



City of Clearwater Council Meeting Notice
Tuesday, August 11, 2015 at 6:30pm

129 E Ross Clearwater, KS 67026

www.clearwaterks.org

Please call the Clerk's office at 620-584-2311 or the Kansas Relay Service 800-8766-3777 at least 48 hours in advance if you require special accommodations to participate in this meeting. We make every effort to meet reasonable requests.

AGENDA

[Please note that the meeting agenda is subject to change during the meeting.]

1. **Call meeting to order and welcome**

Burt Ussery, Mayor

2. **Invocation and flag salute**

3. **Roll Call**

Courtney Meyer, City Clerk

Burt Ussery, Mayor

Laura Papish, Councilmember President

Austin Wood, Councilmember

Paul Clark, Councilmember

Ron Marsh, Councilmember

Chris Griffin, Councilmember

4. **Action: Approve August 11, 2015 meeting agenda**

5. **Public Forum**

Pursuant to Ordinance No. 917 and Section 2.08.010 adopted by the governing body and approved by the Mayor on November 24, 2009, members of the public are allowed to address the Mayor and City Council for a period of time limited to not more than five minutes.

6. **Action: Approve Consent Agenda**

a. Minutes 7/28 Council Meeting

b. Ordinance 999 – Standard Traffic Ordinance

c. Ordinance 1000 – Uniform Public Offense Code for Kansas Cities

d. Charles Engineering Agreement for Water Service

7. **Action: Budget 2016 Hearing. Adopt 2016 Budget**

8. **Action: Waste Water Treatment Facility Phase 1 Improvement Bid.**

9. **Action: Bond Bids**
 - a. **BASICDOCS(Ordinance 998 and Resolution 11-2015)**
 - b. **OMNIBUS**
 - c. **CLOSEDOCS**
Kevin Cowan, Gilmore and Bell
10. **Action: Fall Fest Beer Garden Request**
11. **Action: First and Last Bar Extension of Service Area Request**
12. **Discussion: Chisholm Ridge Lots**
13. **Action: Claims and Warrants**
Courtney Meyer, City Clerk
14. **City Administrator Report**
Justin Givens, City Administrator
15. **Council Reports**
16. **Executive Session**
17. **Adjournment**

NOTICE: SUBJECT TO REVISIONS

It is possible that sometime between 6:30 and 7:00 pm immediately prior to this meeting, during breaks, and directly after the meeting, a majority of the Governing Body may be present in the council chambers or lobby of City Hall. No one is excluded from these areas during those times.

TO: Mayor and Council
FROM: Justin Givens, City Administrator
SUBJECT: **AGENDA NOTES**
DATE: August 11, 2015

CONSENT AGENDA

Note: Council really only has a few hours per month to conduct city business. Therefore, I have introduced a "Consent Agenda" for items that are anticipated to draw no controversy or questions. The Council can then vote on all these Consent Agenda items with one motion. By eliminating time spent on simple items, Council can focus its energy on the matters that really need guidance and discourse.

However, if there is any item which any Councilmember or Mayor wishes to fully discuss instead, that item can be removed from the Consent Agenda and handled as a regular discussion item. The Consent Agenda does not foreclose further discussion if it is needed.

Item 6

- a.** Review and Approve Minutes of the July 28, 2015 Regular City Council Meeting
- b.** This item is an annual update of the Standard Traffic Ordinances for the City of Clearwater. The STO is published by the League of Kansas Municipalities and they provide an ordinance for the adoption of traffic standards that incorporate changes in laws adopted by the state of Kansas.
- c.** This item is an annual update of the Uniform Public Offense Code. The update is provided by the League of Kansas Municipalities and incorporates changes in regulations adopted by the state of Kansas.
- d.** Council has previously approved an extension of water service to Charles Engineering. An agreement has been provided by the City Attorney for formal action. -----end of Consent Items

Item 7a. Public Hearing for 2016 Budget. The city is required to conduct a public hearing every year prior to adoption of the budget for the next year. This year's budget maintains a flat mill levy and incorporates equipment purchases for most departments as well as the creation of Equipment Reserve Funds to begin building fund balances for future equipment purchases. The budget will draw approximately \$10,000 in reserves from 2015 with the intention of beginning to restore cash reserves in 2017.

Item 7b. Adoption of the 2016 Budget. Based upon the public hearing, the Council will have the option to adopt the 2016 Budget as presented.

Item 8 Award Contract for Waste Water Treatment Facility Phase 1 Improvements - UCI of Wichita was the low bidder for Waste Water Treatment Facility Phase 1

Improvements. UCI provided a bid of \$376,951 which was within the engineers estimate. Based on the contract price from UCI, the city will be able to recoup the \$152,000 in engineering expenses thru bond proceeds if the governing body so desires.

Item 9 Kevin Cowan (city bond attorney) and John Haas (city financial advisor) will be on hand to present information on bond sales from early Tuesday. Bonds are being offered for the city's portion of the 135th ST improvements and the improvements at the waste water treatment facility. An additional bond offering will be made that will refund an earlier series of bonds that have a higher interest rate. If the offer rate is beneficial, the city should proceed with the sale of those bonds.

Item 10 Alicia Lange, has requested as part of the fall festival to incorporate a beer garden in the area close to activities of the fall festival. After discussion at the July 28 meeting, a formal request for a beer garden to be located at the basketball court has been made. An ordinance allowing for the temporary sale and consumption of cereal malt beverages on city property will be required. Full Agenda Report to be presented at the Meeting.

Item 11 Alicia Lange, owner of the First and Last Bar has requested a temporary extension of the service area for the First and Last Bar during the Fall Festival. This action allows for consumption of cereal malt beverages in areas on private property not normally approved for consumption. The additional space expands capacity during the high volume times during Fall Festival. A similar action has been approved in previous years. Full Agenda Report to be presented at the Meeting.

Item 12 Staff at the direction of the Governing Body solicited bids for request for proposals for the marketing and development of lots in the Chisolm Ridge Housing Development. Staff received two proposals from local developers and since the request was made an opportunity for grant funding from Kansas Housing Resources has emerged as well. Staff will seek direction from the governing body on an appropriate course of action. Full agenda Report to be presented at the Meeting.

Item 13 Staff will present all claims and warrants for approval by the Governing Body.

Item 16 Staff anticipates a 30 minutes executive session for non-elected personnel discussions.

City of Clearwater, Kansas
Sedgwick County
City Council Meeting - **MINUTES**
July 28, 2015
Clearwater City Hall – Council Chambers
129 E. Ross Avenue Clearwater, KS 67026

Call to Order

Council President Laura Papish called the meeting to order at 6:30 p.m.

Invocation and Flag Salute

Councilmember Chris Griffin gave the invocation which was followed by the pledge of allegiance and flag salute.

Roll Call

The City Clerk called the roll to confirm the presence of a quorum. The following members were present:

Laura Papish, Austin Wood, Ron Marsh, Paul Clark, Chris Griffin - Councilmembers were all present.

Mayor Burt Ussery was absent.

The following staff members were present:

Justin Givens, City Administrator; Courtney Meyer, City Clerk; Austin Parker, City Attorney; Jason Gearhardt, Interim Police Chief.

Others Present:

Pamela Riggs and Cheryl Wright, Fall Fest Committee; Gary George, George Bowerman & Noel; Robert Pugh.

Approve Agenda

Motion: *Marsh* moved, *Clark* seconded to accept the July 28, 2015 agenda. Voted and passed unanimously.

Public Forum

None

Consent Agenda

Motion: *Marsh* moved, *Wood* seconded to approve the consent agenda as presented. Voted and passed unanimously.

Audit Presentation

Gary George with George, Bowerman, and Noel gave the findings and report to the council. He explained the audit report and how it is laid out.

George mentioned the management discussion is just the highlights of the year. He suggests spending time and reviewing this section as it give and overview of the financial statement. All detail information for each fund will be found in the back of the report.

In the Financial Statements it gives the statement of net position. Within the section is the component unit of the Library, since the City is responsible for all Library reporting.

Within the Fund Statements it goes into detail about the governmental funds. This section goes through capital assets, debt. It details in 2014 the City had 144 days of operating cash. George mentioned this was a good carryover amount.

George explained in the Notes to Financial Statement that this section covers in detail all the information he just went through about the fund statements.

In the communication letter send to Mayor and Council George wanted to touch on his findings. First he mentioned that the utility billing and cash receipts he would like to see posted on an accrual bases to general ledger. He would like the Clerk to oversee the capital asset list. Reconcile the utility billing to general ledger on a monthly basis. Make sure the City is operating within budgetary compliance, and to make sure all invoices are being reviewed by department heads and signed off on.

