEW PD CAR WIRING DUE: 8/29/2014 DISC: 8/29/2014 NEW PD CAR WIRING	8.97	1099: N 10 5-00-9102	POLICE DEPT EQU	8.97
	=== VENDOR TOTALS ===		78.39			
=====						
01-0203	PATHFINDER SYSTEMS, INC.					
I-14677	8/20/2014 AP	WWTP BLOWER FILTERS DUE: 8/20/2014 DISC: 8/20/2014 WWTP BLOWER FILTERS	187.23	1099: N 20 5-00-8402	EQUIPMENT	187.23
I-14677-1	8/27/2014 AP	WWTP BLOWER OIL DUE: 8/27/2014 DISC: 8/27/2014 WWTP BLOWER OIL	203.19	1099: N 20 5-00-8304	OIL CHANGES	203.19
	=== VENDOR TOTALS ===		390.42			
=====						
01-0206	PEREGRINE CORPORATION					
I-933378	8/28/2014 AP	ENVELOPES DUE: 8/28/2014 DISC: 8/28/2014 ENVELOPES	226.83	1099: N 01 5-10-8004	PRE-PRINTED FOR	226.83
	=== VENDOR TOTALS ===		226.83			
=====						
01-0213	PRIDE AG RESOURCES					
I-201409112133	8/25/2014 AP	SUPPLIES DUE: 8/25/2014 DISC: 8/25/2014	1,285.26	1099: N		
		SUPPLIES		01 5-20-8000	NATIONAL NIGHT	173.41
		SUPPLIES		01 5-20-8603	COMMODITIES	13.99
		SUPPLIES		01 5-40-8402	EQUIPMENT	9.99
		SUPPLIES		01 5-40-8404	FACILITY REPAIR	141.72
		SUPPLIES		01 5-40-8601	CUSTODIAL SUPPL	70.28
		SUPPLIES		01 5-40-8603	COMMODITIES	22.99
		SUPPLIES		01 5-90-7982	TREE BOARD EXPE	44.68
		SUPPLIES		02 5-00-8106	LAWN CARE EQUIP	47.33
		SUPPLIES		02 5-00-8302	BATTERIES (NON	7.99
		SUPPLIES		02 5-00-8310	OTHER SUPPLIES	210.37
		SUPPLIES		02 5-00-8402	EQUIPMENT	8.48
		SUPPLIES		02 5-00-8508	HAND TOOLS	47.98
		SUPPLIES		02 5-00-8601	CUSTODIAL SUPPL	3.48
		SUPPLIES		02 5-00-8602	GROUND SUPPLIE	55.94
		SUPPLIES		10 5-00-9102	POLICE DEPT EQU	5.16
		SUPPLIES		20 5-00-8603	COMMODITIES	15.99
		SUPPLIES		20 5-00-8302	BATTERIES (NON	103.95
		SUPPLIES		20 5-00-8304	OIL CHANGES	6.99
		SUPPLIES		20 5-00-8310	OTHER SUPPLIES	44.28
		SUPPLIES		20 5-00-8601	CUSTODIAL SUPPL	14.99

-----ID-----	ITM DATE BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	--ACCOUNT NAME--	DISTRIBUTION
01-0213	PRIDE AG RESOURCES	(** CONTINUED **) SUPPLIES		21 5-00-8310	OTHER SUPPLIES	235.27
=== VENDOR TOTALS ===			1,285.26			
01-0224	ROBERT'S HUTCH-LINE					
I-307212	8/27/2014 AP	OFFICE SUPPLIES-ADMIN DUE: 8/27/2014 DISC: 8/27/2014 OFFICE SUPPLIES-ADMIN	494.13	1099: N 01 5-10-8005	OFFICE SUPPLIES	494.13
I-307212.1	8/28/2014 AP	OFFICE SUPPLIES-COURT DUE: 8/28/2014 DISC: 8/28/2014 OFFICE SUPPLIES-COURT	20.19	1099: N 01 5-30-8005	OFFICE SUPPLIES	20.19
=== VENDOR TOTALS ===			514.32			
01-0230	SAM'S CLUB					
I-201409112143	9/02/2014 AP	OFFICE/NNO SUPPLIES DUE: 9/02/2014 DISC: 9/02/2014	794.72	1099: N		
		OFFICE/NNO SUPPLIES		01 5-20-8603	COMMODITIES	39.96
		OFFICE/NNO SUPPLIES		01 5-10-8603	COMMODITIES	69.25
		OFFICE/NNO SUPPLIES		10 5-00-8801	COMPUTERS	224.87
		OFFICE/NNO SUPPLIES		01 5-10-8005	OFFICE SUPPLIES	140.96
		OFFICE/NNO SUPPLIES		01 5-20-8000	NATIONAL NIGHT	319.68
=== VENDOR TOTALS ===			794.72			
01-0233	SDK LABORATORIES					
I-201409112130	9/03/2014 AP	LAB ANALYSIS-SEWER DUE: 9/03/2014 DISC: 9/03/2014 LAB ANALYSIS-SEWER	644.00	1099: N 20 5-00-7008	WASTEWATER LABO	644.00
=== VENDOR TOTALS ===			644.00			
01-0239	SEDGWICK COUNTY DIVISION OF FI					
I-1800039156	9/04/2014 AP	JAILHOUSING FEES-AUGUST DUE: 9/04/2014 DISC: 9/04/2014 JAILHOUSING FEES-AUGUST	9.36	1099: N 01 5-30-9909	COUNTY JAIL HOU	9.36
=== VENDOR TOTALS ===			9.36			

