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## CITY COUNCIL AGENDA

Tuesday, June 7, 2016  
7:00 p.m.

### 1. CALL TO ORDER

- A. Roll Call
- B. Invocation
- C. Pledge of Allegiance

### 2. MAYOR AND COUNCIL REPORTS

### 3. STAFF REPORTS

- A. City Attorney Report
- B. City Administrator Report

### 4. PUBLIC COMMENT

- A. None

### 5. CONSENT AGENDA

- A. 5/17/2016 City Council Meeting Minutes
- B. Appropriations 6A

### 6. ORDINANCES

- B. Ordinance 2185 Authorizing and Providing the Issuance of General Obligation Bonds

### 7. RESOLUTIONS

- A. Resolution 2016-12 Authorizing and Directing the Sale of General Obligation Bonds

### 8. FORMAL ACTIONS

- A. Water Treatment Preliminary Design and Pilot Testing
- B. Lease Agreement with MCPC and The Early Learning Center
- C. Travel Request Policy
- D. Pole Bid

- E. Directional Boring Bid

### 9. CLOSED SESSION

- A. Attorney-Client Privileged Information

### 10. ADJOURNMENT

## WORK SESSION AGENDA

### 1. CORRESPONDENCE AND STAFF REPORTS

- A. City Attorney Report
- B. City Administrator Report

### 2. DISCUSSION ITEMS

- A. None

### 3. ADJOURNMENT

**NOTE: Background information is available for review in the office of the City Clerk prior to the meeting.**

**The Public Comment section is to allow members of the public to address the Council on matters pertaining to any business within the scope of Council authority and not appearing on the Agenda. Kansas Statutes prohibit the Council from taking action on any item not appearing on the Agenda, except where an emergency is determined to exist.**



BELOIT CITY COUNCIL MEETING MINUTES  
May 17, 2016

The Beloit City Council met in regular session on May 17, 2016 in the Council Chambers. Mayor Tom Naasz called the meeting to order at 7:00 p.m. Council Members in attendance Tony Gengler, Kent Miller, Andrew Grabon, Raymond Pontow, Matt Otte, Lee McMillan, and Lloyd Littrell. Also present were, Interim City Administrator Jay Newton, City Attorney Katie Schroeder, and City Clerk Amanda Lomax.

Department heads in attendance were Ronnie Sporleder, Jim Bentz, Heather Hartman, and Chris Jones.

Mayor Tom Naasz gave the invocation and the Pledge of Allegiance was recited.

Councilor Gengler thanked Chad Halluck for the bus ride to Kansas City to watch the Royals game. Councilor McMillan congratulated all the local seniors and wished them good luck. Councilor Otte wanted to remind everyone that June 1<sup>st</sup> is the deadline to change party affiliation and to run for public office. Mayor Naasz said he seen where the street lights at the North Campus was up now. Mayor Naasz wanted to remind citizens that people can't ride bikes or skate board on the sidewalks. He was told there was some close call with people being hit downtown with bike riders.

City Administrator Jay Newton reported on the following: 1. The city received another A+ bond rating. 2. Jay received a letter from the county stating they were no longer going to contract trash services for the city starting January 1st. 3. Jay and Katie are working on a camping ordinance for the park to start charging for utilities and enforcing 10 day stays.

The Consent Agenda consisted of May 3, 2016 Council Meeting Minutes, and appropriations 5B. A motion was made by Councilor Grabon and seconded by Councilor McMillan to approve the Consent Agenda in its entirety. Roll call vote yeas: Gengler, Grabon, McMillan, Littrell, Otte, Miller, and Pontow. Nays: None.

Ordinance 2184 (3) Two-Hour Parking by the Library was presented to Council. A motion was made Councilor Miller and seconded by Councilor Pontow to adopt Ordinance 2184 (3) Two-Hour Parking by the Library. Roll call votes: Gengler, Pontow, McMillan, Littrell, Miller, Otte, and Grabon. Nays: None.

Staff is recommending that Council Specify a Statement Regarding Denying Proposed Zoning Regulations that was recommended by the Planning Commission. A motion was made by Councilor Gengler and seconded by Councilor Grabon to send the zoning regulations back to the Planning Commission and accept the city boundaries and zoning but not support the zoning of the Extra Territorial Jurisdiction area. Motion carried 5-2. Nays: Otte and Miller.

Staff is recommending that Council approve a Service Agreement with Nex-Tech for the amount of \$1,287.00/month for 36 months for Administration Department. A motion was made by Councilor Otte and seconded by Councilor Pontow to approve the Service Agreement with Nex-Tech for the amount of \$1,287.00/month for 36 months for Administration. Motion carried 7-0. Nays: None.

The Housing Board is recommending that the City Council approve the demolition bids from Jensen Ag Services in the amount of \$18,700.00 for all four demolition units. The demolition cost will be reimbursed 100% from the CDBG Housing Rehabilitation/Demolition grant. A motion was made by Councilor Grabon and seconded by Councilor Miller to approve the demolition bids from Jensen Ag Services in the amount of \$18,700.00 for all four demolition units. Motion carried 7-0. Nays: None.

A motion was made by Councilor Pontow and seconded by Councilor Otte to go into Closed Session for Attorney-Client Privileged Information for a period of 15 minutes with City Attorney Katie Schroeder, Interim City Administrator Jay Newton, and Police Chief Dave Elam. Motion carried 7-0. Time started 7:24 p.m. and ended 7:39 p.m.

Mayor Naasz announced that traffic ordinances would be enforced for Cruizing Mill.

A motion was made by Councilor Pontow and seconded by Councilor McMillan to adjourn the meeting. Motion carried 7-0. The meeting ended at 7:41 p.m.

Work Session started 7:41 p.m. Council Members in attendance were Councilors Littrell, Otte, Miller, McMillan, Pontow, Gengler, and Grabon. Also present were, City Attorney Katie Schroeder, Interim City Administrator Jay Newton, and City Clerk Amanda Lomax.

Department heads in attendance were Ronnie Sporleder, Jim Bentz, Heather Hartman, and Chris Jones.

John Brummer with Trekk Design Group, LLC and Stuart Porter with Schwab-Eaton attended the meeting to discuss water test findings, options to up-grade water treatment facility, and funding options.

Work Session ended: 8:08 p.m.

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TOM NAASZ, Mayor

ATTEST:

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AMANDA LOMAX, City Clerk





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	<u>Account#</u>	<u>Work Order</u>				<u>Description</u>			<u>Debit</u>	<u>Credit</u>
669	<b>BLADE-EMPIRE PUBLISHING (continued)</b>									
66361	6/9/2016	6/9/2016	135.00		25202					Posted
	10-11-5400					154437-ORDINANCE 2183			82.50✓	0.00
	10-11-5400					154859-ORDINANCE 2184			52.50✓	0.00
									135.00✓	0.00
88	<b>BLUE CROSS &amp; BLUE SHIELD INSURANCE</b>									
66442	6/9/2016	6/9/2016	51,865.49		24698					Posted
	21-00-2100					JUNE 2016 HEALTH INS. PREMIUMS			51,865.49✓	0.00
2800	<b>BLUE VALLEY COMMUNICATIONS/NETWORKS PLUS</b>									
66358	6/9/2016	6/9/2016	564.00		25207					Posted
	10-11-3360					SRC-98136-TECH SUPPORT-EMAIL ISSL			504.00✓	0.00
	10-11-3360					10502767-MOZY PRO			60.00✓	0.00
									564.00✓	0.00
2996	<b>BOHNERT WELDING LLC</b>									
66443	6/9/2016	6/9/2016	2,500.48	153666	24697					Posted
	10-11-4300					GYM BLEACHER RAILING			2,500.48✓	0.00
2894	<b>JEFF BROWN</b>									
66362	6/9/2016	6/9/2016	5.42							Posted
	52-43-5800					REIMBURSEMENT FOR MEAL			5.42✓	0.00
113	<b>BUREAU OF RECLAMATION</b>									
66363	6/9/2016	6/9/2016	9,200.00							Posted
	51-41-3000					LAKE STORAGE 2ND INSTALLMENT 201			9,200.00✓	0.00
1200	<b>CHEMQUEST, INC.</b>									
66364	6/9/2016	6/9/2016	3,371.50	4651	24477					Posted
	53-41-6170					VER-DATE			3,371.50✓	0.00
66444	6/9/2016	6/9/2016	356.00	4671	24500					Posted
	53-41-6170					ALKALINITY BUILDER			356.00✓	0.00
137	<b>LORAN CHISM</b>									
66365	6/9/2016	6/9/2016	150.00							Posted
	51-41-2911					REIMBURSEMENT FOR BOOTS			150.00✓	0.00
2906	<b>CINTAS CORPORATION</b>									
66366	6/9/2016	6/9/2016	80.88	5005136968	CLARK589					Posted
	25-00-3000					FIRST AID			80.88✓	0.00
2994	<b>CINTAS FIRE 636525</b>									
66367	6/9/2016	6/9/2016	151.99	OF58568747	24643					Posted
	10-13-4300					ANNUAL EXTINGUISHER INSPECTION			151.99✓	0.00
1913	<b>CROP PRODUCTION SERVICES</b>									
66368	6/9/2016	6/9/2016	262.10		CLARK590					Posted
	10-15-6170					29735587-LANDMASTER/AMINE			163.21✓	0.00
	10-15-6170					29768607-MAKAZE			61.04✓	0.00
	10-15-6170					29787943-TORDON			37.85✓	0.00
									262.10✓	0.00
66445	6/9/2016	6/9/2016	77.19	29775527	25246					Posted
	10-18-6195					GRASS SEED			77.19✓	0.00
1358	<b>CUNNINGHAM TELEPHONE &amp; CABLE CO</b>									
66446	6/9/2016	6/9/2016	255.07	12754	25209					Posted
	51-41-5310					WATER PLANT			73.37✓	0.00
	53-41-5310					POWER PLANT			181.70✓	0.00
									255.07✓	0.00
66447	6/9/2016	6/9/2016	79.89	03362	25210					Posted
	10-15-5310					STREET DEPT.			79.89✓	0.00
66448	6/9/2016	6/9/2016	113.11	13609	25211					Posted
	53-43-5310					SYSTEMS			37.71✓	0.00
	52-43-5310					SYSTEMS			37.70✓	0.00
	51-43-5310					SYSTEMS			37.70✓	0.00
									113.11✓	0.00
66449	6/9/2016	6/9/2016	84.13	10210	25212					Posted
	26-00-5310					COMM DEV.			84.13✓	0.00
66450	6/9/2016	6/9/2016	169.91	13610	25213					Posted
	10-22-5310					AIRPORT			169.91✓	0.00