Givens asked George if it is recommended for the City to have a cash carryover policy written that states a certain amount of cash carryover.

George stated that it would be nice but it makes it more difficult for smaller cities to operate.

Fall Festival Discussion

Givens stated that the fall festival committee met on July 20th to discuss the activities that will take place at this year's fall festival. This year's activities will have a similar set up to past years with the carnival being set up in the park, vendors located behind food vendors set up in the parking lot off of Ross. The craft show will be inside the Methodist Church this year. A petting zoo, laser tag and car smash will be located on or adjacent to school property on the south side of Ross. This year will also see the return of the car show that will be located in the 400 block of East Ross. The stage will be located just south of the concession stand. Events include a teen street dance on Friday night after the CHS football game and a concert on Saturday night.

The three on three basketball tournaments will be moved to school property freeing up the basketball court for use. The Fall Festival Committee would like to propose that this area be used for a beer garden area. The hard surfaced area would be easily fenced and access inside the area can be limited to those over 21 years of age. A special event permit and waiver of municipal ordinances concerning the sale and consumption of Cereal Malt Beverages will be required to be granted by the city if a beer garden is

desired.

Road Closures will include Ross west of 4th Street on Friday night and all day Saturday as well as the closure of 2nd, 3rd and 1st Avenues Friday night as well as all day Saturday. These road closures will be presented at a future council meeting for approval.

Griffin wanted to make it clear that the owner of the bar is the one requesting a beer garden not the Fall Festival Committee. The owner of the bar will have to submit a vendor request and pay for their vendor permit to be part of the Fall Festival.

Pamela Riggs, Fall Festival President, stated that this year marks the 130th birthday of Clearwater and wanted to know if Council would want to put on a firework show.

Riggs also wanted to make sure it was okay to have the carnival in the park this year.

Griffin asked if the Recreation Commission ever submitted a formal recommendation.

Givens said none that he has seen. But his recommendation is let it be in the park this year since the contract was already signed. The Fall Festival committee went into contract with the carnival company in January.

Griffin recommended the park as well.

Papish inquired if there is still access for the carnival to access the park grounds.

Clark stated yes there is near the concession stand.

Griffin would like the communication between City and Recreation Commission to discuss future for park projects. Griffin also states that the City needs to have an agreement for whoever used the park needs to care for the park. Any damage that is done needs to be fixed by the group who did the damage.

Givens said that this clause could go into the event permit. The Fall Festival vendors already have an agreement with the Fall Festival Committee for the same thing.

Griffin would like the discussion for the beer garden to be opened only when a formal request has been made. He would approve everything else listed above minus the beer garden paragraph.

Riggs asked if the beer garden was confirmed where it could be.

Griffin has concerns about the beer garden being so close to the carnival with all the kids around. He stated again once the formal request has been made then they can discuss it.

Wood stated he had no issues with the carnival in the park.

Clark mentioned that he had no problem with the carnival in the park this year but

before Fall Fest signs a new contract they will need to consult with the City Council.

Griffin would like the park inspected by a city worker before the festival so it is clear if any damage is done what would be the Fall Festival Committees responsibly.

Before Riggs left she wanted to also mention in addition to the events listed above there will be a Star Wars charity fundraiser, the Historical Society schoolhouse dedication, and a Drive Chip put at the golf course this year.

Update of Sedgwick County Board of County Commissioners Action to Eliminate Cities Zoning Areas of Influence and Review Authority.

Givens addressed the council and gave an overview of what has been going on with the ZAOI.

On June 10, 2015, the Sedgwick County Board of County Commissioners directed its staff to prepare and process an amendment to the Wichita-Sedgwick County Unified Zoning Code that would eliminate zoning areas of influence review authority for small cities.

This action was proposed once prior that Clearwater staff is aware of. In 2012, several members of the MAPC proposed reducing or eliminating the ZAOIs. At that time, many of the small cities within Sedgwick County met with the MAPC and voiced our displeasure with the action. At that time it was determined that the ZAOIs were wanted by the city and should remained unchanged.

At the July 14, 2015 meeting staff presented an update from the Advanced Plans Subcommittee meeting of the Metropolitan Area Planning Commission. At that time, the Governing Body approved a draft letter to be submitted to the MAPC at their July 23, 2015 meeting.

Givens then told the Council that staff, along with representatives from Maize, Mulvane, Derby, Haysville and other cities provided input and testimony to the MAPC at their meeting on July 23, 2015. The MAPC after a prolonged discussion agreed with the cities that a discussion of this action needed to be completed prior to making any recommendation to the Sedgwick County BoCC. The MAPC tabled any action on the matter until their September 17, 2015 meeting, at that time the MAPC will make a recommendation to the Sedgwick County BoCC. The MAPC has respectfully requested that each city either independently or collectively provide a recommendation to the on this action.

There have been several proposals; all suggested by Sed. Co. Staff, on changes to the Zones of Area of Influence. These proposals range from complete elimination of the ZOAI process to shrinking the boundaries of each city's ZOAI. Additional changes include changing the required unanimous vote to override a city Planning Commission and altering the process for review that would allow items to be presented to the MAPC prior to the city Planning Commission.

This item will be discussed at the next City Administrators Round Table Meeting on Thursday of next week. Additionally, a meeting of the SCAC may be convened so that member cities may have the opportunity to discuss any changes among themselves.

It would be staff's recommendation that the following options be explored:

1. Take No Action and Make No Changes;

2. Request that the BoCC remove County Zoning within a three mile area and allow the cities to exercise complete extra territorial zoning jurisdiction.
3. Realign ZAOs to Municipal Growth Boundaries and Service Areas
4. Move from a unanimous over ride to a super majority
5. Alter the process to allow proposed items to be reviewed by the MAPC prior to City Planning Commission review.

The discussions in the coming weeks will be instrumental in determining a recommendation to the MAPC and BoCC.

Clark asked why they want to make change.

Givens said he thinks it primarily has to do with property rights and who should have a say in it.

Papish asked if Council needs to make a motion or recommendation at this time.

Givens said not at this time. In the future he will need a recommendation on what to present to the BoCC.

Marsh stated he would like to go with action #1.

Claims and Warrants

Meyer presented the claims and warrants in the amount of \$46,025.30 and asked Council if they had any questions.

Motion: *Clark* moved, *Marsh* seconded to pay the claims and warrants in the amount of \$46,026.30. Voted and passed unanimously.

City Administrators Report

Administration

- Our new server is being built and we will begin the migration to it the first week of August.
- Staff and City Financial Advisor John Haas will be holding a ratings call Wednesday with representatives from Standards and Poor rating Service.
- Bid opening for the Lagoon Project is scheduled for August 8th.
- Bids for the Lagoon Project and 135th street road work as well as the optional refinancing are due on the 11th. If anyone knows farmers we can talk to that has pasture land we can put the sludge on please let us know. The sludge will be good fertilizer.
- The 2016 budget hearing will also be on the 11th.
- Letters to property owners who the city needs additional easements form the 135th street project wen out this week.
- Staff will be reviewing and presenting proposals for the completion of the Chisholm Ridge Addition.

Public Works

- Staff will begin some wide crack filling and road work this week.
- There has been an issue with the booster pump serving areas north of 95th

street. A consultant was brought in to evaluate the system.

Parks and Recreation

- Flyers for fall sports will be going out this week. The Rec sponsors flag football and volleyball which begin after Labor Day.

Library

- Summer Reading is winding down. Today was the last day to turn in information and a pool party will be tomorrow. Approximately 130 youth, 25 teens and 25 adults participated in the Summer Reading program.

Police

- Officer Patterson-Rickstrew has turned in her resignation. Her last day will be August 6th.
- Will need to advertise for the open position. Staff has already inquired internally to see if anyone was interested in moving to full time.
- There are 16 qualified law enforcement experienced applicants for the chief position. The CA is in the process of scoring the applications and will be scheduling a meeting with the search committee the first week in August.
- Enhanced patrol in the North Central part of town and information on the PD Facebook page is being posted reminding residents to be aware of suspicious activity after a string of events have taken place in the area over the past several weeks.

Community Center

- No official word from the county but staff is not anticipating being funded at a higher level next year based on informal information from County staff.

Council Reports

Wood mentioned the alley behind the Tracy and Byers South of Ross is overgrown.

Clark had nothing to report

Marsh stated the County is on schedule to finish the 135th street project.

Griffin wanted to point out that on 3rd street South of fence line behind the school the brush is growing in the fence line. The School does not appear to be cleaning the fence line. He is not sure who is actually responsible for it.