Lowest Ever.

-----ID-----	ITM DATE BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	--ACCOUNT NAME--	DISTRIBUTION
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01-0256	TkFAST					
I-18813	8/29/2014 AP	COMPUTER TECH SUPPORT DUE: 8/29/2014 DISC: 8/29/2014 COMPUTER TECH SUPPORT	932.00	1099: N 01 5-10-7504	COMPUTER TECH S	932.00
I-18814	8/29/2014 AP	WIRELESS SWITCH-COUNCIL DUE: 8/29/2014 DISC: 8/29/2014 WIRELESS SWITCH-COUNCIL WIRELESS SWITCH-COUNCIL	322.50	1099: N 01 5-10-8801 01 5-10-7504	COMPUTERS COMPUTER TECH S	180.00 142.50
I-18815	8/29/2014 AP	MONTHLY SERVER MAINTENANCE DUE: 8/29/2014 DISC: 8/29/2014 MONTHLY SERVER MAINTENANCE	313.50	1099: N 01 5-10-7504	COMPUTER TECH S	313.50
=== VENDOR TOTALS ===			1,568.00			
=====						
01-0320	TRANSUNION RISK AND ALTERNATIV					
I-201409112140	9/01/2014 AP	POLICE RECORDS SEARCHES DUE: 9/01/2014 DISC: 9/01/2014 POLICE RECORDS SEARCHES	39.00	1099: N 01 5-20-7502	PROFESSIONAL SE	39.00
=== VENDOR TOTALS ===			39.00			
=====						
01-0261	TRU GREEN					
I-24124177	8/15/2014 AP	LAWN TREATMENT-CITY HALL/EMS DUE: 8/15/2014 DISC: 8/15/2014 LAWN TREATMENT-CITY HALL/EMS	200.00	1099: N 01 5-40-7701	BUILDING/GROUND	200.00
=== VENDOR TOTALS ===			200.00			
=====						
01-0262	TRUCK PARTS & EQUIPMENT, INC.					
I-399834	8/19/2014 AP	PARTS-BUSH HOG MOWER DUE: 8/19/2014 DISC: 8/19/2014 PARTS-BUSH HOG MOWER	218.53	1099: N 02 5-00-8106	LAWN CARE EQUIP	218.53
=== VENDOR TOTALS ===			218.53			
=====						
01-0266	UNI FIRST					
I-2400493356	9/02/2014 AP	UNIFORMS AND MATS DUE: 9/02/2014 DISC: 9/02/2014 UNIFORMS AND MATS UNIFORMS AND MATS UNIFORMS AND MATS UNIFORMS AND MATS	619.46	1099: N 01 5-40-7804 02 5-00-7804 20 5-00-7804 21 5-00-7804	UNIFORMS/MATS C UNIFORMS/MATS C UNIFORMS/MATS C UNIFORMS/MATS C	154.87 154.87 154.87 154.85