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<u>Pay#</u>	<u>Account#</u>	<u>Work Order</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>				
1358	<b>CUNNINGHAM TELEPHONE &amp; CABLE CO (continued)</b>								
66451	6/9/2016 6/9/2016	245.73	13094	25214				Posted	
	10-18-5310		PARKS & REC		245.73 ✓				0.00
66452	6/9/2016 6/9/2016	75.63	12334	25215				Posted	
	10-14-5310		FD		75.63 ✓				0.00
66453	6/9/2016 6/9/2016	85.32	11856	25216				Posted	
	10-13-5310		PD		85.32 ✓				0.00
66454	6/9/2016 6/9/2016	342.14	11854	25217				Posted	
	10-11-5310		ADMIN		342.14 ✓				0.00
66455	6/9/2016 6/9/2016	107.58	13611	24696				Posted	
	10-21-5310		POOL		107.58 ✓				0.00
193	<b>DOLLAR GENERAL STORE-MSC-410526</b>								
66456	6/9/2016 6/9/2016	82.20	1000521913	25248				Posted	
	10-21-6190		SUPPLIES FOR POOL		82.20 ✓				0.00
2399	<b>DPC INDUSTRIES, INC.</b>								
66369	6/9/2016 6/9/2016	5,498.06	817001153-16					Posted	
	51-41-6170		POTASSIUM PERMANGANATE		5,498.06 ✓				0.00
206	<b>DUNSTAN TRUCKING</b>								
66370	6/9/2016 6/9/2016	123.00	15805					Posted	
	52-43-6150		SAND		123.00 ✓				0.00
66371	6/9/2016 6/9/2016	252.50						Posted	
	52-43-6150		464729-SAND		125.50 ✓				0.00
	52-43-6150		464730-SAND		127.00 ✓				0.00
					252.50 ✓				0.00
265	<b>GREAT PLAINS LANDSCAPE</b>								
66457	6/9/2016 6/9/2016	1,244.60	8425	25244				Posted	
	10-18-7310		TREES FOR TREE CITY PROGRAM		1,244.60 ✓				0.00
1010	<b>MORGAN HARRIS</b>								
66372	6/9/2016 6/9/2016	1,900.00	1142	25203				Posted	
	10-11-6600		CLEAN UP PROP. 5TH & CHESTNUT		1,900.00 ✓				0.00
2542	<b>HEINEKEN ELECTRIC</b>								
66373	6/9/2016 6/9/2016	229.62	7553	24642				Posted	
	10-13-4300		WORK FOR COMPLIANCE OF FIRE MAR		229.62 ✓				0.00
2111	<b>HOMMAN ELECTRONICS</b>								
66374	6/9/2016 6/9/2016	388.00	6109	24640				Posted	
	10-13-7470		MOBILE MICROPHONE FOR RADIO		388.00 ✓				0.00
2517	<b>HQH2O INC.</b>								
66458	6/9/2016 6/9/2016	23.00		24700				Posted	
	10-13-6000		215390-WATER		11.50 ✓				0.00
	10-13-6000		215527-WATER		11.50 ✓				0.00
					23.00 ✓				0.00
620	<b>CHRIS JONES</b>								
66375	6/9/2016 6/9/2016	140.59		25201				Posted	
	10-11-2911		BOOT REIMBURSEMENT		140.59 ✓				0.00
367	<b>KANSAS MUNICIPAL UTILITIES</b>								
66379	6/9/2016 6/9/2016	500.00	13224	24490				Posted	
	53-43-2400		LINEMAN APPRENTICESHIP PROGRAM		500.00 ✓				0.00
370	<b>KANSAS ONE CALL SYSTEM INC</b>								
66459	6/9/2016 6/9/2016	82.00		24701				Posted	
	53-43-3000		LOCATES		27.34 ✓				0.00
	51-43-3000		LOCATES		27.33 ✓				0.00
	52-43-3000		LOCATES		27.33 ✓				0.00
					82.00 ✓				0.00
7116	<b>KELLY JIM</b>								
66380	6/9/2016 6/9/2016	69.99						Posted	
	52-41-2911		BOOT REIMBURSEMENT		69.99 ✓				0.00
2042	<b>KMEA EMP2 OPERATING ACCOUNT</b>								
66378	6/9/2016 6/9/2016	518.65	BE-PP-GAS-2016-	24478				Posted	
	53-41-6210		APRIL SERVICE		518.65 ✓				0.00



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424	<b>MCHENRY ELECTRIC &amp; SUPPLY (continued)</b>									
66389		6/9/2016	6/9/2016	201.55				CLARK592		Posted
		10-15-4330				016289-CHAINS & SHARPENING			124.25 ✓	0.00
		10-15-4330				016323-STEEL CUT OFF WHEELS			23.50 ✓	0.00
		10-15-4330				016324-SHOP EQUIPMENT			28.00 ✓	0.00
		10-15-4330				016388-PRIMER BULB FOR WEEDEATEI			5.00 ✓	0.00
		10-15-4330				016421-THROTTLE CABLE			20.80 ✓	0.00
									<u>201.55 ✓</u>	<u>0.00</u>
2977	<b>MESSENGER CLOTHING COMPANY</b>									
66461		6/9/2016	6/9/2016	304.00	10961			25245		Posted
		10-21-2911				POOL MANAGER & CONCESSION SHIR			304.00 ✓	0.00
1018	<b>MANFRED MILBERS</b>									
66390		6/9/2016	6/9/2016	164.27				24482		Posted
		53-41-5800				304.2 MILES @ .54/MILE			164.27 ✓	0.00
470	<b>MITCHELL COUNTY SOLID WASTE</b>									
66391		6/9/2016	6/9/2016	20,216.62				127		Posted
		54-41-3000				TRASH COLLECTION			20,216.62 ✓	0.00
66462		6/9/2016	6/9/2016	5.25	007004			25251		Posted
		10-18-4300				WASTE-CHAIR & PALLETS			5.25 ✓	0.00
342	<b>MUNICIPAL SUPPLY INC. OF NEBRASKA</b>									
66392		6/9/2016	6/9/2016	37.70						Posted
		51-43-6000				0622543-IN-REPAIR CLAMPS			168.10 ✓	0.00
		30-00-8100				0622702-CM-REPAIR CLAMP RETURN			0.00	130.40 ✓
									<u>168.10 ✓</u>	<u>130.40 ✓</u>
2301	<b>NEX-TECH WIRELESS</b>									
66393		6/9/2016	6/9/2016	95.22	4544539			25227		Posted
		25-00-7450				STREET DEPT.-PHONE BILL			95.22 ✓	0.00
66394		6/9/2016	6/9/2016	170.17	4522778			24641		Posted
		10-13-5310				PD PHONES			170.17 ✓	0.00
2832	<b>NEX-TECH, INC.</b>									
66395		6/9/2016	6/9/2016	342.40	MLKH-15127			24492		Posted
		53-43-6110				PRINTER CARTRIDGES			342.40 ✓	0.00
66463		6/9/2016	6/9/2016	94.80	MA-15260			24505		Posted
		53-43-6110				PRINTER CARTRIDGES			94.80 ✓	0.00
2946	<b>PACE ANALYTICAL SERVICES, INC.</b>									
66396		6/9/2016	6/9/2016	515.00	166632					Posted
		52-41-3000				LAB TESTING FOR MAY			515.00 ✓	0.00
1263	<b>PRAIRE FIRE COFFEE ROASTERS</b>									
66397		6/9/2016	6/9/2016	47.08	846537			24485		Posted
		53-43-3000				COFFEE			15.70 ✓	0.00
		52-43-3000				COFFEE			15.69 ✓	0.00
		51-43-3000				COFFEE			15.69 ✓	0.00
									<u>47.08 ✓</u>	<u>0.00</u>
66398		6/9/2016	6/9/2016	43.40	846545			CLARK593		Posted
		10-15-6000				COFFEE			43.40 ✓	0.00
2593	<b>PROFESSIONAL FIRE EQUIPMENT CO., LLC</b>									
66399		6/9/2016	6/9/2016	210.00	38142			24692		Posted
		10-14-7440				ANNUAL EXTINGUISHER INSPECTION			210.00 ✓	0.00
2425	<b>PROTOCOL, LLC</b>									
66400		6/9/2016	6/9/2016	364.00				24639		Posted
		10-13-5310				JUNE PHONE BILL			364.00 ✓	0.00
321	<b>RICOH USA, INC</b>									
66401		6/9/2016	6/9/2016	310.88	96882606			24688		Posted
		10-11-3360				RICOH RENTAL-JUNE			310.88 ✓	0.00
2818	<b>PATTY RUFENER</b>									
66402		6/9/2016	6/9/2016	36.00				24486		Posted
		53-43-3000				SWEET ROLLS			9.00 ✓	0.00
		52-43-3000				SWEET ROLLS			9.00 ✓	0.00
		51-43-3000				SWEET ROLLS			9.00 ✓	0.00
		53-41-3000				SWEET ROLLS			9.00 ✓	0.00
									<u>36.00 ✓</u>	<u>0.00</u>

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94	<b>SCHENDEL PEST CONTROL (continued)</b>										
66403	6/9/2016	6/9/2016	425.00	440	24493					Posted	
	10-13-3000					AGREEMENT RENEWAL			106.25✓	0.00	
	53-43-3000					AGREEMENT RENEWAL			106.25✓	0.00	
	52-43-3000					AGREEMENT RENEWAL			106.25✓	0.00	
	51-43-3000					AGREEMENT RENEWAL			106.25✓	0.00	
									<u>425.00✓</u>	<u>0.00</u>	
66464	6/9/2016	6/9/2016	50.00	44708	24506					Posted	
	53-43-3000					PEST CONTROL			16.67✓	0.00	
	52-43-3000					PEST CONTROL			16.67✓	0.00	
	51-43-3000					PEST CONTROL			16.66✓	0.00	
									<u>50.00✓</u>	<u>0.00</u>	
2418	<b>SCHROEDER LAW OFFICE, LLC</b>										
66465	6/9/2016	6/9/2016	20.20	1912	24695					Posted	
	10-11-6110					OFFICE EXPENSES-APRIL & MAY			20.20✓	0.00	
2995	<b>SCHULTE SUPPLY INC.</b>										
66417	6/9/2016	6/9/2016	2,416.00	S1114273.001						Posted	
	51-43-7450					RETROFIT HYDRAULIC MOTOR			2,416.00✓	0.00	
488	<b>SCHWAB EATON BELOIT</b>										
66404	6/9/2016	6/9/2016	25,432.00		24691					Posted	
	30-00-3000					13.120B-1-SAFE ROUTE TO SCHOOL			16,918.00✓	0.00	
	30-00-3000					15.094-5-K-14 UTILITY RELOCATION			8,514.00✓	0.00	
									<u>25,432.00✓</u>	<u>0.00</u>	
628	<b>SOLOMON VALLEY VET HOSPITAL PA</b>										
66405	6/9/2016	6/9/2016	46.97	254547	24630					Posted	
	10-13-3510					DOG FOOD			46.97✓	0.00	
639	<b>RON SPORLEDER</b>										
66406	6/9/2016	6/9/2016	164.27		24483					Posted	
	53-41-5800					MILEAGE 304.2 @ .54/MILE			164.27✓	0.00	
84	<b>ST JOHN'S SCHOOL - CROSSWALK GUARD</b>										
66407	6/9/2016	6/9/2016	70.00		25231					Posted	
	10-13-3000					CROSSWALK 14 DAYS @ 5.00			70.00✓	0.00	
643	<b>STANION WHSE ELECTRIC COMPANY</b>										
66408	6/9/2016	6/9/2016	53.39	4083298-00	24632					Posted	
	10-13-4300					BULBS & BALLAST			53.39✓	0.00	
66466	6/9/2016	6/9/2016	1,021.49		24507					Posted	
	53-43-6000					4096342-00-FUSE LINK, GROUND ROD (			134.91✓	0.00	
	53-43-6000					4096342-01-FUSE LINK			407.24✓	0.00	
	53-43-6000					4096347-00-SERVICE POST			479.34✓	0.00	
									<u>1,021.49✓</u>	<u>0.00</u>	
2958	<b>TREKK DESIGN GROUP, LLC</b>										
66409	6/9/2016	6/9/2016	7,867.76	16-00427	25206					Posted	
	51-41-3000					TASTE & ODOR STUDY			7,867.76✓	0.00	
1643	<b>UNITED INDUSTRIES INC</b>										
66467	6/9/2016	6/9/2016	6,547.20	0066256-IN	25253					Posted	
	10-21-6170					ACCU-TABS			6,547.20✓	0.00	
697	<b>USD 273</b>										
66410	6/9/2016	6/9/2016	331.50		25230					Posted	
	10-13-3000					CROSSWALK 17 DAYS @ 19.50			331.50✓	0.00	
2067	<b>VERIZON WIRELESS SERVICES, LLC</b>										
66411	6/9/2016	6/9/2016	147.10	9765558297	24685					Posted	
	53-43-5310					SYSTEMS			40.66✓	0.00	
	52-43-5310					SYSTEMS			38.04✓	0.00	
	51-43-5310					SYSTEMS			38.04✓	0.00	
	51-41-5310					WATER PLANT STAND-BY PHONE			30.36✓	0.00	
									<u>147.10✓</u>	<u>0.00</u>	
66412	6/9/2016	6/9/2016	44.14	9765565866	24686					Posted	
	53-41-5310					POWER PLANT STAND-BY PHONE			44.14✓	0.00	