Papish said the ditched in front of the EMS and Shackelford on Ross are overgrown. And in front of some properties where the curb meets the street there are weeds growing up in the street. She also asked if staff was able to touch base with the fireworks guy to talk with him about the display we had on the 4th of July. If the City will be doing another fireworks display for Fall Fest and using the same person then he needs to be aware of what the opinion was of the last display.

Givens mentioned he was not able to meet with him yet but will try again.

Executive Session

Griffin asked for a side bar with the City Attorney.

Griffin came back from the sidebar and stated he would like an executive session to discuss non-elected personnel.

Motion: *Griffin* moved, *Wood* seconded to recess into executive session for consultation with an attorney on matters that would be deemed privileged in attorney-client relationship, to include the City Attorney, and the City Administrator. We will reconvene the open meeting in the City Council Chambers at 8:30p.m. (5 minutes later). Voted and passed unanimously.

Council President Papish called the meeting back to order at 8:30 p.m. and stated there was no binding action taken in executive session.

Adjournment

With no further discussion Papish called for a motion to adjourn.

MOTION: *Clark* moved, *Wood* seconded to adjourn the meeting. Voted and passed unanimously

The Meeting adjourned at 8:35 p.m.

CERTIFICATE

State of Kansas }
County of Sedgwick }
City of Clearwater }

I, Courtney Meyer, City Clerk of the City of Clearwater, Sedgwick County, Kansas, hereby certify that the foregoing is a true and correct copy of the approved minutes of the July 28, 2015 City Council meeting.

Given under my hand and official seal of the City of Clearwater, Kansas, this 11th day of August, 2015.

Courtney Meyer, City Clerk

(First Published in Times-Sentinel _____, 2015)

ORDINANCE NO. 999

AN ORDINANCE REGULATING TRAFFIC WITHIN THE CORPORATE LIMITS OF THE CITY OF CLEARWATER, KANSAS; INCORPORATING BY REFERENCE THE "STANDARD TRAFFIC ORDINANCE FOR KANSAS CITIES," EDITION OF 2015, WITH CERTAIN OMISSIONS, CHARGES AND ADDITIONS; PROVIDING ADDITIONAL REGULATION; AND REPEALING ORDINANCE NO. 954; AND AMENDING 10.08.010, 10.08.015, 10.08.030, AND 10.08.040 OF THE CITY OF CLEARWATER MUNICIPAL CODE.

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

Section 1. Ordinance No. 987, Section 1 and Section 10.08.010 of the Municipal Code of the City of Clearwater is hereby amended to read as follows:

10.08.010 Incorporating Standard Traffic Ordinance. There is hereby incorporated by reference for the purpose of regulating traffic within the corporate limits of the City of Clearwater, Kansas, a comprehensive traffic ordinance known as the "Standard Traffic Ordinance for Kansas Cities," Edition 2014, with appendices, prepared and published in book form by the League of Kansas Municipalities, Topeka, Kansas, save and except such articles, sections, parts or portions as are hereby omitted, deleted, modified or changed. Not less than three (3) copies of the Standard Traffic Ordinance shall be marked or stamped "Official Copy as Adopted by Ordinance No. 999" with all sections or portions thereof intended to be omitted or changed and to which shall be attached a copy of this ordinance, and filed with the City Clerk to be open to inspection and available to the public at all reasonable hours. The police department, municipal judge and all administrative departments of the City charged with enforcement of the ordinance shall be supplied, at the cost of the city, such number of official copies of such Standard Traffic Ordinance similarly marked as may be deemed expedient.

Section 2. Ordinance 987, Section 2 and Section 10.08.015 of the Municipal Code of the City of Clearwater, Kansas is hereby added to read as follows:

10.08.015 Traffic Infractions and Traffic Offenses. (a) An ordinance traffic infraction is a violation of any section of this ordinance that prescribes or required the same behavior as that prescribed or required by a statutory provision that is classified as a traffic infraction in K.S.A. 8-2118. (b) All traffic violations which are included within this ordinance and which are not ordinance traffic infractions, as defined in subsection (a) of this section, shall be considered traffic offenses.

Section 3. Ordinance 987, Section 2 and Section 10.08.030 of the Municipal Code of the City of Clearwater, Kansas is hereby amended to read as follows:

10.08.030 Addition to Article 7, Section 37: Exhibition of Acceleration. No person shall drive any vehicle in an exhibition of speed or acceleration. Exhibition of speed or acceleration shall be defined as, but not limited to, those acts which cause or create unnecessary tire squeal, skid, smoke, or slide upon acceleration or stopping including the casting of tread, gravel, dirt, or other road surface materials from the tires; acts that simulate a temporary race; acts that cause the vehicle to unnecessarily turn abruptly, sway or lose traction with the road surface. (K.S.A. Supp 8-1565)

Section 4. Ordinance 987, Section 3 and 10.08.040 of the Municipal Code of the City of Clearwater, Kansas is hereby amended to read as follows:

10.08.040 Replacement; Additions; Article 7, Section 33. Article 7, relating to speed regulations of the Standard Traffic Ordinance of Kansas Cities, Edition 2014, is amended to delete the printed Section 33 and insert in lieu thereof the following:

Section 33: Maximum Speed Limits:

- (a) Except when a special hazard exists that requires lower speed for compliance of Section 32, the limits specified in this section or established as hereinafter authorized shall be the maximum lawful speeds, and no person shall drive a vehicle at a speed in excess of such maximum limits:
 - I. Twenty (20) miles per hour in any business district unless otherwise limited and posted by appropriate signs;
 - II. Thirty (30) miles per hour in any residential district, unless otherwise limited and posted by appropriate signs;
 - III. Ten (10) miles per hour in any park under the jurisdiction of the City;
 - IV. Twenty (20) miles per hour on any street or highway designated as a school zone by resolution of the Governing Body during the hours where signs are posted designating a school zone.
- (b) The maximum speed limit established by or pursuant to this paragraph shall be of force and effect regardless of whether signs are posted giving notice thereof.

Section 5. Ordinance No. 987 is hereby repealed.

Section 6. This Ordinance shall take effect and be in force from and after its publication of the summary in the official City newspaper of the City of Clearwater, Kansas.

ADOPTED AND APPROVED BY THE GOVERNING BODY THIS _____ DAY OF _____, 2015.

Mayor, Burt Ussery

ATTEST:

City Clerk, Courtney Meyer

(First Published in Times-Sentinel _____, 2015)

ORDINANCE NO. 1000

AN ORDINANCE AMENDING SECTION 1 AND SECTION 2 OF ORDINANCE NO. 988; REGULATING PUBLIC OFFENSES WITHIN THE CORPORATE LIMITS OF THE CITY OF CLEARWATER, INCORPORATING BY REFERENCE THE “UNIFORM PUBLIC OFFENSE CODE FOR KANSAS CITIES,” EDITION OF 2015 AND REPEALING THE ORIGINAL THEREOF.

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

Section 1. Section 1 of Ordinance No. 988 and Section 11.01.010 are hereby amended to read as follows:

11.01.010 INCORPORATING UNIFORM PUBLIC OFFENSE CODE. There is hereby incorporated by reference for the purpose of regulating public offenses within the corporate limits of the City of Clearwater, Kansas, that certain code known as the “Uniform Public Offense Code,” Edition 2015, prepared and published in book form by the League of Kansas Municipalities, Topeka, Kansas. Not less than three (3) copies of the Uniform Public Offense Code shall be marked or stamped “Official Copy as Adopted by Ordinance No. 1000” and to which shall be attached a copy of this ordinance, and filed with the City Clerk to be open to inspection and available to the public at all reasonable hours.

Section 2. Section 11.01.020 of the Municipal Code of the City of Clearwater, Kansas is hereby added to read as follows:

11.01.020 OMITTING PROVISIONS. Article 10, Section 10.13 of the Uniform Public Offense Code relating to barbed wire is hereby omitted and deleted.

Section 3. Ordinance 988 as originally enacted is hereby repealed.

Section 4. This Ordinance shall take effect and be in force from and after its publication of the summary in the official City newspaper of the City of Clearwater, Kansas.

ADOPTED AND APPROVED BY THE GOVERNING BODY THIS ____ DAY OF _____, 2015.

Mayor, Burt Ussery

ATTEST:

City Clerk, Courtney Meyer

AGREEMENT FOR WATER SERVICE

THIS AGREEMENT is made and entered into this ____ day of _____, 2015, by and between the City of Clearwater, Kansas, a municipal corporation, hereinafter referred to as the "City" and Charles Engineering, Inc., hereinafter referred to as the "Owner", and who is the record Owner of the following described property, located in Sedgwick County, Kansas: Lot 2 of the Willard Parker First Addition to Sedgwick County, Kansas, with a commonly known address of 10460 South 119th Street West, Clearwater, Sedgwick County, Kansas, 67206, hereinafter referred to as "the premises".