-----ID-----	ITM DATE BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	--ACCOUNT NAME--	DISTRIBUTION
01-0266	UNI FIRST	(** CONTINUED **)				
I-2400494842	9/09/2014 AP	UNIFORMS AND MATS DUE: 9/09/2014 DISC: 9/09/2014	348.86	1099: N		
		UNIFORMS AND MATS		01 5-40-7804	UNIFORMS/MATS C	87.22
		UNIFORMS AND MATS		02 5-00-7804	UNIFORMS/MATS C	87.22
		UNIFORMS AND MATS		20 5-00-7804	UNIFORMS/MATS C	87.22
		UNIFORMS AND MATS		21 5-00-7804	UNIFORMS/MATS C	87.20
		=== VENDOR TOTALS ===	968.32			
01-0269	UNUM PROVIDENT					
I-0114585-0019	8/12/2014 AP	LIFE,STD & AD & D PREMIUMS DUE: 8/12/2014 DISC: 8/12/2014	595.07	1099: N		
		LIFE,STD & AD & D PREMIUMS		01 5-80-5211	HEALTH/DENTAL/L	595.07
		=== VENDOR TOTALS ===	595.07			
01-0270	USA BLUE BOOK					
I-432891	8/25/2014 AP	CHEMICALS-WATER SYSTEM DUE: 8/25/2014 DISC: 8/25/2014	229.74	1099: N		
		CHEMICALS-WATER SYSTEM		21 5-00-8603	COMMODITIES	229.74
		=== VENDOR TOTALS ===	229.74			
01-0272	UTILITY SERVICE CO., INC.					
I-349996	9/01/2014 AP	WATER TOWER MAINTENANCE DUE: 9/01/2014 DISC: 9/01/2014	8,247.03	1099: N		
		WATER TOWER MAINTENANCE		21 5-00-7505	WATER TOWER MAI	8,247.03
		=== VENDOR TOTALS ===	8,247.03			
01-0279	WASTE CONNECTIONS OF WICHITA					
I-9721183	9/01/2014 AP	TRASH/RECYCLING SERVICES DUE: 9/01/2014 DISC: 9/01/2014	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
		SEWER PLANT		98 5-00-7104	TRASH SERVICE	47.62
I-9725682	9/01/2014 AP	PORTABLE RESTROOMS-CITY PARK DUE: 9/01/2014 DISC: 9/01/2014	88.80	1099: N		
		PORTABLE RESTROOMS-CITY PARK		01 5-90-7982	TREE BOARD EXPE	88.80
		=== VENDOR TOTALS ===	365.34			

*Ok
Payment*

-----ID-----	ITM DATE BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	--ACCOUNT NAME--	DISTRIBUTION
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01-0287	WICHITA STATE UNIVERSITY					
I-14FCITYCLERK	9/09/2014 AP	MASTER CLERK ACADEMY DUE: 9/09/2014 DISC: 9/09/2014 MASTER CLERK ACADEMY	280.00	1099: N 01 5-10-6302	CONFERENCES/WOR	280.00
I-14FCITYCLERK1	8/25/2014 AP	MASTER CLERK ACADEMY DUE: 8/25/2014 DISC: 8/25/2014 MASTER CLERK ACADEMY	280.00	1099: N 01 5-10-6302	CONFERENCES/WOR	280.00
=== VENDOR TOTALS ===			560.00			
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01-0288	WICHITA TRACTOR CO.					
I-WW47166-1	8/22/2014 AP	REPAIR-2009 BACKHOE DUE: 8/22/2014 DISC: 8/22/2014 REPAIR-2009 BACKHOE	300.00	1099: N 02 5-00-8105	TRUCKS/HEAVY EQ	300.00
=== VENDOR TOTALS ===			300.00			
=====						
01-0289	WICHITA WINWATER WORKS					
I-199968	8/28/2014 AP	CHLORINATOR PARTS DUE: 8/28/2014 DISC: 8/28/2014 CHLORINATOR PARTS	232.12	1099: N 21 5-00-8402	EQUIPMENT	232.12
I-200182	8/29/2014 AP	METER PITS DUE: 8/29/2014 DISC: 8/29/2014 METER PITS	221.96	1099: N 21 5-00-8310	OTHER SUPPLIES	221.96
=== VENDOR TOTALS ===			454.08			
=====						
01-0291	WILLIAM MCKINLEY					
I-201409112136	9/09/2014 AP	MILEAGE REIMBURSEMENT DUE: 9/09/2014 DISC: 9/09/2014 MILEAGE REIMBURSEMENT MILEAGE REIMBURSEMENT	131.60	1099: N 01 5-10-6305 05 5-00-6305	MILEAGE/TRAVEL MILEAGE REIMBUR	87.64 43.96
=== VENDOR TOTALS ===			131.60			
=== PACKET TOTALS ===			108,128.72			