# Accounts Payable Detail Listing

City of Beloit

<u>Vend#</u>		<u>Vendor Name</u>											
<u>Pay#</u>	<u>Post Date</u>	<u>Due Date</u>	<u>Amount</u>	<u>Invoice</u>	<u>Date</u>	<u>PO#</u>	<u>Date</u>	<u>Status</u>	<u>Debit</u>	<u>Credit</u>			
	<u>Account#</u>	<u>Work Order</u>		<u>Description</u>									
2087	<b>VERIZON WIRELESS SERVICES, LLC (continued)</b>												
66413	6/9/2016	6/9/2016	174.57	9765528757		25232		Posted					
	10-11-5310			ADMIN					110.87 ✓		0.00		
	10-20-5310			CEMETERY					63.70 ✓		0.00		
									174.57 ✓		0.00		
712	<b>WACONDA TRADER</b>												
66414	6/9/2016	6/9/2016	50.00			24693		Posted					
	10-11-5400			OUTDOOR GUIDE					50.00 ✓		0.00		
722	<b>WATTS AND SON</b>												
66415	6/9/2016	6/9/2016	11.90			25199		Posted					
	10-11-4300			SLOAN TOILET REPAIR					11.90 ✓		0.00		
			431,027.98	100 Non-voided payables listed.									

Report Setup  
 AP - Accounts Payable Listing : Vendor Name  
 Filter Options  
 Starting: 6/9/2016  
 Ending: 6/9/2016  
 Banks: All  
 Payable Status: Posted, Printed, ACH, Recorded, Voided  
 All Vendors Selected



## REQUEST FOR COUNCIL ACTION

<b>DATE:</b>	<b>TITLE:</b>
June 7, 2016	ORDINANCE 2185 AUTHORIZING AND PROVIDING THE ISSUANCE OF GENERAL OBLIGATION BONDS
<b>ORIGINATING DEPARTMENT:</b>	<b>TYPE OF ACTION:</b> <input checked="" type="checkbox"/> <b>ORDINANCE</b> <input type="checkbox"/> <b>RESOLUTION</b>
Administration	<input type="checkbox"/> <b>FORMAL ACTION</b> <input type="checkbox"/> <b>OTHER</b>

### RECOMMENDATION:

I recommend that the Council approve Ordinance 2185 Authorizing and Providing the issuance of general obligation bonds, Series 2016-B.

### FISCAL NOTE:

- The city will be financing \$2,915,000.00 for Street Projects, \$1,820,000.00 for East Main and \$1,095,000.00 for temporary GO for the North Campus and Silver Fox Additions.

### DISCUSSION:

Passing this ordinance authorizes the city to issue general obligation bonds to permanently finance temporary GO notes for the North Campus Streets and to finance East Main Street Improvements.

Respectfully submitted,

Jay Newton,  
Interim City Administrator



**ORDINANCE NO. 2185**

**AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2016-B, OF THE CITY OF BELOIT, KANSAS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.**

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

**WHEREAS**, the City has previously caused to be made certain internal improvements described as follows (the “Special Assessment Improvements”):

<u>Project Description</u>	<u>Ord./Res. No.</u>	<u>Authority (K.S.A.)</u>	<u>Amount</u>
Paving Improvements – North Campus Addition	R-2014-20 R-2015-24	12-6a01 <i>et seq.</i>	\$802,212.28
Paving Improvements – Silver Fox Estates	R-2014-22	12-6a01 <i>et seq.</i>	601,730.36

**WHEREAS**, the City has previously authorized certain internal improvements described as follows (the “Capital “Improvements” and with the Special Assessment Improvements, the “Improvements”):

<u>Project Description</u>	<u>Ord./Res. No.</u>	<u>Authority (K.S.A.)</u>	<u>Estimated Amount</u>
Main Trafficway Improvements – Main Street	Ord. 2180 / R-2016 - 9	12-685 <i>et seq.</i>	1,767,027.85

**WHEREAS**, the Issuer desires to issue its general obligation bonds in order to permanently finance the costs of such Improvements and to retire the following temporary notes of the Issuer, which were issued to temporarily finance a portion of the costs of the Special Assessment Improvements (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>
2015-1	03/19/15	09/01/16	\$1,650,000	\$1,650,000	\$1,650,000	06/23/16

**WHEREAS**, all legal requirements pertaining to the Special Assessment Improvements have been complied with, and the Governing Body now finds and determines that the total cost of the Special Assessment Improvements (including interest on temporary notes of the City and issuance costs of the general obligation bonds) and related expenses are at least \$1,403,942.64, with \$774,072.70 of said cost to be paid by the owners of the property within the City benefited by the Improvements and with \$629,869.94 of said cost to be paid by the City at large, and that the owners of the property benefited by the Improvements have paid \$20,659.34 in cash into the City Treasury on account of the Improvements and

there is \$288,283.30 available in the City Treasury to pay part of said cost, leaving \$[1,095,000] to be paid for by the issuance of general obligation bonds; and

**WHEREAS**, all legal requirements pertaining to the Capital Improvements have been complied with, and the Governing Body now finds and determines that the total cost of the Capital Improvements (including issuance costs of the general obligation bonds) and related expenses are at least \$1,820,000, said cost to be paid by the City at large by the issuance of general obligation bonds; and

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

**WHEREAS**, none of such general obligation bonds heretofore authorized have been issued and the City proposes to issue \$2,915,000\* of its general obligation bonds[, together with bid premium thereon,] to pay a portion of the costs of the Improvements; and

**WHEREAS**, the Governing Body has advertised the sale of the Bonds in accordance with the law and at a meeting held in the City on this date awarded the sale of such Bonds to the best bidder.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BELOIT, 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.*, K.S.A. 12-685 *et seq.*, and K.S.A. 12-6a01 *et seq.*, all as amended and supplemented from time to time.

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

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

**“Bonds”** means the City's General Obligation Bonds, Series 2016-B, dated June 23, 2016, authorized by this Ordinance.

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

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

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

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

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

“**Refunded Notes**” means the Series 2015-1 Notes maturing in the years 2016 in the aggregate principal amount of \$1,650,000.

“**Series 2015-1 Notes**” means the City's General Obligation Temporary Notes, Series 2015-1, dated March 19, 2015.

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

“**Substitute Improvements**” means the substitute or additional improvements of the City authorized in the manner set forth in the Bond Resolution.

**Section 2. Authorization of the Bonds.** There shall be issued and hereby are authorized and directed to be issued the General Obligation Bonds, Series 2016-B, of the City in the principal amount of \$2,915,000\*, for the purpose of providing funds to: (a) pay a portion of the costs of the Improvements; (b) pay costs of issuance of the Bonds; and (c) retire the Refunded Notes.

**Section 3. Security for the Bonds.** The Bonds shall be general obligations of the City payable as to both principal and interest in part from special assessments levied upon the property benefited by the construction of the Improvements and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The balance of the principal and interest on the Bonds is payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

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

**Section 5. Levy and Collection of Annual Tax.** The Governing Body shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by levying and collecting the necessary taxes and/or assessments upon all of the taxable tangible property within the City in the manner provided by law.

The taxes and/or assessments above referred to shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the general ad valorem taxes of the City are levied and collected, shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due and the fees and expenses of the Paying Agent. The proceeds derived from said taxes and/or assessments shall be deposited in the Bond and Interest Fund.

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

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

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

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

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

**PASSED** by the City Council on June 7, 2016 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 June 7, 2016; 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 Beloit Call* on June [8], 2016.

DATED: JUNE [8], 2016

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Clerk

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## 1REQUEST FOR COUNCIL ACTION

<b>DATE:</b>	<b>TITLE:</b>
June 7, 2016	RESOLUTION 2016-12 AUTHORIZING AND DIRECTING THE SALE OF GENERAL OBLIGATION BONDS
<b>ORIGINATING DEPARTMENT:</b>	<b>TYPE OF ACTION:</b> <input type="checkbox"/> ORDINANCE <input checked="" type="checkbox"/> RESOLUTION
Administration	<input type="checkbox"/> FORMAL ACTION <input type="checkbox"/> OTHER

### RECOMMENDATION:

I recommend that the Council approve Resolution 2016-12 Authorizing and Directing the sale of general obligation bonds, Series 2016-B.

### FISCAL NOTE:

- The city will be financing \$2,915,000.00 for Street Projects, \$1,820,000.00 for East Main and \$1,095,000.00 for temporary GO note for the North Campus and Silver Fox Additions.

### DISCUSSION:

Passing this resolution authorizes the city to issue general obligation bonds to permanently finance temporary GO notes for the North Campus Streets and to finance East Main Street Improvements.