WHEREAS, at the present time the premises is located outside the corporate limits of the City; and

WHEREAS, the Owner desires to have public water service provided to the premises described above, under the terms and conditions of this Agreement; and

WHEREAS, the City is willing to provide the desired water service under the terms and conditions of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises, terms, covenants, agreements and conditions set forth herein, the parties hereto agree as follows:

1. The City hereby agrees, that in its sole discretion, it will install, construct and maintain an extension of the City's present public water system to a point selected by the City and allow the Owner to access such public water extension in accordance with the terms and conditions set forth in this Agreement.
2. The Owner does hereby agree to accept public water service from a connection at a point selected by the City.
3. The Owner further agrees to be responsible for and to pay all costs associated with the extension of the City's public water system to and the accessing or tapping of the City's public water system at the selected point of connection. The estimated cost of providing such water service is approximately \$19,200.00 which includes the cost of the installation of a 2" main and a 1" service line and all necessary piping, valves and fittings. This estimated cost may be increased due to unforeseen circumstances. An additional charge of up to \$1,300.00 for the installation of water meter and associated installation costs. These costs shall be paid by the Owner to the City in the following manner:

All tapping fees and meter and service line installation costs shall be paid once installation is complete and prior to water service being turned on to the premises.

Owner further agrees that the Owner shall be responsible for and shall pay all costs associated with the installation, construction and continuing maintenance of the Owner's water service line to the premises from the point of connection to the City public water system and that such line shall be constructed, maintained and operated in accordance with all applicable federal, state, local and City laws, rules, regulations, resolutions and ordinances applicable to such service.

4. Owner understands and agrees that the size of the water line(s) and size of the tap will be determined by the City in accordance with its estimated needs of service to the Owner and Owner accepts such service with the knowledge and understanding that the City's ability to provide public water service is regulated by certain state agencies which have the legal right to regulate and restrict the City's ability to provide such public water services.

5. In addition, Owner agrees not to permit or allow any other person(s) to utilize the public water service connection established by virtue of this Agreement by attaching to the water line which the Owner installs for service to the premises.

6. Owner agrees to pay the public water rates as established by ordinance for commercial customers of the City of Clearwater, Kansas, as the same may be amended from time to time, for all water provided by the City to Owner under this Agreement.

7. The term of this Agreement shall be for ten (10) years following its date of execution. Thereafter, this Agreement shall automatically renew and extend for additional sequential one (1) year terms, on the terms and conditions herein provided.

8. In the event Owners should default upon or fail to perform any actions or obligations under this Agreement for a period of thirty (30) days after notice from the City of such failure or default, then the City may, at its option, terminate this Agreement, terminate water services to the premises and no longer be required to provide such service in the future. Upon such termination, the City shall be released from any obligations under this Agreement.

9. This Agreement is binding on the parties hereto and any and all successors in interest in and to the premises. Owner agrees not to assign any right, privilege or obligation which shall accrue to the Owner by virtue of this Agreement to any other person or entity except for a legal successor in title to the above-described premises, and any attempt to make such assignment to any other person or entity shall automatically terminate this Agreement.

9. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected and each provision of this Agreement shall be enforced to the fullest extent permitted by law. Additionally, this Agreement is in all respects subject to the provisions of the Kansas Cash Basis Law (K.S.A. 10-1112 and 10-1113), the

Budget Law (K.S.A. 79-2935), and other laws of the State of Kansas, and shall be construed and interpreted so as to ensure that the City is at all times in compliance with such laws. As such, this agreement may be modified by direction from a court of competent jurisdiction to remain in compliance therewith.

11. This Agreement contains the entire understanding and agreement between the parties hereto and supersedes any and all prior written and oral negotiations, proposals, agreements and understandings between the parties hereto. This Agreement shall be modified or altered only by a written amendment that is signed by the parties to this Agreement. No alteration or variation of the terms and conditions of this Agreement shall be valid unless made by such a written amendment. Nevertheless and notwithstanding anything to the contrary herein, any alterations, additions, or deletions to the terms of this Agreement which are required by federal or state laws, regulations, rules, orders or directives are automatically incorporated into this Agreement without written amendments hereto and shall be effective on or from the effective date of or date specified by such law, regulation, rule, order or directive.

12. Upon its execution by the parties, this Agreement shall be filed with the Sedgwick County Register of Deeds.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective on the date first above written.


CHARLES ENGINEERING, INC.

MAYOR, BURT USSERY

ATTEST:

CITY CLERK, COURTNEY MEYER

ACKNOWLEDGEMENTS

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

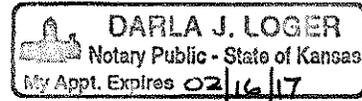
BE IT KNOWN BY ALL PERSONS that on this 5th day of AUGUST, 2015, before me, a Notary Public, came JAMES CHARLES who is personally known to me to be the same person who executed the foregoing Agreement on behalf of and in his official capacity as PRESIDENT of Charles Engineering, Inc.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

Darla J. Loger

NOTARY PUBLIC

My Appointment Expires: 02/16/17



STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

BE IT KNOWN BY ALL PERSONS that on this ___ day of _____, 2015, before me, a Notary Public, came Burt Ussery, who is known to me to be the Mayor of the City of Clearwater, Kansas and who personally acknowledged execution of the foregoing Agreement, and Courtney Meyer, who is known to me to be the City Clerk of the City of Clearwater, Kansas and who personally acknowledged attesting the signature of said Burt Ussery.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

NOTARY PUBLIC

My Appointment Expires: _____

CERTIFICATE OF RECORDING

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

BE IT KNOWN BY ALL PERSONS that the foregoing Agreement has been filed of record in the Office of Register of Deeds of Sedgwick County, Kansas, and recorded on Film _____ at Page _____.

WITNESS my hand and official seal on this _____ day of _____, 2015.

(SEAL)

REGISTER OF DEEDS,
SEDGWICK COUNTY, KANSAS

**City of Clearwater
City Council Meeting
August 11, 2015**

TO: Mayor and City Council
SUBJECT: Public Hearing for 2016 Budget
INITIATED BY: City Administrator
PREPARED BY: City Administrator
AGENDA: New Business

Background: Cities are required by state statute to adopt, publish and conduct a public hearing for their budget on an annual basis. Staff and the City Council have worked through several meetings and workshops to prepare a budget for 2016. Public Notice of the Budget Hearing was made in the July 23rd edition of the Times – Sentinel.

Analysis: The budget as presented for 2016 contains no increase in the requested mill levy of 54 from 2015. It provides for an overall budget expenditure authority of \$3,897,227 with operating expense expenditures being \$3,604,269. The city will implement an Equipment Reserve Fund that will provide for future capital purchases. A total transfer of \$55,860 will be placed into the equipment reserve fund.

Financial: There will be a small publication cost to publish the budget page and notice of hearing.

Legal Considerations: Review and Comment as Necessary

Recommendations/Actions: It is recommended the City Council:

Conduct the Public Hearing on the 2016 Budget;

Adopt the Budget as Present.

Attachments:

2016 Budget Summary of Added Expenditures (1-page)
Certificate (1-page)

NOTICE OF BUDGET HEARING

The governing body of
City of Clearwater
will meet on August 11, 2015 at 6:30 PM at City Hall for the purpose of hearing and
answering objections of taxpayers relating to the proposed use of all funds and the amount of ad valorem tax.
Detailed budget information is available at City Hall and will be available at this hearing.

BUDGET SUMMARY

Proposed Budget 2016 Expenditures and Amount of Current Year Estimate for 2015 Ad Valorem Tax establish the maximum limits of the 2016 budget.
Estimated Tax Rate is subject to change depending on the final assessed valuation.