Jocelyn N
Jue

Jenna Clasen
9/12/2014

-----ID-----	ITM DATE BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	--ACCOUNT NAME--	DISTRIBUTION
01-0023		ALLPAK BATTERY				
I-244199	8/07/2014 AP	BATTERIES-AUTO DIALER WWTP DUE: 8/07/2014 DISC: 8/07/2014 BATTERIES-AUTO DIALER WWTP	59.90	1099: N 20 5-00-8302	BATTERIES (NON)	59.90
		=== VENDOR TOTALS ===	59.90			
01-0024		AMAZON				
I-201409252160	9/10/2014 AP	PRINTER CARTRIDGES-WWTP DUE: 9/10/2014 DISC: 9/10/2014 PRINTER CARTRIDGES-WWTP	86.64	1099: N 20 5-00-8005	OFFICE SUPPLIES	86.64
		=== VENDOR TOTALS ===	86.64			
01-0352		CENTRAL SAND COMPANY, INC.				
I-43010	9/20/2014 AP	ROAD GRAVEL DUE: 9/20/2014 DISC: 9/20/2014 ROAD GRAVEL	106.59	1099: N 02 5-00-8204	SAND/GRAVEL/STO	106.59
		=== VENDOR TOTALS ===	106.59			
01-0326		CORNEJO & SONS, LLC				
I-130794	9/12/2014 AP	ROAD GRAVEL DUE: 9/12/2014 DISC: 9/12/2014 ROAD GRAVEL	225.50	1099: N 02 5-00-8204	SAND/GRAVEL/STO	225.50
		=== VENDOR TOTALS ===	225.50			
01-0098		FAHNESTECOK HEATING & AIR				
I-1106275	8/28/2014 AP	OUTSIDE LIGHTS-CITY HALL DUE: 8/28/2014 DISC: 8/28/2014 OUTSIDE LIGHTS-CITY HALL	577.00	1099: N 01 5-40-8109	ELECTRICAL EQUI	577.00
I-1106276	8/28/2014 AP	WATER TOWER LIGHTS DUE: 8/28/2014 DISC: 8/28/2014 WATER TOWER LIGHTS	107.40	1099: N 21 5-00-8109	ELECTRICAL EQUI	107.40
I-1106278	8/28/2014 AP	FLAG POLE LIGHT DUE: 8/28/2014 DISC: 8/28/2014 FLAG POLE LIGHT	738.99	1099: N 01 5-40-8109	ELECTRICAL EQUI	738.99
		=== VENDOR TOTALS ===	1,423.39			

-----ID-----	ITM DATE BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	--ACCOUNT NAME--	DISTRIBUTION
01-0106		GADES SALES CO., INC.				
I-0064793	9/22/2014 AP	SIGNAL LIGHT LENSES DUE: 9/22/2014 DISC: 9/22/2014 SIGNAL LIGHT LENSES	250.00	1099: N 02 5-00-8310	OTHER SUPPLIES	250.00
=== VENDOR TOTALS ===			250.00			
01-0317		GERALD GIEBLER				
I-201409252161	9/11/2014 AP	MILEAGE REIMBURSEMENT DUE: 9/11/2014 DISC: 9/11/2014 MILEAGE REIMBURSEMENT	17.36	1099: N 01 5-10-6305	MILEAGE/TRAVEL	17.36
=== VENDOR TOTALS ===			17.36			
01-0110		GREATER WICHITA YMCA				
I-19159	9/16/2014 AP	YMCA MEMBERSHIPS DUE: 9/16/2014 DISC: 9/16/2014 YMCA MEMBERSHIPS	787.50	1099: N 11 5-00-7806	MAIZE POLICE TR	787.50
=== VENDOR TOTALS ===			787.50			
01-0115		HD SUPPLY WATERWORKS				
I-C935002	9/09/2014 AP	PARTS FOR WATER METERS DUE: 9/09/2014 DISC: 9/09/2014 PARTS FOR WATER METERS	88.00	1099: N 21 5-00-8310	OTHER SUPPLIES	88.00
=== VENDOR TOTALS ===			88.00			
01-0118		HUBER MAINTENANCE SUPPLY				
I-031926	9/19/2014 AP	JANITORIAL SUPPLIES DUE: 9/19/2014 DISC: 9/19/2014 JANITORIAL SUPPLIES	27.27	1099: N 01 5-40-8601	CUSTODIAL SUPPL	27.27
=== VENDOR TOTALS ===			27.27			
01-0330		JEFF PIPER				
I-201409252153	9/19/2014 AP	TRAINING EXPENSES DUE: 9/19/2014 DISC: 9/19/2014 TRAINING EXPENSES	166.49	1099: N 11 5-00-7806	MAIZE POLICE TR	166.49
=== VENDOR TOTALS ===			166.49			