Respectfully submitted,

Jay Newton,  
Interim City Administrator



**RESOLUTION NO. 2016-12**

**OF**

**THE CITY OF BELOIT, KANSAS**

**ADOPTED**

**JUNE 7, 2016**

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**GENERAL OBLIGATION BONDS  
SERIES 2016-B**

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**RESOLUTION NO. 2016-12**

**A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF GENERAL OBLIGATION BONDS, SERIES 2016-B, OF THE CITY OF BELOIT, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. [\_\_\_\_] OF THE ISSUER; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.**

---

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

**WHEREAS**, the Ordinance authorized the City Council of the Issuer (the “Governing Body”) to adopt a resolution prescribing certain details and conditions and to make certain covenants with respect to the issuance of the Bonds.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BELOIT, 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.*, K.S.A. 12-685 *et seq.*, and K.S.A. 12-6a01 *et seq.*, all as amended and supplemented from time to time.

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

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

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

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

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

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

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

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

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

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

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

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

**“Bonds”** means the General Obligation Bonds, Series 2016-B, authorized and issued by the Issuer pursuant to the Ordinance and this Bond Resolution.

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

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

**“City”** means the City of Beloit, 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.

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

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

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

**“Costs of Issuance Account”** means the Costs of Issuance Account for General Obligation Bonds, Series 2016-B created pursuant to *Section 501* hereof.

**“Dated Date”** means June 23, 2016.

**“Debt Service Account”** means the Debt Service Account for General Obligation Bonds, Series 2016-B created within the Bond and Interest Fund pursuant to *Section 501* hereof.

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

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

**“Defeasance Obligations”** means any of the following obligations:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**“Improvement Fund”** means the Improvement Fund for General Obligation Bonds, Series 2016-B created pursuant to *Section 501* hereof.

**“Improvements”** means the improvements referred to in the preamble to the Ordinance and any Substitute Improvements.

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

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

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

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

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

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

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

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

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

(a) To the Issuer at:

119 N. Hersey  
Beloit, Kansas 67420  
Fax: (785) 738-2517

(b) To the Paying Agent at:

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

(c) To the Purchaser:

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

(d) To the Rating Agency(ies):

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

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

[ (e) To the Bond Insurer:

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

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

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

**“Notice Representative”** means:

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

[(e) With respect to the Bond Insurer, [Attn: Managing Director – Surveillance – Re: Policy No. [\_\_\_\_]] [Attn: General Counsel – Re: Policy No. [\_\_\_\_]].]

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

**“Ordinance”** means Ordinance No. [\_\_\_\_] of the Issuer authorizing the issuance of the Bonds, as amended from time to time.

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

- (a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Bonds deemed to be paid in accordance with the provisions of *Article VII* hereof; [and]
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder[.]; and
- (d) Bonds, the principal or interest of which has been paid by the Bond Insurer.]

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

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

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

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

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

**“Purchase Price”** means the principal amount of the Bonds[, plus a premium of \$[\_\_\_\_\_]],[, less an original issue discount of \$[\_\_\_\_\_] ].

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

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

**“Rebate Fund”** means the Rebate Fund for General Obligation Bonds, Series 2016-B created pursuant to *Section 501* hereof.

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

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

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

**“Refunded Notes”** means the Series 2015-1 Notes maturing in the year 2016 in the aggregate principal amount of \$1,650,000.

**“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 June 23, 2016.

**“Refunded Notes Redemption Fund”** means the Redemption Fund for Refunded Notes created pursuant to *Section 501* hereof.

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

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

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

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

**“Series 2015-1 Notes”** means the Issuer's General Obligation Temporary Notes, Series 2015-1, dated March 19, 2015.

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

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

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

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

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

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

[ “**Term Bonds**” means the Bonds scheduled to mature in the year 2031.]

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

[ “**2031 Term Bonds**” means the Bonds scheduled to mature in the year 2031.]

[ “**Term Bonds**” means collectively the [\_\_\_\_] Term Bonds[, the [\_\_\_\_] Term Bonds] and the 2031 Term Bonds.]

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

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

## ARTICLE II

### AUTHORIZATION AND DETAILS OF THE BONDS

**Section 201. Authorization of the Bonds.** The Bonds have been heretofore authorized and directed to be issued pursuant to the Ordinance in the principal amount of \$2,915,000\*, for the purpose of providing funds to: (a) pay a portion of the costs of the Improvements; (b) pay Costs of Issuance; and (c) retire the Refunded Notes.

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

[SERIAL BONDS]

<u>Stated Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>	<u>Stated Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
2017	\$180,000	_____ %	2025	\$245,000	_____ %
2018	205,000		2026	245,000	
2019	210,000		2027	130,000	
2020	215,000		2028	135,000	
2021	225,000		2029	140,000	
2022	230,000		2030	145,000	
2023	235,000		2031	140,000	
2024	235,000				

[TERM BONDS]

<u>Stated Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
2031	\$_____	_____ %]

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

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

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

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

approved in writing by the Bond Insurer before the appointment of such successor Paying Agent shall become effective.]

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

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

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

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

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

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

**Section 205. Payments Due on Saturdays, Sundays and Holidays.** In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

**Section 206. Registration, Transfer and Exchange of Bonds.** The Issuer covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of the Bond Registrar as herein provided. Each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register.

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

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

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

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

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

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

**Section 207. Execution, Registration, Authentication and Delivery of Bonds.** Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the Issuer by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Clerk, and the seal of the Issuer shall be affixed

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

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

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

**Section 208. Mutilated, Lost, Stolen or Destroyed Bonds.** If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

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

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

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

**Section 209. Cancellation and Destruction of Bonds Upon Payment.** All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the

customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and destroyed and shall file an executed counterpart of such certificate with the Issuer.

**Section 210. Book-Entry Bonds; Securities Depository.** The Issuer and Paying Agent have entered into a DTC Representation Letter with DTC. The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Registrar issues Replacement Bonds as provided in this Section. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraph.

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

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

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

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

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

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

**Section 211. Nonpresentment of Bonds.** If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four (4) years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay, without liability for interest thereon, to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

**Section 212. Preliminary and Final Official Statement.** The Preliminary Official Statement dated May 3, 2016, is hereby ratified and approved. The Official Statement is hereby authorized to be prepared by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor and Clerk are hereby authorized to execute the Official Statement as so supplemented, amended and completed, and the use and public distribution of the Official Statement by the Purchaser in connection with the reoffering of the Bonds is hereby authorized. The proper officials of the Issuer are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the Issue Date.

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

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

## ARTICLE III

### REDEMPTION OF BONDS

**Section 301. Redemption by Issuer.**

**Optional Redemption.** At the option of the Issuer, Bonds maturing on September 1 in the years 2024, and thereafter, will be subject to redemption and payment prior to their Stated Maturity on September 1, 2023, and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the Redemption Date.

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

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

\*

\_\_\_\_\_  
\*Final Maturity]

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

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

[ ]\*

\_\_\_\_\_  
\*Final Maturity]

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

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

2036\*

\_\_\_\_\_  
\*Final Maturity]

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

**Section 302. Selection of Bonds to be Redeemed.** Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Bonds are to be redeemed and paid prior to their Stated Maturity, such Bonds shall be redeemed in such manner as the Issuer shall determine. Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in a minimum Authorized Denomination of principal amount in such equitable manner as the Bond Registrar may determine.

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

**Section 303. Notice and Effect of Call for Redemption.** In the event the Issuer desires to call the Bonds for redemption prior to maturity, written notice of such intent shall be provided to the Bond Registrar in accordance with K.S.A. 10-129, as amended, not less than 45 days prior to the Redemption Date. The Bond Registrar shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Bond Registrar at least 45 days prior to the Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for

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

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

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

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

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

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

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

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the Issuer defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for

the Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

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

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

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

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

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

## ARTICLE IV

### SECURITY FOR BONDS

**Section 401. Security for the Bonds.** The Bonds shall be general obligations of the Issuer payable as to both principal and interest in part from special assessments levied upon the property benefited by the construction of the Improvements and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The balance of the principal and interest on the Bonds is payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

**Section 402. Levy and Collection of Annual Tax; Transfer to Debt Service Account.** The Governing Body shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, levying and collecting

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

The taxes and/or assessments referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be transferred to the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

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

## ARTICLE V

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

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

- (a) Improvement Fund for General Obligation Bonds, Series 2016-B.
- (b) Redemption Fund for Refunded Notes.
- (c) Debt Service Account for General Obligation Bonds, Series 2016-B (within the Bond and Interest Fund).
- (d) Rebate Fund for General Obligation Bonds, Series 2016-B.
- (e) Costs of Issuance Account for General Obligation Bonds, Series 2016-B.
- (f) Compliance Account.

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

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

- (a) Excess proceeds, if any, received from the sale of the Bonds [and \$[\_\_\_\_\_]], representing [a portion of the ]interest on the Bonds during construction of the Improvements] shall be deposited in the Debt Service Account.
- (b) The sum of \$[\_\_\_\_\_] shall be deposited in the Costs of Issuance Account.

[  The sum of \$[ ] shall be deposited in the Compliance Account.]

The sum of \$1,652,566.67 shall be deposited into the Refunded Notes Redemption Fund.

The remaining balance of the proceeds derived from the sale of the Bonds] shall be deposited into the Improvement Fund.]

In addition to proceeds of the Bonds, the Issuer will deposit into the Refunded Notes Redemption Fund special assessments paid in cash in the amount of \$[ ], and available funds of the Issuer in the amount of \$[ ].

**Section 503. Application of Moneys in the Improvement Fund.** Moneys in the Improvement Fund shall be used for the sole purpose of: (a) paying the costs of the Improvements, in accordance with the plans and specifications therefor prepared by the Consulting Engineer heretofore approved by the Governing Body and on file in the office of the Clerk, including any alterations in or amendments to said plans and specifications deemed advisable by the Consulting Engineer and approved by the Governing Body; (b) paying interest on the Bonds during construction of the Improvements; (c) paying Costs of Issuance; (d) retiring the Refunded Notes; and (e) transferring any amounts to the Rebate Fund required by this *Article V*.

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

**Section 504. Substitution of Improvements; Reallocation of Proceeds.**

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

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

**Section 505. Application of Moneys in the Refunded Notes Redemption Fund.** Moneys in the Refunded Notes 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. Any moneys remaining in the Refunded Notes Redemption Fund not needed to retire the Refunded Notes shall be transferred to the Debt Service Account.

**Section 506. Application of Moneys in Debt Service Account.** All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the Bonds as and when the same become due and the usual and customary fees and expenses of the Bond Registrar and Paying Agent. The Treasurer is authorized and directed to withdraw from the Debt Service Account sums sufficient to pay both principal or Redemption Price of and interest on the Bonds and the fees and expenses of the Bond Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Bond Registrar and Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the Issuer. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Bond Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Bonds entitled to payment from such moneys.

Any moneys or investments remaining in the Debt Service Account after the retirement of the Bonds shall be transferred and paid into the Bond and Interest Fund.

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

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

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

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

**Section 508. Deposits and Investment of Moneys.** Moneys in each of the Funds and Accounts shall be deposited in accordance with laws of the State, in a bank, savings and loan association or savings bank organized under the laws of the State, any other state or the United States: (a) which has a main or branch office located in the Issuer; or (b) if no such entity has a main or branch office

located in the Issuer, with such an entity that has a main or branch office located in the county or counties in which the Issuer is located. All such 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.