FUND	Prior Year Actual for 2014		Current Year Estimate for 2015		Proposed Budget for 2016		
	Expenditures	Actual Tax Rate*	Expenditures	Actual Tax Rate*	Budget Authority for Expenditures	Amount of 2015 Ad Valorem Tax	Estimate Tax Rate*
General	1,289,005	18.271	1,438,092	24.723	2,082,570	650,130	44.430
Debt Service	344,984	8.464	399,823	7.908	438,799	35,957	2.457
Library	65,657	3.999	66,547	4.000	65,690	58,530	4.000
Library Employee Benefits 2	8,880	0.548	9,248	0.585	13,184	12,074	0.825
Employee Benefits 203	217,645	14.036	223,275	12.149	78,807		
City Capital Improvement 2	41,156	3.871	120,000	4.000	116,000	31,974	2.185
Special Liability 205	11,049	0.684	6,609	0.635	7,000	1,505	0.103
Special Highway 206	79,603		110,024		92,419		
Special Parks 209	40,000		15,500		89,250		
Senior Center 207	18,000		18,300		21,400		
EVS \$2 215	23,085		23,085		23,500		
Water 501	295,624		361,619		408,028		
Sewer 550	457,540		339,063		460,580		
Non-Budgeted Funds							
Totals	2,892,228	49.873	3,131,185	54.000	3,897,226	790,170	54.000
Less: Transfers	0		0		292,958		
Net Expenditure	2,892,228		3,131,185		3,604,268		
Total Tax Levied	706,902		776,078		XXXXXXXXXXXXXXXXXX		
Assessed Valuation	14,174,068		14,373,701		14,632,787		

Outstanding Indebtedness,

January 1,	2013	2014	2015
G.O. Bonds	3,555,000	4,445,000	4,836,045
Revenue Bonds	0	0	0
Other	950,000	0	0
Lease Purchase Principal	410,865	524,978	406,657
Total	4,915,865	4,969,978	5,242,702

*Tax rates are expressed in mills

Courtney Meyer

City Official Title: City Clerk

2016

CERTIFICATE

To the Clerk of Sedgwick County, State of Kansas

We, the undersigned, officers of

City of Clearwater

- certify that: (1) the hearing mentioned in the attached publication was held;
 (2) after the Budget Hearing this budget was duly approved and adopted as the maximum expenditure for the various funds for the year 2016; and
 (3) the Amount(s) of 2015 Ad Valorem Tax are within statutory limitations.

			2016 Adopted Budget		
		Page No.	Budget Authority for Expenditures	Amount of 2015 Ad Valorem Tax	County Clerk's Use Only
Table of Contents:					
Computation to Determine Limit 2016		2			
Allocation of MVT, RVT, and 16/20M Veh Tax		3			
Schedule of Transfers		4			
Statement of Indebtedness		5			
Statement of Lease-Purchases		6			
Computation to Determine State Library Grant		7			
Fund	K.S.A.				
General	12-101a	8	2,082,570	650,130	
Debt Service	10-113	9	438,799	35,957	
Library	12-1220	9	65,690	58,530	
Library Employee Benefits 202	12-16,102	10	13,184	12,074	
Employee Benefits 203	12-16,102	10	78,807		
City Capital Improvement 212	12-1736	11	116,000	31,974	
Special Liability 205	75-6110	11	7,000	1,505	
Special Highway 206		12	92,419		
Special Parks 209		12	89,250		
Senior Center 207		13	21,400		
EVS \$2 215		13	23,500		
Water 501		14	408,028		
Sewer 550		14	460,580		
Non-Budgeted Funds		15			
Totals		xxxxxx	3,897,226	790,170	
Notice of the vote to adopt required to be published and attached to the budget			Yes		County Clerk's Use Only
Budget Summary		16			
Neighborhood Revitalization		17			Nov 1, 2015 Total Assessed Valuation

Assisted by:

 Courtney Meyer

 City Clerk

 Address:

 PO Box 453

 Clearwater, KS 67026

 Email:

 cmeyer@clearwaterks.org

Date Attested: _____ 2015

 County Clerk

 Governing Body

**City of Clearwater
City Council Meeting
August 11, 2015**

TO: Mayor and City Council
SUBJECT: Authorize Bid Award for Waste Water Treatment Facility Phase 1 Improvements
INITIATED BY: City Administrator
PREPARED BY: City Administrator
AGENDA: New Business

Background: In 2014, the received an administrative order from KDH&E in reference to failure to comply with discharge limits at the Waste Water Treatment Facility. The city began a process of working with EBH engineering on processes that will move the city towards compliance with state regulations. A proposal was designed that would remove sludge from the four cells that comprise the treatment area, as well as the installation of recirculation and aeration systems. Bids were solicited for the proposed work and opened on Thursday.

Analysis: The city received two bids from construction companies. UCI of Wichita, was the lowest bidder with a bid of \$376,951. This bid was within the engineer's estimates and provides an opportunity to recoup all associated engineering costs already accrued by the city thru bond proceeds.

UCI anticipates starting work in October and weather permitting would have all work done by years end. UCI is also doing similar work in Anthony, KS on a project also designed by EBH.

Financial: Bonds have been authorized for \$620,000 based on the engineer's estimate. With the bid being low, the city has the opportunity to recoup engineering fees that have already been expended. The total engineering contract with EBH is for \$152,000 of which \$78,703 has been billed. Staff will provide an updated comparison sheet on Monday that will show the difference in monthly debt service if we were to only bond the \$376,951.

Legal Considerations: Approve as to form

Recommendations/Actions: It is recommended the City Council:

Approve and Award the bid of \$376,951.00 to UCI for Phase 1 Waste Water Treatment Facility Improvements:

Attachments: Bid Tabulation (1-page) Notice of Award (1-page)

BID Tabulation

Clearwater WWTF Phase 1

Aug. 6, 2015

2: 00 P.M.

Base Bid- Phase 1				Utility Contractors, Inc. Wichita, KS		Smoky Hill LLC Salina, KS	
ITEM	DESCRIPTION	UNIT	QUANTITY	Price	Extension	Price	Extension
Sludge Removal							
1	Mobilization	L.S.	1	\$ 10,350.00	\$ 10,350.00	\$ 47,730.00	\$ 47,730.00
Option 1							
2	Cell 2 Sludge Removal	L.S.	1	\$ 71,875.00	\$ 71,875.00	\$ 76,620.00	\$ 76,620.00
Option 2							
3	Cell 3 Sludge Removal	L.S.	1	\$ 73,025.00	\$ 73,025.00	\$ 77,680.00	\$ 77,680.00
Option 3							
4	Cell 4 Sludge Removal	L.S.	1	\$ 62,445.00	\$ 62,445.00	\$ 67,900.00	\$ 67,900.00
Recirculation System							
5	Recirculation Pump	L.S.	1	\$ 32,918.00	\$ 32,918.00	\$ 33,500.00	\$ 33,500.00
6	Wetwell	L.S.	1	\$ 36,708.00	\$ 36,708.00	\$ 14,000.00	\$ 14,000.00
7	Piping	L.S.	1	\$ 45,347.00	\$ 45,347.00	\$ 78,350.00	\$ 78,350.00
8	Concrete Work	L.S.	1	\$ 28,457.00	\$ 28,457.00	\$ 9,600.00	\$ 9,600.00
9	Repair HDPE Liner	L.S.	1	\$ 10,958.00	\$ 10,958.00	\$ 2,600.00	\$ 2,600.00
Discharge Structure Modification							
10	Modification to Effluent Structure	L.S.	1	\$ 4,868.00	\$ 4,868.00	\$ 13,450.00	\$ 13,450.00
TOTAL BASE BID				\$	376,951.00	\$	421,430.00

DOCUMENT 00670

NOTICE OF AWARD

TO: _____ **Utility Contractors, Inc.** _____
(name of Successful Bidder)

In accordance with the *Instructions to Bidders*, Owner has evaluated Bids for furnishing, performing, and completing all Work for the

_____ **2014 WWTF PHASE 1** _____
(title and description of project)

submitted in response to the *Advertisement for Bids* dated. _____ August 6, 2015 _____

Your Bid, in the amount of \$ 376,951.00 _____, has been accepted and, upon compliance with the requirements set forth in Article 13 of the *Instructions to Bidders*, Owner will enter into the *Agreement* with you. Penalties for noncompliance are set forth in Article 6 of the *Instructions to Bidders*.

SIGNED and DATED this _____ day of _____, 2015

_____ **City of Clearwater, Kansas** _____
(legal name of Owner)

By: _____

_____ (typed/printed)

_____ (Title)

You must acknowledge receipt of this *Notice of Award* by returning a signed copy to Owner:

Date of Receipt: _____

_____ **Utility Contractors Inc.** _____

By: _____

_____ (typed/printed)

_____ (Title)

END OF DOCUMENT

**City of Clearwater
City Council Meeting
August 11, 2015**

TO: Mayor and City Council
SUBJECT: Consider an Ordinance Authorizing the Sale of General Obligation Bonds, Series 2015-A, and General Obligation Refunding Bonds, Series 2015-B
INITIATED BY: City Administrator
PREPARED BY: City Administrator
AGENDA: New Business

Background: At the July 14th, 2015 Regular City Council Meeting, authorized the sale of bond issuances for the 135th Street Project and the Sewer Lagoon Improvements as well as options for refunding a previously issued series of bonds.