45% MAIZE

-----ID-----	ITM DATE BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	--ACCOUNT NAME--	DISTRIBUTION
01-0130	JOCELYN REID					
I-201409252150	9/25/2014 AP	CAFE PLAN REIMBURSEMENT DUE: 9/25/2014 DISC: 9/25/2014 CAFE PLAN REIMBURSEMENT	82.00	1099: N 38 5-00-9300	DEPENDENT CARE	82.00
		=== VENDOR TOTALS ===	82.00			
01-0143	KANSAS DEPT OF REVENUE					
I-201409252155	9/18/2014 AP	SALES TAX DRAFT CK# 091814 9/18/2014 SALES TAX	335.28	1099: N 21 5-00-9200	WATER TAX EXPEN	335.28
		=== VENDOR TOTALS ===	335.28			
01-0507	KANSAS PEACE OFFICERS' ASSOCIA					
I-201409252162	9/03/2014 AP	MEMBERSHIP APP-RHODES DUE: 9/03/2014 DISC: 9/03/2014 MEMBERSHIP APP-RHODES	15.00	1099: N 01 5-20-6301	ORGANIZATION ME	15.00
		=== VENDOR TOTALS ===	15.00			
01-0154	KANSAS RURAL WATER ASSOCIATION					
I-201409252156	9/15/2014 AP	CCR PREPARATION DUE: 9/15/2014 DISC: 9/15/2014 CCR PREPARATION	285.05	1099: N 21 5-00-7502	PROFESSIONAL SE	285.05
		=== VENDOR TOTALS ===	285.05			
01-0155	KANSAS STATE TREASURER					
I-201409252154	9/01/2014 AP	P & I PAYMENTS DRAFT CK# 093014 9/30/2014 P & I PAYMENTS P & I PAYMENTS	353,891.70	1099: N 16 5-00-9903 16 5-00-9904	BOND PRINCIPAL BOND INTEREST	275,000.00 78,891.70
		=== VENDOR TOTALS ===	353,891.70			
01-0165	KWIK SHOP, INC.					
I-201409252151	9/15/2014 AP	UNLEADED FUEL DUE: 9/15/2014 DISC: 9/15/2014 UNLEADED FUEL	1,469.27	1099: N 01 5-20-8306	UNLEADED FUEL	1,469.27
		=== VENDOR TOTALS ===	1,469.27			

Series A 2011, A 2007

-----ID-----	ITM DATE BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	--ACCOUNT NAME--	DISTRIBUTION
01-0506	LOU'S OIL SPOT					
I-134187	9/24/2014 AP	OIL CHNAGE - CAR #607 DUE: 9/24/2014 DISC: 9/24/2014 OIL CHNAGE - CAR #607	42.86	1099: N 01 5-20-8304	OIL CHANGES	42.86
=== VENDOR TOTALS ===			42.86			
01-0238	MABCD					
I-201409252157	9/15/2014 AP	MONTHLY PERMITS-AUGUST DUE: 9/15/2014 DISC: 9/15/2014 MONTHLY PERMITS-AUGUST	1,947.21	1099: N 01 5-80-7971	BUILDING INSPEC	1,947.21
=== VENDOR TOTALS ===			1,947.21			
01-1	MISCELLANEOUS VENDOR					
I-078050	9/10/2014 AP	JOURNAL COMM:ECO DEVO AD DUE: 9/10/2014 DISC: 9/10/2014 JOURNAL COMM:ECO DEVO AD	5,620.00	1099: N 01 5-90-7981	ECONOMIC DEVELO	5,620.00
I-201409252158	9/15/2014 AP	JOE LIENEMANN:PD TRAINING DUE: 9/15/2014 DISC: 9/15/2014 JOE LIENEMANN:PD TRAINING	350.00	1099: N 11 5-00-7806	MAIZE POLICE TR	350.00
I-2664	9/16/2014 AP	SCHAMMERHORN:BLIND CLIPS DUE: 9/16/2014 DISC: 9/16/2014 SCHAMMERHORN:BLIND CLIPS	24.00	1099: N 01 5-40-8405	BUILDING CONTEN	24.00
=== VENDOR TOTALS ===			5,994.00			
01-0208	PFAFF SIGNS					
I-5301	8/28/2014 AP	SIGNS FOR SCHOOL PARKING DUE: 8/28/2014 DISC: 8/28/2014 SIGNS FOR SCHOOL PARKING	75.75	1099: N 02 5-00-8702	PERMANENT SIGNS	75.75
I-5316	9/05/2014 AP	LOGOS FOR NEW PD CAR DUE: 9/05/2014 DISC: 9/05/2014 LOGOS FOR NEW PD CAR	382.08	1099: N 10 5-00-9102	POLICE DEPT EQU	382.08
I-5320	9/15/2014 AP	SIGNS FOR SCHOOL PARKING DUE: 9/15/2014 DISC: 9/15/2014 SIGNS FOR SCHOOL PARKING	159.89	1099: N 02 5-00-8702	PERMANENT SIGNS	159.89
I-5325	9/17/2014 AP	COMMUNITY BUILDING SIGNS DUE: 9/17/2014 DISC: 9/17/2014 COMMUNITY BUILDING SIGNS	235.92	1099: N 02 5-00-8702	PERMANENT SIGNS	235.92
=== VENDOR TOTALS ===			853.64			