Moneys held in any Fund or Account other than the Refunded Notes Redemption Fund may be invested in accordance with this Bond Resolution and the Federal Tax Certificate in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account; provided that, during the period of construction of the Improvements, earnings on the investment of such funds may, at the discretion of the Issuer, be credited to the Debt Service Account.

**Section 509. Application of Moneys in the Costs of Issuance Account.** Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of 30 days prior to the first Stated Maturity of principal or one year after the date of issuance of the Bonds, shall be transferred to the Improvement Fund until completion of the Improvements and thereafter to the Compliance Account or Debt Service Account.

**Section 510. Application of Moneys in the Compliance Account.** Moneys in the Compliance Account shall be used by the Issuer to pay fees and expenses relating to compliance with federal arbitrage law and state or federal securities laws. Any funds remaining in the Compliance Account on the sixth anniversary of the Issue Date shall be transferred to the Issuer for deposit in the Debt Service Account.

## ARTICLE VI

### DEFAULT AND REMEDIES

**Section 601. Remedies.** The provisions of the Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

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

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

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

**Section 602. Limitation on Rights of Owners.** The covenants and agreements of the Issuer contained herein and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Bond Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Outstanding Bonds.

**Section 603. Remedies Cumulative.** No remedy conferred herein upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Owners of the Bonds by this Bond Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. If action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the Issuer and the Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

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

## ARTICLE VII

### DEFEASANCE

**Section 701. Defeasance.** When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Bond Resolution and the pledge of the Issuer's faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or

Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of or Redemption Price of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption in compliance with *Article III* hereof. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the Issuer, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Bond Resolution. [The Issuer shall notify the Bond Insurer of any defeasance under this Section.]

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

## ARTICLE VIII

### TAX COVENANTS

**Section 801. General Covenants.** The Issuer covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Mayor and Clerk are hereby authorized and directed to execute the Federal Tax Certificate in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the Issuer. The Issuer will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

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

## ARTICLE IX

### [PROVISIONS RELATING TO THE BOND INSURANCE POLICY

[WILL INSERT IF NECESSARY]

## ARTICLE X

### CONTINUING DISCLOSURE REQUIREMENTS

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

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

## ARTICLE XI

### MISCELLANEOUS PROVISIONS

**Section 1101. Annual Audit.** Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. The audit report shall contain a statement regarding the Issuer's compliance with the arbitrage rebate covenants contained in the Federal Tax Certificate and covenants regarding continuing disclosure contained herein and the Disclosure Undertaking. Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the Clerk[, and a duplicate copy of the audit shall be mailed Bond Insurer]. Such audit shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer or Owner. Upon payment of the reasonable cost of preparing and mailing the same, a copy of any annual audit will, upon request, be sent to any Owner or prospective Owner. As soon as possible after the completion of the annual audit, the Governing Body shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Bond Resolution, the Issuer shall promptly cure such deficiency.

**Section 1102. Amendments.** The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of this Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of [the Bond Insurer and] the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by [the Bond Insurer and] such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall:

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

Any provision of the Bonds or of this Bond Resolution may, however, be amended or modified by resolution duly adopted by the Governing Body at any time in any legal respect with the written consent of [the Bond Insurer and] the Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement this Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity herein, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Improvements, to reallocate proceeds of the Bonds among Improvements, to provide for Substitute Improvements, to conform this Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners. [Copies of any amendments shall be provided to each Rating Agency at least 10 days prior to the effective date thereof.][Copies of any amendments which are consented to by the Bond Insurer shall be provided to Standard & Poor's.]

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

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

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

**Section 1103. Notices, Consents and Other Instruments by Owners.** Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Bond Resolution, and shall be conclusive in favor of the Issuer and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

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

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

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

**Section 1104. Notices.** Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Bond Resolution shall be in writing, given to the Notice Representative at the Notice Address and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent[ and the Bond Insurer]. The Issuer, the Paying Agent[, the Bond Insurer] and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

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

**Section 1105. Electronic Transactions.** The issuance of the Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

**Section 1106. Further Authority.** The officers and officials of the Issuer, including the Mayor and Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Bond Resolution and to make ministerial alterations, changes or additions in the foregoing agreements,

statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

**Section 1107. Severability.** If any section or other part of this Bond Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Bond Resolution.

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

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

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

**ADOPTED** by the City Council on June 7, 2016.

(SEAL)

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Clerk

**CERTIFICATE**

I hereby certify that the above and foregoing is a true and correct copy of the Bond Resolution of the Issuer adopted by the Governing Body on June 7, 2016, as the same appears of record in my office.

DATED: June 7, 2016.

\_\_\_\_\_  
Clerk

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**EXHIBIT A  
(FORM OF BONDS)**

**REGISTERED  
NUMBER** \_\_

**REGISTERED  
\$**

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

**UNITED STATES OF AMERICA  
STATE OF KANSAS  
COUNTY OF MITCHELL  
CITY OF BELOIT  
GENERAL OBLIGATION BOND  
SERIES 2016-B**

**Interest  
Rate:**

**Maturity  
Date:**

**Dated  
Date: June 23, 2016**

**CUSIP:**

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**

**KNOW ALL PERSONS BY THESE PRESENTS:** That the City of Beloit, in the County of Mitchell, 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 March 1 and September 1 of each year, commencing March 1, 2017 (the “Interest Payment Dates”), until the Principal Amount has been paid.

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

next preceding the Interest Payment Date. Such interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Registered Owner wishes to have such transfer directed. The principal or redemption price of and interest on the Bonds shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. Interest not punctually paid will be paid in the manner established in the within defined Bond Resolution.

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

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

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

**IT IS HEREBY DECLARED AND CERTIFIED** that all acts, conditions, and things required to be done and to exist precedent to and in the issuance of this Bond have been properly done and performed and do exist in due and regular form and manner as required by the Constitution and laws of the State of Kansas, and that the total indebtedness of the Issuer, including this series of bonds, does not exceed any constitutional or statutory limitation.

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

**CITY OF BELOIT, KANSAS**

(Facsimile Seal)

By: \_\_\_\_\_ (facsimile)  
Mayor

ATTEST:

By: \_\_\_\_\_ (facsimile)  
Clerk

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**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This Bond is one of a series of General Obligation Bonds, Series 2016-B, of the City of Beloit, 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: \_\_\_\_\_

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**(FORM OF REVERSE SIDE OF BOND)**

**ADDITIONAL PROVISIONS**

**Authorization of Bonds.** This Bond is one of an authorized series of Bonds of the Issuer designated "General Obligation Bonds, Series 2016-B," aggregating the principal amount of \$2,915,000\* (the "Bonds") issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Bonds and the Resolution of the Issuer prescribing the form and details of the Bonds (the "Bond Resolution"). The Bonds are issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and laws of the State of Kansas, including K.S.A. 12-685 *et seq.*, and K.S.A. 12-6a01 *et seq.*, as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

**General Obligations.** The Bonds constitute general obligations of the Issuer payable as to both principal and interest in part from special assessments levied upon the property benefited by the construction of the Improvements and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The balance of the principal and interest on the Bonds is payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

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

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

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

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

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#### LEGAL OPINION

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

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

(PRINTED LEGAL OPINION)

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[STATEMENT OF INSURANCE]

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#### BOND ASSIGNMENT

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

\_\_\_\_\_  
(Name and Address)

\_\_\_\_\_  
(Social Security or Taxpayer Identification No.)

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

Dated \_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Social Security or  
Taxpayer Identification No.

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

Signature guarantee:

By \_\_\_\_\_

**CERTIFICATE OF CLERK**

STATE OF KANSAS            )  
  ) SS.  
COUNTY OF MITCHELL    )

The undersigned, Clerk of the City of Beloit, Kansas, does hereby certify that the within Bond has been duly registered in my office according to law as of June 23, 2016.

WITNESS my hand and official seal.

(Facsimile Seal)

By: \_\_\_\_\_ (facsimile)  
Clerk

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**CERTIFICATE OF STATE TREASURER**

OFFICE OF THE TREASURER, STATE OF KANSAS

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

WITNESS my hand and official seal.

(Facsimile Seal)

By: \_\_\_\_\_ (facsimile)  
Treasurer of the State of Kansas

**TRANSCRIPT OF PROCEEDINGS**

**AUTHORIZING THE ISSUANCE**

**OF**

**\$2,915,000\***

**CITY OF BELOIT, KANSAS**

**GENERAL OBLIGATION BONDS  
SERIES 2016-B**

**DATED JUNE 23, 2016**

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**Legal Opinion**

**Gilmore & Bell, P.C.  
Wichita, Kansas**

**CITY OF BELOIT, KANSAS**

**GENERAL OBLIGATION BONDS  
SERIES 2016-B**

**DATED JUNE 23, 2016**

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**CLOSING LIST**

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Copies of the transcript of proceedings, which will be in CD-ROM format unless otherwise noted, for the above referenced issue (the "Bonds"), will be prepared and distributed as follows:

1. City of Beloit, Kansas (the "Issuer") [*Original + CD*]
  2. Katie J. Schroeder, Esq., Beloit, Kansas ("Issuer's Counsel")
  3. Attorney General of the State of Kansas [*Original*]
  4. [Purchaser], [City, State] (the "Original Purchaser")
  5. Piper Jaffray & Co., Leawood, Kansas (the "Financial Advisor") [*Email Only*]
  6. Gilmore & Bell, P.C., Wichita, Kansas ("Bond Counsel")
- [ \_\_\_-\_\_\_. [Assured Guaranty Municipal Corp., New York, New York] [Build America Mutual Assurance Company, New York, New York] (the "Bond Insurer")]

Document  
Number

**PROCEEDINGS AUTHORIZING THE IMPROVEMENTS**

1. **Silver Fox Estates - Paving Improvements**
  - Engineer's Estimate
  - Map of Improvement District
  - Petition
  - Excerpt of Minutes of the governing body meeting evidencing adoption of Resolution No. 2014-22
  - Resolution No. 2014-22 authorizing paving improvements (recorded)
  - Affidavit of Publication of Resolution No. 2014-22
2. **North Campus Addition - Paving Improvements**
  - Engineer's Estimate
  - Map of Improvement District
  - Excerpt of Minutes of the governing body meeting evidencing

- adoption of Resolution No. 2014-19
- Resolution No. 2014-19 calling and providing for Notice of Public Hearing
- Notice of Public Hearing
- Affidavit of Publication of Notice of Public Hearing
- Excerpt of Minutes of the governing body meeting evidencing adoption of Resolution No. 2014-20
- Resolution No. 2014-20 authorizing paving improvements (recorded)
- Affidavit of Publication of Resolution No. 2014-20
- Certificate of No Protest
- Excerpt of Minutes of the governing body meeting evidencing adoption of Resolution No. 2014-24
- Resolution No. 2014-24 amending Resolution No. 2014-20 (recorded)
- Affidavit of Publication of Resolution No. 2014-24