Analysis: The resolution called for the sale of General Obligation Bonds that will finance the city's portion of the 135th Road Project as well as several other miscellaneous road repairs in within the city. Under the same umbrella, these bonds will be used to pay for sewer lagoon work the city is required to do in order to comply with an Administrative Order from KDHE. A separate refunding bond will be offered and if the interest rate is favorable for the refinancing, these bonds will also be offered for sale.

Financial: The street portion of the bonds will be paid thru the general fund bond and interest revenue line. The total amount of bond authorization for street work will be \$370,000. The total amount of bond authorization for the lagoon project work will be \$640,000. With the bid award being significantly lower than the bond authorization, certain costs can be recouped or the total bond offering scaled back. A full report on the financing options will be provided at the meeting on Monday.

Additionally, the city will be offering for sale, General Obligation Refunding Bonds. These bonds will be approximately \$660,000 and will be offered for sale only if interest rates are favorable. The repayment of these bonds will be paid via the General Fund, Bond and Interest Mill Levy. Options were present on refinancing savings in which the city could redeem its savings upfront, throughout the repayment of the bonds or at the end of the bond term.

Legal Considerations: The Ordinance has been crafted by Bond Counsel, Kevin Cowan of Gilmore and Bell, who will be available for questions and comments if necessary.

Recommendations/Actions: It is recommended the City Council:

1. Adopt an Ordinance Authorizing the Sale of General Obligation Bonds, Series 2015-A, and General Obligation Refunding Bonds, Series 2015-B

Attachments:

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF CLEARWATER, KANSAS
HELD ON AUGUST 11, 2015**

The governing body met in regular session at the usual meeting place in the City, at 6:30 p.m., the following members being present and participating, to-wit:

Absent:

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

* * * * *

(Other Proceedings)

The Clerk reported that pursuant to the Notice of Bond Sale heretofore duly given, bids for the purchase of General Obligation Bonds, Series 2015-A, dated September 1, 2015, and General Obligation Refunding Bonds, Series 2015-B, dated September 1, 2015, of the City had been received. A tabulation of said bids is set forth as *EXHIBIT A-1* and *EXHIBIT A-2* hereto.

Thereupon, the governing body reviewed and considered the bids and it was found and determined that the bid of _____, was the best bid for the Series 2015-A Bonds, and _____ was the best bid for the Series 2015-B Bonds, copies of which are attached hereto as *EXHIBIT B*.

Councilmember _____ moved that said bid be accepted and that the Mayor and Clerk be authorized and directed to execute the bid form selling the Bonds to the best bidder on the basis of said bid and the terms specified in the Notice of Bond Sale. The motion was seconded by Councilmember _____. Said motion was carried by a vote of the governing body with the vote being as follows:

Yea: _____.

Nay: _____.

Thereupon, there was presented an Ordinance entitled:

**AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF
GENERAL OBLIGATION BONDS, SERIES 2015-A, AND GENERAL
OBLIGATION REFUNDING BONDS, SERIES 2015-B, OF THE CITY OF
CLEARWATER, 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
THERE TO.**

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

Yea: _____.

Nay: _____.

Thereupon, the Mayor declared said Ordinance duly passed and the Ordinance was then duly numbered Ordinance No. _____, was signed and approved by the Mayor and attested by the Clerk and the Ordinance or a summary thereof was directed to be published one time in the official newspaper of the City.

Thereupon, there was presented a Resolution entitled:

**A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND
AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF GENERAL
OBLIGATION BONDS, SERIES 2015-A, AND GENERAL OBLIGATION
REFUNDING BONDS, SERIES 2015-B, OF THE CITY OF CLEARWATER,
KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. 998 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.**

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

Yea: _____.

Nay: _____.

Thereupon, the Mayor declared said Resolution duly adopted and the Resolution was then duly numbered Resolution No. _____, and was signed by the Mayor and attested by the Clerk.

(Other Proceedings)

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

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

CERTIFICATE

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

(SEAL)

Clerk

**EXHIBIT A-1
BID TABULATION**

**CITY OF CLEARWATER, KANSAS
GENERAL OBLIGATION BONDS**

Dated: September 1, 2015
Series 2015-A

Sale Date: August 11, 2015
11:00 A.M., C.D.T.
Max Interest Rate: _____%

BIDDERS

	_____	_____	_____	_____	_____
GOOD FAITH CHECK/SURETY BOND	_____	_____	_____	_____	_____
INTEREST RATES:					
2017	_____ %	_____ %	_____ %	_____ %	_____ %
2018	_____ %	_____ %	_____ %	_____ %	_____ %
2019	_____ %	_____ %	_____ %	_____ %	_____ %
2020	_____ %	_____ %	_____ %	_____ %	_____ %
2021	_____ %	_____ %	_____ %	_____ %	_____ %
2022	_____ %	_____ %	_____ %	_____ %	_____ %
2023	_____ %	_____ %	_____ %	_____ %	_____ %
2024	_____ %	_____ %	_____ %	_____ %	_____ %
2025	_____ %	_____ %	_____ %	_____ %	_____ %
2026	_____ %	_____ %	_____ %	_____ %	_____ %
TOTAL INTEREST COST:	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
PREMIUM:	\$(_____)	\$(_____)	\$(_____)	\$(_____)	\$(_____)
DISCOUNT:	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
NET INTEREST COST:	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
AVERAGE INTEREST RATE:	_____ %	_____ %	_____ %	_____ %	_____ %

**EXHIBIT A-2
BID TABULATION**

**CITY OF CLEARWATER, KANSAS
GENERAL OBLIGATION REFUNDING BONDS**

Dated: September 1, 2015
Series 2015-B

Sale Date: August 11, 2015
11:00 A.M., C.D.T.
Max Interest Rate: _____%

BIDDERS

	_____	_____	_____	_____	_____
GOOD FAITH CHECK/SURETY BOND	_____	_____	_____	_____	_____
INTEREST RATES:					
2016	_____ %	_____ %	_____ %	_____ %	_____ %
2017	_____ %	_____ %	_____ %	_____ %	_____ %
2018	_____ %	_____ %	_____ %	_____ %	_____ %
2019	_____ %	_____ %	_____ %	_____ %	_____ %
2020	_____ %	_____ %	_____ %	_____ %	_____ %
2021	_____ %	_____ %	_____ %	_____ %	_____ %
2022	_____ %	_____ %	_____ %	_____ %	_____ %
2023	_____ %	_____ %	_____ %	_____ %	_____ %
TOTAL INTEREST COST:	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
PREMIUM:	\$(_____)	\$(_____)	\$(_____)	\$(_____)	\$(_____)
DISCOUNT:	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
NET INTEREST COST:	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
AVERAGE INTEREST RATE:	_____ %	_____ %	_____ %	_____ %	_____ %

EXHIBIT B
(BIDS OF PURCHASERS)

ORDINANCE NO. 998

OF

THE CITY OF CLEARWATER, KANSAS

PASSED

AUGUST 11, 2015

\$1,020,000*
GENERAL OBLIGATION BONDS
SERIES 2015-A

\$620,000*
GENERAL OBLIGATION REFUNDING
BONDS
SERIES 2015-B

DATED SEPTEMBER 1, 2015

ORDINANCE NO. 998

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2015-A, AND GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015-B, OF THE CITY OF CLEARWATER, 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 Clearwater, Kansas (the “City”) is a city of the third class, duly created, organized and existing under the Constitution and laws of the State; and

WHEREAS, by proceedings duly had, the governing body of the City has authorized the following improvements (the “Improvements”) to be made in the City, to-wit:

<i>Project Description</i>	<i>Ord./Res. No.</i>	<i>Authority (K.S.A.)</i>	<i>Amount</i>
Sewer lagoon improvements	990/10-2015	Charter Ordinance No. 18 and K.S.A. 12-101 <i>et seq.</i>	\$650,000
Street improvements	7-2014 and 10-2015	K.S.A. 12-685 <i>et seq.</i>	370,000

; and

WHEREAS, all legal requirements pertaining to the Improvements have been complied with, and the governing body of the City now finds and determines that the total cost of the Improvements and related expenses are at least \$1,020,000.