*metao chambers
Mag & Web Home Page*

*National Exposure
First Time Tracking
On line*

9/25/2014 10:48 AM
 PACKET: 00423 092614 AP
 VENDOR SET: 01 CITY OF MAIZE AP
 SEQUENCE : ALPHABETIC
 DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----	ITM DATE BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	--ACCOUNT NAME--	DISTRIBUTION
=====						
01-0210		POSTAGE BY PHONE				
I-201409252164	9/17/2014 AP	POSTAGE DUE: 9/17/2014 DISC: 9/17/2014	500.00	1099: N		
		POSTAGE		01 5-10-7203	POSTAGE	100.00
		POSTAGE		01 5-20-7203	POSTAGE	100.00
		POSTAGE		01 5-30-7203	POSTAGE	100.00
		POSTAGE		20 5-00-7203	POSTAGE	100.00
		POSTAGE		21 5-00-7203	POSTAGE	100.00
		=== VENDOR TOTALS ===	500.00			
=====						
01-0403		ROASTER JOE'S				
I-2064:1282684	9/15/2014 AP	COFFEE SERVICE-ADMIN DUE: 9/15/2014 DISC: 9/15/2014	75.20	1099: N		
		COFFEE SERVICE-ADMIN		01 5-10-8603	COMMODITIES	75.20
		=== VENDOR TOTALS ===	75.20			
=====						
01-0224		ROBERT'S HUTCH-LINE				
I-309004	9/11/2014 AP	OFFICE SUPPLIES-COURT & ADMIN DUE: 9/11/2014 DISC: 9/11/2014	80.58	1099: N		
		OFFICE SUPPLIES-COURT & ADMIN		01 5-10-8005	OFFICE SUPPLIES	42.60
		OFFICE SUPPLIES-COURT & ADMIN		01 5-30-8005	OFFICE SUPPLIES	37.98
I-309650	9/17/2014 AP	OFFICE SUPPLIES DUE: 9/17/2014 DISC: 9/17/2014	30.02	1099: N		
		OFFICE SUPPLIES		01 5-10-8005	OFFICE SUPPLIES	30.02
I-310043	9/19/2014 AP	OFFICE SUPPLIES DUE: 9/19/2014 DISC: 9/19/2014	22.86	1099: N		
		OFFICE SUPPLIES		01 5-10-8005	OFFICE SUPPLIES	22.86
		=== VENDOR TOTALS ===	133.46			
=====						
01-0242		SHRED-IT WICHITA				
I-9404191862	9/16/2014 AP	SHREDDING SERVICES DUE: 9/16/2014 DISC: 9/16/2014	78.65	1099: N		
		SHREDDING SERVICES		01 5-10-7502	PROFESSIONAL SE	31.46
		SHREDDING SERVICES		01 5-20-7502	PROFESSIONAL SE	47.19
		=== VENDOR TOTALS ===	78.65			