3. **Main Street Project – Main Trafficway Improvements**

- Engineer's Estimate
- Excerpt of Minutes of the governing body meeting evidencing passage of Ordinance No. 2180 and adoption of Resolution No. 2016-9
- Ordinance No. 2180 designating certain streets in the City as main trafficways
- Affidavit of Publication of Ordinance No. 2180
- Resolution No. 2016-9 authorizing main trafficway improvements

**SPECIAL ASSESSMENT PROCEEDINGS – NORTH CAMPUS ADDITION**

- 4. · Statement of Final Costs
- Notice of Public Hearing
- Form of Notice of Hearing and Statement of Cost Proposed to be Assessed
- 5. Affidavit of Publication – Notice of Public Hearing
- 6. Certificate of Mailing – Notice of Public Hearing
- 7. Excerpt of Minutes of the governing body meeting evidencing passage of Ordinance No. 2172
- 8. Ordinance No. 2172 levying special assessments
- 9. Affidavit of Publication of Ordinance No. 2172
- 10. Certificate of Mailing – Notice of Assessment
- 11. Certificate of Treasurer – Assessments Paid in Cash

**SPECIAL ASSESSMENT PROCEEDINGS – SILVER FOX ESTATES**

- 12. · Statement of Final Costs
- Notice of Public Hearing

- Form of Notice of Hearing and Statement of Cost Proposed to be Assessed
- 13. Affidavit of Publication – Notice of Public Hearing
- 14. Certificate of Mailing – Notice of Public Hearing
- 15. Excerpt of Minutes of the governing body meeting evidencing passage of Ordinance No. 2173
- 16. Ordinance No. 2173 levying special assessments
- 17. Affidavit of Publication of Ordinance No. 2173
- 18. Certificate of Mailing – Notice of Assessment
- 19. Certificate of Treasurer – Assessments Paid in Cash

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

- 20. Excerpt of Minutes of the governing body meeting evidencing adoption of Resolution No. 2016-11
- 21. Resolution No. 2016-11 authorizing the offering for sale of the Bonds
- 22. Notice of Bond Sale, Preliminary Official Statement and Certificate Deeming Preliminary Official Statement Final
- 23. Affidavit of publication of the Summary Notice of Bond Sale in the *The Beloit Call*
- 24. Affidavit of publication of the Summary Notice of Bond Sale in the *Kansas Register*
- 25. Official Statement
- 26. Omnibus Continuing Disclosure Undertaking
- 27. Excerpt of Minutes of the governing body meeting evidencing opening of the bids, acceptance of the best bid of the Original Purchaser, passage of Ordinance No. [\_\_\_\_\_] and adoption of Resolution No. 2016-[\_\_\_\_\_]
- 28. Ordinance No. [\_\_\_\_\_] authorizing the issuance of the Bonds
- 29. Affidavit of publication of Ordinance No. [\_\_\_\_\_]
- 30. Resolution No. 2016-[\_\_\_\_\_] prescribing the form and details of the Bonds

**CLOSING DOCUMENTS**

- 31. Transcript Certificate

*Exhibit A* – Statement of Costs  
*Exhibit B* – Schedule of Outstanding General Obligation Indebtedness

32. Uniform Facsimile of Signature Certificate
33. Authorization of State Treasurer to use facsimile signature and seal
34. Specimen Bond and Bond Printer's Certificate
35. Agreement Between Issuer and Agent
36. DTC Document[s]  
Blanket Letter of Representations  
[Underwriting Safekeeping Agreement]
37. [Municipal Bond Insurance Policy  
[Assured Guaranty Municipal Corp.][Build America Mutual Assurance Company]]
38. Rating Letter[s]  
Standard & Poor's
39. Closing Certificate
40. Federal Tax Certificate with attachments as follows:  
*Exhibit A* – Internal Revenue Service Form 8038-G and evidence of filing  
*Exhibit B* – Receipt for Purchase Price  
*Exhibit C* – Receipt and Representation  
*Exhibit D* – Description of Property Comprising the Financed Improvements[ and List of  
Reimbursement Expenditures]  
*Exhibit E* – Sample Annual Compliance Checklist  
*Exhibit F* – Sample Final Written Allocation  
[*Exhibit G* – Certificate of Bond Insurer]  
*Exhibit [ ]* – Allocation of Sources and Uses  
*Schedule 1* – Debt Service Schedule & Proof of Yield

#### LEGAL OPINIONS

41. Approving legal opinion of Gilmore & Bell, P.C.
42. [Opinion of Counsel to Bond Insurer]
43. Approval letter of Attorney General

#### MISCELLANEOUS DOCUMENTS

44. Closing Letter

\* \* \* \* \*

**TRANSCRIPT CERTIFICATE**

**\$2,915,000\***  
**CITY OF BELOIT, KANSAS**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2016-B**  
**DATED JUNE 23, 2016**

The undersigned Mayor and Clerk of the City of Beloit, Kansas (the "Issuer"), do hereby make this certificate for inclusion in the transcript of and as a part of the proceedings authorizing and providing for the issuance of the above described bonds (the "Bonds"); and do hereby certify as of June 7, 2016, as follows:

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

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

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

**4. Newspaper.** *The Beloit Call* was the official newspaper of the Issuer at all times during these proceedings.

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

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

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>
<i>Current</i>		
Tom Naasz	Mayor	4/2012 to 1/2020
Lee McMillian	Councilmember, 1 <sup>st</sup> Ward	4/2016 to 1/2020
Raymond Pontnow	Councilmember, 1 <sup>st</sup> Ward	3/2016 to 1/2018
Tony Gengler	Councilmember, 2 <sup>nd</sup> Ward	4/2014 to 1/2018
Andrew Grabon	Councilmember, 2 <sup>nd</sup> Ward	4/2016 to 1/2020
Lloyd Littrell	Councilmember, 3 <sup>rd</sup> Ward	4/2012 to 1/2020
Matt Otte	Councilmember, 3 <sup>rd</sup> Ward	4/2010 to 1/2018

Kent Miller	Councilmember, 4 <sup>th</sup> Ward	10/2011 to 1/2020
Vacant	Councilmember, 4 <sup>th</sup> Ward	
Amanda Lomax	Clerk	12/2010 to date
<i>Former</i>		
Bob Richard	Councilmember, 1 <sup>st</sup> Ward	4/2010 to 3/2016
Rick Brown	Councilmember, 1 <sup>st</sup> Ward	4/2008 to 4/2016
Bob Petterson	Councilmember, 2 <sup>nd</sup> Ward	4/2012 to 4/2016
Charlene Abell	Councilmember, 4 <sup>th</sup> Ward	4/2014 to 4/2015

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

8. **Authorization and Purpose of the Bonds.** The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State, including particularly K.S.A. 12-685 *et seq.*, and K.S.A. 12-6a01 *et seq.*, as amended, Ordinance No. [ ] and Resolution No. 2016-[ ] of the Issuer duly adopted by the Governing Body of the Issuer on June 7, 2016 (the “Bond Resolution”) for the purpose of:

- (a) paying a portion of the costs of certain internal improvements (the “Improvements”); and
- (b) retiring on June 23, 2016 the following temporary notes of the Issuer, issued to temporarily finance a portion of the Improvements (the “Refunded Notes”):

<i>Description</i>	<i>Series</i>	<i>Dated Date</i>	<i>Maturity Date</i>	<i>Amount</i>
General Obligation Temporary Notes	2015-1	March 19, 2015	September 1, 2016	\$1,650,000

The total principal amount of the Bonds does not exceed the cost of the Improvements for which the Bonds are issued.

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

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

10. **Valuation.** The total assessed valuation of the taxable tangible property within the Issuer for the year 2015 is as follows:

Equalized Assessed Valuation of	
Taxable Tangible Property .....	\$24,252,468
Tangible Valuation of Motor Vehicles .....	<u>105,462</u>
Equalized Assessed Tangible Valuation	
for Computation of Bonded Debt Limitations.....	<b>\$24,357,930</b>

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

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

---

Mayor

(SEAL)

---

Clerk

**EXHIBIT A**

**STATEMENT OF COST**

Re: General Obligation Bonds, Series 2016-B, Dated June 23, 2016, of the City of  
Beloit, Kansas

**Sources of Funds:**

Principal Amount of the Bonds	\$2,915,000*.00
Available funds of the Issuer	
Prepaid special assessments	
Underwriter's Discount/Compensation	-
[Original Issue Premium]	
[Original Issue Discount]	-
<b>Total</b>	<b>\$</b>

**Uses of Funds:**

Deposit to Improvement Fund	\$
Deposit to Refunded Notes Redemption Fund	1,652,566.67
[Capitalized Interest]	
Costs of Issuance	
[Bond Insurance Premium]	
<b>Total</b>	<b>\$</b>

**EXHIBIT B**

**CITY OF BELOIT, KANSAS**

**SCHEDULE OF OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS**  
**(as of June 23, 2016)**

**GENERAL OBLIGATION BONDS**

<b>Description of <u>Indebtedness</u></b>	<b><u>Dated Date</u></b>	<b><u>Final Maturity</u></b>	<b><u>Original Principal Amount</u></b>	<b><u>Amount Outstanding</u></b>	<b><u>Exempt From Debt Limit</u></b>
General Obligation Bonds, Series 2011-A	09/08/2011	03/01/2017	\$1,140,000	\$ 35,000	\$ 235,000
General Obligation Electric Utility Refunding Bonds, Series 2016-A	03/01/2016	12/01/2030	3,310,000	<u>3,310,000</u>	3,310,000
General Obligation Bonds, Series 2016-B <sup>(1)</sup>	06/23/2016	09/01/2036	2,935,000	<u>[2,915,000]</u>	0
	<b><i>Total</i></b>			<b>\$</b>	<b>\$3,545,000</b>

**TEMPORARY NOTES**

[None]

**AGREEMENT BETWEEN ISSUER AND AGENT**

**\$2,915,000\***  
**CITY OF BELOIT, KANSAS**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2016-B**  
**DATED JUNE 23, 2016**

**THIS AGREEMENT**, dated as of June 23, 2016, between the City of Beloit, Kansas, a municipality (the "Issuer"), and the State Treasurer of Kansas, as Agent (the "Agent").