WHEREAS, the governing body of the City 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 \$1,020,000 of its general obligation bonds to pay a portion of the costs of the Improvements; and

WHEREAS, the City heretofore issued and has outstanding the Refunded Bonds and is authorized by K.S.A. 10-427 *et seq.* to issue general obligation refunding bonds of the City for the purpose of refunding the Refunded Bonds; and

WHEREAS, in order to achieve interest cost savings through early redemption of the Refunded Bonds, and provide an orderly plan of finance for the City, it has become desirable and in the best interest of the City and its inhabitants to refund the Refunded Bonds; and

WHEREAS, the governing body of the City 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 GOVERNING BODY OF THE CITY OF CLEARWATER, 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. 10-427 *et seq.*, K.S.A. 12-101 *et seq.*, Article 12 of Section 5 of the Kansas Constitution, and Charter Ordinance No. 18 of the Issuer, 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 of the City prescribing the terms and details of the Bonds and making covenants with respect thereto.

“Bonds” means, jointly, the Series 2015-A Bonds and the Series 2015-B Bonds.

“City” means the City of Clearwater, 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.

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

“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 Bonds” means the Series 2007 Bonds maturing in the years 2015 to 2023, inclusive, in the aggregate principal amount of \$660,000.

“Series 2007 Bonds” means the City's General Obligation Bonds, Series 2007, dated October 1, 2007.

“Series 2015-A Bonds” means the City's General Obligation Bonds, Series 2015-A, dated September 1, 2015, authorized by this Ordinance.

“Series 2015-B Bonds” means the City's General Obligation Refunding Bonds, Series 2015-B, dated September 1, 2015, authorized by this Ordinance.

“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 2015-A, of the City in the principal amount of \$1,020,000*, for the purpose of providing funds to: (a) pay a portion of the costs of the Improvements; and (b) pay a portion of the costs of issuance of the Bonds. There shall also be issued and hereby are authorized and directed to be issued the General Obligation Refunding Bonds, Series 2015-B, of the City in the principal amount of \$620,000*, for the purpose of providing a portion of the funds to: (a) refund the Refunded Bonds; and (b) pay a portion of the costs of issuance of the Bonds.

Section 3. Security for the Bonds. The Series 2015-A Bonds shall be general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The Series 2015-B Bonds shall be general obligations of the City payable as to both principal and interest in part from special assessments levied upon the property benefitted by the construction of certain public improvements financed by the Refunded Bonds, and if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The balance of the principal and interest on the Series 2015-B 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 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 of the City.

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

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

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

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

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

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

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

PASSED by the governing body of the City on August 11, 2015 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 August 11, 2015; 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 *Times-Sentinel* on August 20, 2015.

DATED: August 11, 2015.

Clerk

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(PUBLISHED IN THE *TIMES-SENTINEL* ON AUGUST 20, 2015)

SUMMARY OF ORDINANCE NO. 998

On August 11, 2015, the governing body of the City of Clearwater, Kansas passed an ordinance entitled:

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2015-A, AND GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015-B, OF THE CITY OF CLEARWATER, KANSAS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

The Series 2015-A Bonds approved by the Ordinance are being issued in the principal amount of \$1,020,000*, to finance certain internal improvements in the City and the Series 2015-B Bonds approved by the Ordinance are being issued in the principal amount of \$620,000* to refund previously issued general obligation bonds of the City. The Series 2015-A Bonds and Series 2015-B Bonds constitute general obligations of the City payable as to both principal and interest, to the extent necessary, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. A complete text of the Ordinance may be obtained or viewed free of charge at the office of the City Clerk, 129 E. Ross, Clearwater, Kansas 67026. A reproduction of the Ordinance is available for not less than 7 days following the publication date of this Summary at www.clearwaterks.org.

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

DATED: August 11, 2015.

City Attorney

RESOLUTION NO. 11-2015

OF

THE CITY OF CLEARWATER, KANSAS

ADOPTED

AUGUST 11, 2015

\$1,020,000*
GENERAL OBLIGATION BONDS
SERIES 2015-A

\$620,000*
GENERAL OBLIGATION REFUNDING
BONDS
SERIES 2015-B

DATED SEPTEMBER 1, 2015

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RESOLUTION NO. 11-2015

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF GENERAL OBLIGATION BONDS, SERIES 2015-A, AND GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015-B, OF THE CITY OF CLEARWATER, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. 998 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 governing body of the Issuer to adopt a resolution prescribing certain details and conditions and to make certain covenants with respect to the issuance of the Bonds; and

WHEREAS, the governing body of the Issuer hereby finds and determines that it is necessary for the Issuer to authorize the issuance and delivery of the Series 2015-A Bonds in the principal amount of \$1,020,000 to pay a portion of the costs of the Improvements and of the Series 2015-B Bonds in the principal amount of \$620,000* to pay a portion of the costs to refund the Refunded Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CLEARWATER, 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. 10-427 *et seq.*, K.S.A. 12-101 *et seq.*, Article 12 of Section 5 of the Kansas Constitution, and Charter Ordinance No. 18 of the Issuer, as amended and supplemented from time to time.

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

“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 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, Topeka, Kansas, and any successors and assigns.

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

“Bonds” means, jointly, the Series 2015-A Bonds and the Series 2015-B Bonds.

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

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

“City” means the City of Clearwater, Kansas.

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

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

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

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

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

“Costs of Issuance Account” means the Costs of Issuance Account for General Obligation Bonds, Series 2015-A and General Obligation Refunding Bonds, Series 2015-B, created pursuant to *Section 501* hereof.

“Dated Date” means September 1, 2015.

“Debt Service Account” means, jointly, the Debt Service Account for General Obligation Bonds, Series 2015-A created within the Bond and Interest Fund pursuant to *Section 501* hereof, and the Debt

Service Account for General Obligation Refunding Bonds, Series 2015-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) 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 of the Issuer 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.

“**Fitch**” means Fitch Ratings, 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, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

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

“**Improvement Fund**” means the Improvement Fund for General Obligation Bonds, Series 2015-A created pursuant to *Section 501* hereof.

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

“Interest Payment Date(s)” means the Stated Maturity of an installment of interest on any Bond which, for the Series 2015-A Bonds, shall be April 1 and October 1 of each year, commencing April 1, 2017, and, for the Series 2015-B Bonds, shall be April 1 and October 1 of each year, commencing April 1, 2016.

“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.

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

(a) To the Issuer at:

129 E. Ross, P.O. Box 453
Clearwater, Kansas 67026
Fax: (620) 584-3119

(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:

For the Series 2015-A Bonds:

Fax:

For the Series 2015-B Bonds:

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

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

Fitch Ratings
One State Street Plaza
New York, New York 10004.

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

“Notice Representative” means:

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

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

“Ordinance” means Ordinance No. 998 of the Issuer authorizing the issuance of the Bonds, as amended from time to time.

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

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

“Owner” when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register. 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, Topeka, Kansas, 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), 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, with respect to the Series 2015-A Bonds, the principal amount of the Series 2015-A Bonds, plus accrued interest to the date of delivery[, plus a premium of \$_____][, less an underwriting discount of \$_____][, less an original issue discount of \$_____][, and, with respect to the Series 2015-B Bonds, the principal amount of the Series 2015-B Bonds, plus accrued interest to the date of delivery[, plus a premium of \$_____][, less an underwriting discount of \$_____][, less an original issue discount of \$_____][].

“Purchaser” means, with respect to the Series 2015-A Bonds, _____, _____, the original purchaser of the Series 2015-A Bonds, and, with respect to the Series 2015-B Bonds, _____, _____, the original purchaser of the Series 2015-B 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.

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

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

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

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

“Refunded Bonds” means the Series 2007 Bonds maturing in the years 2015 to 2023, inclusive, in the aggregate principal amount of \$660,000.

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

“Refunded Bonds Redemption Date” means October 1, 2015.

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

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

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

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

“Series 2007 Bonds” means the Issuer's General Obligation Bonds, Series 2007, dated October 1, 2007.

“Series 2015-A Bonds” means the City's General Obligation Bonds, Series 2015-A, dated September 1, 2015, authorized and issued by the Issuer pursuant to the Ordinance and this Bond Resolution.

“Series 2015-B Bonds” means the City's General Obligation Refunding Bonds, Series 2015-B, dated September 1, 2015, authorized and issued by the Issuer pursuant to the Ordinance and this Bond Resolution.

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

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

“State” means the state of Kansas.

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

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

“**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 _____.]

“**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 Series 2015-A Bonds have been heretofore authorized and directed to be issued pursuant to the Ordinance in the principal amount of \$1,020,000*, for the purpose of providing funds to: (a) pay a portion of the costs of the Improvements; and (b) pay Costs of Issuance. The Series 2015-B Bonds have been heretofore authorized and directed to be issued pursuant to the Ordinance in the principal amount of \$620,000*, for the purpose of providing funds to: (a) refund the Refunded Bonds; and (b) pay Costs of Issuance.