-----ID-----	ITM DATE BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	--ACCOUNT NAME--	DISTRIBUTION
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01-0243	SIMS INSURANCE SERVICES, INC.					
I-7645	9/17/2014 AP	PROP/LIABILITY-2014 CHARGERS DUE: 9/17/2014 DISC: 9/17/2014 PROP/LIABILITY-2014 CHARGERS	688.00	1099: N 01 5-20-7402	VEHICLE PROPERT	688.00
=== VENDOR TOTALS ===			688.00			
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01-0264	TYLER TECHNOLOGIES					
I-025-105976	9/23/2014 AP	MONTHLY ONLINE HOSTING DUE: 9/23/2014 DISC: 9/23/2014 MONTHLY ONLINE HOSTING MONTHLY ONLINE HOSTING MONTHLY ONLINE HOSTING	190.00	1099: N 01 5-30-7504 20 5-00-7504 21 5-00-7504	COMPUTER TECH S COMPUTER TECH S COMPUTER TECH S	116.67 36.67 36.66
=== VENDOR TOTALS ===			190.00			
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01-0266	UNI FIRST					
I-2400496321	9/16/2014 AP	UNIFORMS AND MATS DUE: 9/16/2014 DISC: 9/16/2014 UNIFORMS AND MATS UNIFORMS AND MATS UNIFORMS AND MATS UNIFORMS AND MATS	332.41	1099: N 01 5-40-7804 02 5-00-7804 20 5-00-7804 21 5-00-7804	UNIFORMS/MATS C UNIFORMS/MATS C UNIFORMS/MATS C UNIFORMS/MATS C	83.11 83.11 83.11 83.08
I-2400497809	9/23/2014 AP	UNIFORMS AND MATS DUE: 9/23/2014 DISC: 9/23/2014 UNIFORMS AND MATS UNIFORMS AND MATS UNIFORMS AND MATS UNIFORMS AND MATS	330.61	1099: N 01 5-40-7804 02 5-00-7804 20 5-00-7804 21 5-00-7804	UNIFORMS/MATS C UNIFORMS/MATS C UNIFORMS/MATS C UNIFORMS/MATS C	82.66 82.66 82.66 82.63
=== VENDOR TOTALS ===			663.02			
=====						
01-0269	UNUM PROVIDENT					
I-201409252163	9/11/2014 AP	LIFE, STD & AD & D PREMIUMS DUE: 9/11/2014 DISC: 9/11/2014 LIFE, STD & AD & D PREMIUMS	570.84	1099: N 01 5-80-5211	HEALTH/DENTAL/L	570.84
=== VENDOR TOTALS ===			570.84			

ESK 10/1/2014

-----ID-----	ITM DATE BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	--ACCOUNT NAME--	DISTRIBUTION
01-0291	WILLIAM MCKINLEY					
I-201409252152	9/23/2014 AP	MILEAGE REIMBURSEMENT DUE: 9/23/2014 DISC: 9/23/2014 MILEAGE REIMBURSEMENT MILEAGE REIMBURSEMENT	85.12	1099: N 05 5-00-6305 05 5-00-6305	MILEAGE REIMBUR MILEAGE REIMBUR	42.56 42.56
=== VENDOR TOTALS ===			85.12			
01-0313	WILLIAMS JANITORIAL SUPPLY					
I-0480300	9/11/2014 AP	JANITORIAL SUPPLIES DUE: 9/11/2014 DISC: 9/11/2014 JANITORIAL SUPPLIES	26.08	1099: N 01 5-40-8601	CUSTODIAL SUPPL	26.08
=== VENDOR TOTALS ===			26.08			
=== PACKET TOTALS ===			371,165.02			

Bond P&J (353,891.70)

Vouchers + 17,273.32

Donna Clasen
9/25/2014



CITY OPERATIONS REPORT

DATE: October 15, 2014
TO: Maize City Council
FROM: Richard LaMunyon-Becky Bouska-Sue Villarreal-Jolene Allmond
RE: October Report

1) November 3rd Council Workshop

- Meal @ 5:30pm - meeting @ 6pm
 - New City Yards Facility
 - Mobile home ordinance

2) Economic Development

- 73 new single family and 2 triplex housing starts for 2014
- Industrial Park
 - Reiloy-Westland progressing with building plans & IRB phase
 - ACES - possible new building for expanding operations
 - Staff is in discussions with three other potential companies

3) Operations

- Fall Festival-- Police & Public Works advise all went well. Friday night activities were down due to weather. Final numbers not available.
- 37th Street Improvement – In discussions with City of Wichita and Sedgwick County to make this an inter-local governmental project.
- New electronic-read water meter installation completed.
- Flu Shot and Wellness Clinic was held on Thursday, October 9th. The purpose of the clinic is to keep our Council and staff healthy. Thank you to those who participated.
- LKM Regional Supper will be held October 30th at the Maize Rec Center at 6:00pm. To register, follow this link: <http://www.lkm.org/regionalsuppers/?loc=maize>, or contact Jocelyn. Since we are the host City for this event, it would be wonderful to have a good showing of our council members!