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

Now, therefore, it is hereby agreed as follows:

**I. APPOINTMENT**

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

**II. BASIC DUTIES**

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

**III. COMPENSATION**

Issuer covenants and agrees to pay to Agent, as reasonable compensation for the services provided as Agent, an initial setup fee of \$300, a registration fee of \$30, plus a fee of \$[3,643.75], based on a percentage of the aggregate principal amount of the Securities as follows:

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

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

#### **IV. STANDARD OF PERFORMANCE**

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

##### **A. STATEMENTS OF OWNERSHIP**

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

##### **B. CERTIFICATED SECURITIES**

All certificated Securities issued by Issuer under this Agreement shall be in accordance with the standards set forth by the Attorney General and unless otherwise authorized by Agent, the principal thereof shall be payable only upon surrender of the Security to Agent. All certificates shall be issued in the denomination of \$1,000 or \$5,000 or integral multiples thereof except one authorized Security in another denomination which additional Security shall mature in the initial maturity year of the series of Securities. Interest is computed on the basis of \$1,000 or \$5,000 units and in all transactions involving the payment of interest, fractions of a cent equaling or exceeding five mills shall be regarded as one cent; fractions of a cent less than five mills shall be disregarded. Issuer shall at Issuer's cost provide Agent with an adequate supply of certificates for any anticipated transfers or exchanges of the certificates. Issuer shall be responsible for the payment of the printing or other expenses for such certificates. Issuer shall be responsible for obtaining appropriate "CUSIP" number(s) and shall notify Agent of each number(s) prior to the issuance of the applicable Securities.

C. ***INTEREST CALCULATIONS***

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

D. ***SURRENDER***

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

E. ***TRANSFERS AND EXCHANGES***

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

F. ***REGISTRATION DATES AND FUNDS FOR PAYMENTS***

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

G. ***REPLACEMENT OF SECURITIES***

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

from any loss which any of them may suffer if the Security is replaced. Issuer may charge the Security owner for its expenses in the replacement of a Security.

H. **REDEMPTIONS**

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

**[Mandatory Redemption.** If any Securities are subject to mandatory redemption in accordance with their terms of the Bond Resolution, no additional notice is required to be given to the Agent to exercise the mandatory redemption. The Agent will provide notice of such redemption utilizing substantially the form of Notice of Mandatory Redemption attached hereto as *Appendix I*.]

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

I. **MISCELLANEOUS**

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

J. **REPORTS**

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

K. **CONSTRUCTION**

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

L. **[AGM]MUNICIPAL BOND INSURANCE POLICY**

The parties acknowledge that Assured Guaranty Municipal Corp., New York, New York (the “Bond Insurer”) has issued a municipal bond insurance policy (the “Policy”) insuring the payment when due of the principal of and interest on the Securities as provided therein. As long as the Policy shall be in full force and effect, the Issuer and the Agent agree to comply with the following provisions:

- (a) If, on the Business Day prior to the related scheduled interest payment date or principal payment date or the date to which maturity of any Securities has been accelerated ("Payment Date") there is not on deposit with the Agent, after making all transfers and deposits required under the Bond Resolution, moneys sufficient to pay the principal of and interest on the Securities due on such Payment Date, the Agent shall give notice to the Bond Insurer and to its designated agent (if any) (the Insurer's Fiscal Agent") by telephone or teletype of the amount of such deficiency by 1:00 p.m., New York City time, on such Business Day. If, on the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Securities due on such Payment Date, the Agent shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Securities and the amount required to pay principal on the Securities, confirmed in writing to the Bond Insurer and the Insurer's Fiscal Agent by 1:00 p.m., New York City time, on such Payment Date by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.
- (b) In the event the claim to be made is for a mandatory sinking fund redemption installment, upon receipt of the moneys due, the Agent shall authenticate and deliver to affected Owners who surrender their Securities a new Security or Securities in an aggregate principal amount equal to the unredeemed portion of the Security surrendered. The Agent shall designate any portion of payment of principal on Securities paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Securities registered to the then current Owner, whether The Depository Trust Company, New York, New York ("DTC") or its nominee or otherwise, and shall issue a replacement Security to the Bond Insurer, registered in the name of the Bond Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Agent's failure to so designate any payment or issue any replacement Security shall have no effect on the amount of principal or interest payable by the Issuer on any Security or the subrogation rights of the Bond Insurer.

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

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

The Agent shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account and the allocation of such funds to payment of

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

Any funds remaining in the Policy Payments Account following a Payment Date shall promptly be remitted to the Bond Insurer.

- (c) The Bond Insurer shall, to the extent it makes any payment of principal of (or, in the case of Capital Appreciation Bonds, accreted value) or interest on the Securities, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy.
- (d) The Bond Insurer shall be entitled to pay principal (or, in the case of Capital Appreciation Bonds, accreted value) or interest on the Securities that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Securities as a result of acceleration of the maturity thereof in accordance with the Bond Resolution, whether or not the Bond Insurer has received a Notice (as defined in the Bond Insurance Policy) of Nonpayment or a claim upon the Bond Insurance Policy.

L. **[BAM]MUNICIPAL BOND INSURANCE POLICY**

The parties acknowledge that Build America Mutual Assurance Company., New York, New York (the "Bond Insurer") has issued a municipal bond insurance policy (the "Policy") insuring the payment when due of the principal of and interest on the Securities as provided therein. As long as the Policy shall be in full force and effect, the Issuer and the Agent agree to comply with the following provisions:

- (a) In the event that principal and/or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Bonds.
- (b) In the event that on the second (2nd) business day prior to the payment date on the Bonds, the Paying Agent has not received sufficient moneys to pay all principal of and interest on the Bonds due on the second (2nd) following business day, the Paying Agent shall immediately notify the Bond Insurer or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. The following terms shall have the meanings specified for all purposes of the Bond Insurance Policy:
- (c) If any deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent or Trustee shall so notify the Bond Insurer or its designee.
- (d) In addition, if the Paying Agent has notice that any Bondholder has been required to disgorge payments of principal of or interest on the Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Bondholder within the meaning of any applicable bankruptcy law, then the Paying Agent shall notify the Bond Insurer or its designee of such fact by

telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of the Bond Insurer.

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

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

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

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

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

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

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**CITY OF BELOIT, KANSAS**

(SEAL)

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

ATTEST:

By \_\_\_\_\_  
Clerk

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

(SEAL)

By \_\_\_\_\_  
Director of Bond Services

*ATTACHMENT "A"*

SAMPLE

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

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

[APPENDIX I

NOTICE OF CALL FOR MANDATORY REDEMPTION  
TO THE OWNERS OF  
CITY OF BELOIT, KANSAS  
GENERAL OBLIGATION BONDS  
SERIES 2016-B, DATED JUNE 23, 2016

Notice is hereby given that pursuant to the provisions of *Article III* of Resolution No. 2016-[ ] (the "Bond Resolution") of the City of Beloit, Kansas (the "Issuer") that a portion of the above-mentioned bonds (the "Bonds") scheduled to mature [on September 1,][in] [2031][ ][ ] (the "Called Bonds"), have been called for mandatory redemption and payment on September 1, [ ] (the "Redemption Date"), at the principal office of the Treasurer of the State of Kansas (the "Bond Registrar and Paying Agent").

<u>[Nos.]</u>	<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP</u> <u>Number</u>
	[ ] 2031			

On the Redemption Date there shall become due and payable, upon the presentation and surrender of each such Called Bond, the redemption price thereof equal to 100% of the principal amount thereof together with interest accrued to the Redemption Date. Bonds issued in denominations of greater than \$5,000 may be subject to partial redemption. In such event, a new certificate or certificates will be issued to the Owner in the principal amount to remain Outstanding. Interest shall cease to accrue on the Called Bonds so called for redemption from and after the Redemption Date provided such funds for redemption are on deposit with the Paying Agent.

CITY OF BELOIT, KANSAS

By \_\_\_\_\_  
Treasurer of the State of Kansas,  
Topeka, Kansas]

**UNDERWRITING SAFEKEEPING AGREEMENT  
BY AND BETWEEN  
DEPOSITORY TRUST COMPANY  
AND  
THE CITY OF BELOIT, KANSAS  
AND  
THE OFFICE OF THE KANSAS STATE TREASURER**

**\$2,915,000\*  
CITY OF BELOIT, KANSAS  
GENERAL OBLIGATION BONDS  
SERIES 2016-B  
DATED JUNE 23, 2016**

In order to induce the Depository Trust Company (the "DTC") to accept delivery of the above captioned bonds (the "Bonds") for safekeeping prior to the delivery of the Bonds on June 23, 2016 (the "Closing Date"), the City of Beloit, Kansas (the "Issuer"), and the Treasurer of the State of Kansas (the "Agent") hereby agree to place the entire principal amount of the Bonds, in the custody, control and possession of DTC at least one day prior to the Closing Date. The Issuer further agrees that by copy of this letter appropriately executed, it will notify DTC to follow the instructions of [Purchaser], [City, State], as the Underwriter (the "Underwriter") in distributing the Bonds.

By executing this agreement in the appropriate place DTC acknowledges upon receipt from the Agent of possession, custody and control of the Bonds, and agrees to safekeep and hold in escrow the Bonds until it shall have received notification from one of the following authorized representatives of the Issuer to release or return the Bonds: Amanda Lomax, Clerk, or Gilmore & Bell, P.C., Bond Counsel. Notification may be made by telephone or by receipt of an executed notice, delivered or telecopied to DTC; provided, however, that if the notification is made by telephone, written notice must be sent within 24 hours of the original notification. In the event the Issuer executes the release of the Bonds, DTC will distribute the Bonds pursuant to written instructions provided by the Underwriter; however, in the event a demand for the return of the Bonds is received, DTC shall return the Bonds as soon as practicable, but in any event, no later than the following business day.

DTC agrees to hold the Issuer and the Agent, as their interests may appear, and any of their officers or employees, harmless from any liability, loss, damage or reasonable expense in connection with the loss, theft, destruction or other disappearance of the Bonds while they are in the possession, custody or control of DTC, prior to concluding the Closing with respect to the Bonds and prior to distributing the Bonds in accordance with the instructions furnished by the Underwriter.

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**CITY OF BELOIT, KANSAS**

Dated: June 7, 2016

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

**OFFICE OF THE TREASURER OF  
THE STATE OF KANSAS, As Agent**

Dated: June \_\_, 2016

By: \_\_\_\_\_  
Title: Director of Bond Services

**DEPOSITORY TRUST COMPANY**

Dated: June \_\_, 2016

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

DTC hereby acknowledges receipt from  
the Agent of custody, control  
and possession of the Bonds.

Dated: June \_\_, 2016.

**DEPOSITORY TRUST COMPANY**

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

Re: General Obligation Bonds, Series 2016-B, dated June 23, 2016, of the City of Beloit, Kansas

Dated: June 23, 2016.

The formal Closing of the above-referenced Bonds has occurred, and DTC is hereby authorized to distribute the Bonds as previously agreed:

By: \_\_\_\_\_  
GILMORE & BELL, P.C.,  
as Bond Counsel for the Issuer

The Closing of the above-referenced Bonds did not occur and DTC is requested to return the Bonds to the custody, control and possession of the Agent:

By: \_\_\_\_\_  
GILMORE & BELL, P.C.,  
as Bond Counsel for the Issuer

**CLOSING CERTIFICATE**

**\$2,915,000\***  
**CITY OF BELOIT, KANSAS**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2016-B**  
**DATED JUNE 23, 2016**

The undersigned Mayor and Clerk of the City of Beloit, Kansas (the "Issuer"), make this Certificate for inclusion in the transcript of and as a part of the proceedings authorizing and providing for the issuance of the above described bonds (the "Bonds"); and certify as of June 23, 2016 (the "Issue Date"), as follows:

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

**2. Transcript of Proceedings.** The transcript of proceedings relating to the authorization and issuance of the Bonds (the "Transcript"), furnished to the Purchaser of the Bonds, is to the best of our knowledge, information and belief full and complete; none of such proceedings have been modified, amended or repealed, except as might be shown in the Transcript; and the facts stated in the Transcript still exist. In each instance where copies appear in the Transcript, such copies are true and correct duplicates of the original instruments now on file with the Clerk. All certifications made by the Issuer in the Transcript Certificate dated June 7, 2016 are true and correct as of this date and are incorporated in this Certificate by reference.

**3. Authorization and Purpose of the Bonds.** The Issuer is issuing and delivering the Bonds simultaneously with the delivery of this Certificate, pursuant to and in full compliance with the Constitution and statutes of the State, including particularly K.S.A. 12-685 *et seq.*, and K.S.A. 12-6a01 *et seq.*, as amended, Ordinance No. [ ] and Resolution No. 2016-[ ] of the Issuer duly adopted by the Governing Body of the Issuer on June 7, 2016 (collectively the "Bond Resolution") for the purpose of:

- (a) paying a portion of the costs of certain internal improvements (the "Improvements"); and
- (b) retiring on June 23, 2016 the following temporary notes of the Issuer, issued to temporarily finance the a portion of the Improvements (the "Refunded Notes"):

<i>Description</i>	<i>Series</i>	<i>Dated Date</i>	<i>Maturity Date</i>	<i>Amount</i>
General Obligation Temporary Notes	2015-1	March 19, 2015	September 1, 2016	\$1,650,000

**4. Security for the Bonds.** The Bonds are general obligations of the Issuer payable in part from special assessments levied upon the property benefited by the Improvements and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer, with the balance payable, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of

the Issuer are pledged under the Bond Resolution to the payment of the principal of and interest on the Bonds. In the Bond Resolution, the governing body of the Issuer has covenanted to annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, by levying and collecting the necessary taxes and/or assessments upon all of the taxable tangible property within the Issuer in the manner provided by law.

**5. Sale of Bonds.** The Bonds have been sold at rates not in excess of the limitations set forth in K.S.A. 10-1009. The Notice of Bond Sale dated May 3, 2016 and included in the Transcript constitutes a full true and correct copy thereof. A copy of such Notice of Bond Sale and Preliminary Official Statement was sent to prospective purchasers of the Bonds, and to all other persons and firms requesting copies of such Notice of Bond Sale and Preliminary Official Statement.

**6. Official Statement.** The Official Statement contained in the Transcript constitutes a full, true and correct copy of the Official Statement relating to the Bonds. To the best of our knowledge, the Official Statement, other than the sections entitled “The Depository Trust Company,” [“The Bond Insurance Policy,”] “Bond Ratings,” “Legal Matters,” “Tax Matters,” and *Appendices B*, [and] *C* [and *D*], about which the Issuer expresses no opinion, is true in all material respects, and does not contain any untrue statement of a material fact or does not omit to state a material fact, necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. As of this date there has been no material adverse change in the financial condition or the financial affairs of the Issuer since the date of the Official Statement. No other event has occurred which is necessary to be disclosed in the Official Statement in order to make the statements therein not misleading in any material respect as of the date of this Certificate. The Issuer has previously caused to be delivered to the Purchaser copies of the Official Statement.

**7. Continuing Disclosure Undertaking.** The Issuer has heretofore adopted its Omnibus Continuing Disclosure Undertaking (the “Disclosure Undertaking”), wherein the Issuer has covenanted to disseminate such information as is required in accordance with the provisions of the SEC Rule and the Disclosure Undertaking. In the Bond Resolution, the Issuer has covenanted to apply the provisions of the Disclosure Undertaking to the Bonds. A copy of the Disclosure Undertaking is contained in the Transcript.

**8. Non-Litigation.** There is no controversy, action, suit, proceeding, or to the best of our knowledge, any inquiry or investigation at law or in equity or before or by any public board or body pending or, to the best of our knowledge, threatened against or affecting the Issuer, its officers or its property, or, to the best of our knowledge, any basis therefor questioning, disputing or affecting in any way: (a) the legal organization of the Issuer or its boundaries; (b) the right or title of any of its officers to their respective offices; (c) the legality of any official act shown to have been done in the Transcript; (d) the constitutionality or validity of the indebtedness represented by the Bonds shown to be authorized in the Transcript; (e) the validity of the Bonds, or any of the proceedings had in relation to the authorization, issuance or sale thereof; (f) the levy and collection of an ad valorem property tax to pay the principal of and interest on the Bonds; or (g) the federal or state tax-exempt status of the interest on the Bonds; wherein any unfavorable decision, ruling or finding would adversely affect the Issuer, the transactions contemplated by the Bond Resolution or the Official Statement, or the validity or enforceability of the Bonds, which are not disclosed in the final Official Statement.

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**WITNESS** our hands and the seal of the Issuer.

Signature

Official Title

\_\_\_\_\_

Mayor

(SEAL)

\_\_\_\_\_

Clerk

Gilmore & Bell, P.C.  
05/27/2016

FORM OF BOND COUNSEL OPINION

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

June 23, 2016

Governing Body  
City of Beloit, Kansas

[Purchaser]  
[City, State]

[[Assured Guaranty Municipal Corp.]  
[Build America Mutual Assurance Company]  
New York, New York]

Re: \$2,915,000\* General Obligation Bonds, Series 2016-B, of the City of Beloit,  
Kansas, Dated June 23, 2016

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

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

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

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

2. The Bonds are payable as to both principal and interest in part from special assessments levied upon the property benefited by the construction of certain improvements and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The balance of the principal and interest on the Bonds is payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. The interest on the Bonds [(including any original issue discount properly allocable to an owner of a Bond)] is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds are "qualified tax-exempt obligations" within the meaning of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

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

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

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

**GILMORE & BELL, P.C.**

**ORDINANCE NO. 2185**

**AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2016-B, OF THE CITY OF BELOIT, KANSAS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.**

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

**WHEREAS**, the City has previously caused to be made certain internal improvements described as follows (the “Special Assessment Improvements”):

<u>Project Description</u>	<u>Ord./Res. No.</u>	<u>Authority</u> <u>(K.S.A.)</u>	<u>Amount</u>
Paving Improvements – North Campus Addition	R-2014-20	12-6a01 <i>et seq.</i>	\$802,212.28
Paving Improvements – Silver Fox Estates	R-2015-24 R-2014-22	12-6a01 <i>et seq.</i>	601,730.36

**WHEREAS**, the City has previously authorized certain internal improvements described as follows (the “Capital “Improvements” and with the Special Assessment Improvements, the “Improvements”):

<u>Project Description</u>	<u>Ord./Res. No.</u>	<u>Authority</u> <u>(K.S.A.)</u>	<u>Estimated</u> <u>Amount</u>
Main Trafficway Improvements – Main Street	Ord. 2180 / R-2016 - 9	12-685 <i>et seq.</i>	1,767,027.85

**WHEREAS**, the Issuer desires to issue its general obligation bonds in order to permanently finance the costs of such Improvements and to retire the following temporary notes of the Issuer, which were issued to temporarily finance a portion of the costs of the Special Assessment Improvements (the “Notes”):

<u>Series</u>	<u>Dated</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Original</u> <u>Amount</u>	<u>Outstanding</u> <u>Amount</u>	<u>Redemption</u> <u>Amount</u>	<u>Redemption</u> <u>Date</u>
2015-1	03/19/15	09/01/16	\$1,650,000	\$1,650,000	\$1,650,000	06/23/16

**WHEREAS**, all legal requirements pertaining to the Special Assessment Improvements have been complied with, and the Governing Body now finds and determines that the total cost of the Special Assessment Improvements (including interest on temporary notes of the City and issuance costs of the general obligation bonds) and related expenses are at least \$1,403,942.64, with \$774,072.70 of said cost to be paid by the owners of the property within the City benefited by the Improvements and with \$629,869.94 of said cost to be paid by the City at large, and that the owners of the property benefited by the Improvements have paid \$20,659.34 in cash into the City Treasury on account of the Improvements and

there is \$288,283.30 available in the City Treasury to pay part of said cost, leaving \$[1,095,000] to be paid for by the issuance of general obligation bonds; and

**WHEREAS**, all legal requirements pertaining to the Capital Improvements have been complied with, and the Governing Body now finds and determines that the total cost of the Capital Improvements (including issuance costs of the general obligation bonds) and related expenses are at least \$1,820,000, said cost to be paid by the City at large by the issuance of general obligation bonds; and

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

**WHEREAS**, none of such general obligation bonds heretofore authorized have been issued and the City proposes to issue \$2,915,000\* of its general obligation bonds[, together with bid premium thereon,] to pay a portion of the costs of the Improvements; and

**WHEREAS**, the Governing Body has advertised the sale of the Bonds in accordance with the law and at a meeting held in the City on this date awarded the sale of such Bonds to the best bidder.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BELOIT, 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.*, K.S.A. 12-685 *et seq.*, and K.S.A. 12-6a01 *et seq.*, all as amended and supplemented from time to time.

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

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

**“Bonds”** means the City's General Obligation Bonds, Series 2016-B, dated June 23, 2016, authorized by this Ordinance.

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

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

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

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

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

**“Refunded Notes”** means the Series 2015-1 Notes maturing in the years 2016 in the aggregate principal amount of \$1,650,000.

**“Series 2015-1 Notes”** means the City's General Obligation Temporary Notes, Series 2015-1, dated March 19, 2015.

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

**“Substitute Improvements”** means the substitute or additional improvements of the City authorized in the manner set forth in the Bond Resolution.

**Section 2. Authorization of the Bonds.** There shall be issued and hereby are authorized and directed to be issued the General Obligation Bonds, Series 2016-B, of the City in the principal amount of \$2,915,000\*, for the purpose of providing funds to: (a) pay a portion of the costs of the Improvements; (b) pay costs of issuance of the Bonds; and (c) retire the Refunded Notes.

**Section 3. Security for the Bonds.** The Bonds shall be general obligations of the City payable as to both principal and interest in part from special assessments levied upon the property benefited by the construction of the Improvements and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The balance of the principal and interest on the Bonds is payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

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

**Section 5. Levy and Collection of Annual Tax.** The Governing Body shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by levying and collecting the necessary taxes and/or assessments upon all of the taxable tangible property within the City in the manner provided by law.

The taxes and/or assessments above referred to shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the general ad valorem taxes of the City are levied and collected, shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due and the fees and expenses of the Paying Agent. The proceeds derived from said taxes and/or assessments shall be deposited in the Bond and Interest Fund.

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

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

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

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

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**PASSED** by the City Council on June 7, 2016 and **APPROVED AND SIGNED** by the Mayor.

(SEAL)

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Mayor

ATTEST:

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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 June 7, 2016; 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 Beloit Call* on June [8], 2016.

DATED: JUNE [8], 2016

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Clerk

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