4) City Meetings

- October 20th Council @ 7pm
- November 3rd Council Workshop @ 6pm
- November 6th Planning @ 7pm
- November 11th Park & Tree Board @ 5:30pm
- November 17th Council @ 7pm



TO: City Council
FROM: Sue Villarreal
 City Treasurer
DATE: October 15, 2014
RE: Maize Park Cemetery 2014 3rd Quarter Memo

(2014 Jan1-September 30)

There were 22 burials
 16/22 lots had been purchased previously
 6 lots were purchased for burial

REVENUE

Plot Fees	20975.00
Opening & Closing Fees	6200.00
Stone Sets	625.00
Ad Valorem Taxes	6548.99
Motor Vehicle Taxes	649.95
Delinquent Taxes	221.47
Interest	<u>250.12</u>
Total	35470.53

Beginning Cash 1/1/2014	161878.82
Revenue	35470.53
Expenditures	- <u>28419.81</u>
Ending Cash 9/30/2014	<u>168929.54</u>

EXPENDITURES

Wages	9541.06
Operating Expenses	<u>18878.75</u>
Total	28419.81

Draft

**MINUTES-REGULAR MEETING
MAIZE CITY PLANNING COMMISSION AND
BOARD OF ZONING APPEALS
THURSDAY, OCTOBER 2, 2014**

The Maize City Planning Commission was called to order at 7:00 p.m., on Thursday, October 2, 2014, for a Regular Meeting with **Gary Kirk** presiding. The following Planning Commission members were present: **Mike Burks, Bryant Wilks, Andy Sciolaro, Gary Kirk, Gerald Woodard, Bryan Aubuchon** and **Jennifer Herington**. All Planning Commissioners were present.

Also present were **Sue Villarreal**, Recording Secretary; **Kim Edgington**, Planning Administrator; **Richard LaMunyon**, City Administrator; **Bill McKinley**, City Engineer and **Kirk Miller**, KE Miller Engineering.

APPROVAL OF AGENDA

MOTION: **Woodard** moved to approve the agenda as presented.
Herrington seconded the motion.
Motion carried unanimously.

APPROVAL OF MINUTES

MOTION: **Burks** moved to approve the September 4, 2014 minutes as presented:
Wilks seconded the motion.
Motion carried unanimously.

NEW BUSINESS – PLANNING COMMISSION

S/D -02-014 – One-step final plat for approximately 27 acres at the northwest corner of 53rd Street North and 119th Street West.

Miller was present to answer questions from the commissioners.

MOTION: **Sciolaro** moved to approve S/D-02-014 One-step final plat for approximately 27 acres at the northwest corner of 53rd Street North and 119th Street West subject to the conditions and modifications as set forth in the staff report and subject to the following conditions:

- (1) Remove the word complete from plat.
- (2) Label the pin on the northwest corner.
- (3) Show access points for lot 3.
- (4) Show two access points on 53rd and 2 access points on 119th
- (5) Change in ownership needs to be reflected on the plat.

Burks seconded the motion.

Kirk requested a roll call vote with the following results:

Burks - yes

Wilks – yes

Sciolaro - yes

Kirk – yes

Woodard – yes

Aubuchon – yes

Herington - yes

Motion carried.

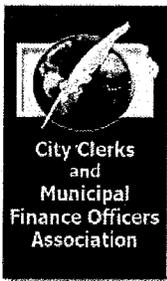
ADJOURNMENT:

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

Meeting adjourned at 7:42 PM.

Sue Villarreal
Recording Secretary

Gary Kirk
Chairman



City Clerks and Municipal Finance Officers Association

September 17, 2014

Mayor Clair Donnelly
City of Maize
PO Box 245
Maize, KS 67101

Mayor Donnelly and City Council,

City Clerk Jocelyn Reid has been awarded the designation of Certified Municipal Clerk from the International Institute of Municipal Clerks.

To receive this designation, Jocelyn most likely completed the 4-year, 120-hour educational program sponsored by the City Clerks and Municipal Finance Officers Association of Kansas and Wichita State University. The program included training in the areas of Administrative Law, Public Administration, Organization and Management, Fiscal Policy and Budgeting, Government Planning, Interpersonal Communications, Personnel Administration, Public Relations, Contemporary Problems in Government, Cash Management and Investments, and Records Management.

Acknowledging this achievement, we also want to recognize you who provided financial support and encouragement to Jocelyn to attend the Certification Institute. We commend you for recognizing the value of the Municipal Clerks' Certification Program, and we are sure you will also support the continuing education required to keep up with the changing regulations and requirements needed to do the job.

This is a great achievement for Jocelyn and demonstrates her continuing commitment to the profession and to the community she serves.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Stacey Crum".

STACEY CRUM, CCMFOA Vice President
Education Certification Committee Chair