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

SERIAL BONDS – SERIES 2015-A

Stated Maturity	Principal	Annual Rate	Stated Maturity	Principal	Annual Rate
<u>October 1</u>	<u>Amount</u>	<u>of Interest</u>	<u>October 1</u>	<u>Amount</u>	<u>of Interest</u>
2017	\$70,000	_____ %	2022	\$105,000	_____ %

2018	95,000	_____%	2023	110,000	_____%
2019	100,000	_____%	2024	110,000	_____%
2020	100,000	_____%	2025	110,000	_____%
2021	105,000	_____%	2026	115,000	_____%

SERIAL BONDS – SERIES 2015-B

<u>Stated Maturity</u> <u>October 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>	<u>Stated Maturity</u> <u>October 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
2016	\$75,000	_____%	2020	\$80,000	_____%
2017	75,000	_____%	2021	85,000	_____%
2018	80,000	_____%	2022	85,000	_____%
2019	80,000	_____%	2023	60,000	_____%

[TERM BONDS

<u>Stated Maturity</u> <u>October 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
2026	\$_____	_____%]

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, Topeka, Kansas, 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 by (a) filing with the Paying Agent or Bond Registrar then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent or Bond Registrar and appointing a successor, and (b) causing notice of appointment of the successor Paying Agent and Bond Registrar to be given by first class mail to each Owner. No resignation or removal of the Paying Agent or Bond Registrar shall become effective until a successor has been appointed and has accepted the duties of Paying Agent or Bond Registrar.

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

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

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

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner; or (b) in the case of an interest payment to 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 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 July 14, 2015, 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 chief financial officer of the Issuer 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, the Series 2015-A Bonds maturing on October 1 in the years 2025, and thereafter, will be subject to redemption and payment prior to their Stated Maturity on October 1, 2024, 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.

At the option of the Issuer, the Series 2015-B Bonds maturing on October 1 in the years 2023, and thereafter, will be subject to redemption and payment prior to their Stated Maturity on October 1, 2022, 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 applicable Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such [____] Term Bonds:

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

*

*Final Maturity

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 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 Series 2015-A Bonds shall be general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The Series 2015-B Bonds shall be general obligations of the Issuer payable as to both principal and interest in part from special assessments levied upon the property benefitted by the construction of certain public improvements financed by the Refunded Bonds, and if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The balance of the principal and interest on the Series 2015-B 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 of the Issuer shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law.

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

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

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS DEPOSIT AND APPLICATION OF BOND PROCEEDS

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 2015-A.

- (b) Redemption Fund for Refunded Bonds.
- (c) Debt Service Account for General Obligation Bonds, Series 2015-A (within the Bond and Interest Fund).
- (d) Debt Service Account for General Obligation Refunding Bonds, Series 2015-B (within the Bond and Interest Fund).
- (e) Costs of Issuance Account for General Obligation Bonds, Series 2015-A and General Obligation Refunding Bonds, Series 2015-B.

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

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

- (a) All accrued interest and premium, if any, received from the sale of the Bonds shall be deposited in the applicable Debt Service Account.
- (b) The sum of \$_____ shall be deposited in the Costs of Issuance Account for the Series 2015-A Bonds, and the sum of \$_____ shall be deposited in the Costs of Issuance Account for the Series 2015-B Bonds.
- (c) The remaining balance of the proceeds derived from the sale of the Series 2015-A Bonds shall be deposited in the Improvement Fund (\$_____).
- (d) The remaining balance of the proceeds derived from the sale of the Series 2015-B Bonds shall be deposited into the Redemption Fund (\$_____).

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 of the Issuer and on file in the office of the Clerk, including any alterations in or amendments to said plans and specifications deemed advisable by the Consulting Engineer and approved by the governing body of the Issuer; and (b) paying Costs of Issuance.

Withdrawals from the Improvement Fund shall be made only when authorized by the governing body of the Issuer. Each authorization for costs of the Improvements shall be supported by a certificate executed by the Mayor (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 Mayor (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 for General Obligation Bonds, Series 2015-A.

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 Series 2015-A 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 of the Issuer in accordance with the laws of the State; (2) a resolution authorizing the use of the proceeds of the Series 2015-A Bonds to pay the Financeable Costs of the Substitute Improvement has been duly adopted by the governing body of the Issuer 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 Series 2015-A Bonds to include the Substitute Improvements; and (4) the use of the proceeds of the Series 2015-A Bonds to pay the Financeable Cost of the Substitute Improvement will not adversely affect the tax-exempt status of the Series 2015-A Bonds under State or federal law.

(b) The Issuer may reallocate expenditure of Series 2015-A Bond proceeds among all Improvements financed by the Series 2015-A Bonds; provided the following conditions are met: (1) the reallocation is approved by the governing body of the Issuer; (2) the reallocation shall not cause the proceeds of the Series 2015-A 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 Series 2015-A Bonds under State or federal law.

Section 505. Application of Moneys in the Redemption Fund. Moneys in the Redemption Fund shall be paid and transferred to the Refunded Bonds Paying Agent, with irrevocable instructions to apply such amount to the payment of the Refunded Bonds on the Refunded Bonds Redemption Date. The Clerk is authorized and instructed to provide appropriate notice of redemption in accordance with the Refunded Bonds Resolution authorizing the issuance of such Refunded Bonds. Any moneys remaining in the Redemption Fund not needed to retire the Refunded Bonds shall be transferred to the Debt Service Account for General Obligation Refunding Bonds, Series 2015-B.

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 applicable Debt Service Account after the retirement of the applicable Bonds shall be transferred and paid into the Bond and Interest Fund.

Section 507. Deposits and Investment of Moneys. Moneys in each of the Funds and Accounts shall be deposited in accordance with laws of the State, in a bank, savings and loan association or savings bank organized under the laws of the State, any other state or the United States: (a) which has a main or branch office located in the Issuer; or (b) if no such entity has a main or branch office located in

the Issuer, with such an entity that has a main or branch office located in the county or counties in which the Issuer is located. All such depositories shall be members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law. All such deposits shall be invested in Permitted Investments as set forth in this Article or shall be adequately secured as provided by the laws of the State. All moneys held in the Funds and Accounts shall be kept separate and apart from all other funds of the Issuer so that there shall be no commingling with any other funds of the Issuer.

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

Section 508. 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 Series 2015-A Bond proceeds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than 30 days prior to the first Interest Payment Date, shall be transferred to the Improvement Fund until completion of the Improvements and thereafter to the Debt Service Account for General Obligation Bonds, Series 2015-A. Any Series 2015-B Bond proceeds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than 30 days prior to the first Interest Payment Date, shall be transferred Debt Service Account for General Obligation Refunding Bonds, Series 2015-B.

Section 509. Redemption of Refunded Bonds. The Refunded Bonds are hereby called for redemption and payment prior to maturity on the Refunded Bonds Redemption Date. Said Refunded Bonds shall be redeemed in accordance with the Refunded Bonds Resolution by the payment of the principal thereof, together with the redemption premium and accrued interest thereon to such Refunded Bonds Redemption Date. The Clerk is hereby directed to cause notice of the call for redemption and payment of said Refunded Bonds to be given in the manner provided in the Refunded Bonds Resolution. The officers of the Issuer and the Refunded Bonds Paying Agent are hereby authorized and directed to take such other action as may be necessary in order to effect the redemption and payment of said Refunded Bonds as herein provided.

ARTICLE VI

DEFAULT AND REMEDIES

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

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

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

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

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

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

ARTICLE VII

DEFEASANCE

Section 701. Defeasance. When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Bond Resolution and the pledge of the Issuer's faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of or Redemption Price of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of

the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption in compliance with *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.

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

CONTINUING DISCLOSURE REQUIREMENTS

Section 901. 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 form of which is hereby authorized, approved and directed to be signed, and 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 902. 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. 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 X

MISCELLANEOUS PROVISIONS

Section 1001. 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 covenants regarding continuing disclosure contained herein and the Disclosure Undertaking. Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the Clerk, and a duplicate copy of the audit shall be mailed to the Purchaser. Such audit shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer or Owner. Upon payment of the reasonable cost of preparing and mailing the same, a copy of any annual audit will, upon request, be sent to any Owner or prospective Owner. As soon as possible after the completion of the annual audit, the governing body of the Issuer shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Bond Resolution, the Issuer shall promptly cure such deficiency.

Section 1002. Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of this Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Bond;
- (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond;
- (c) permit preference or priority of any Bond over any other Bond; 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 of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Bonds at the time Outstanding.

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

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

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

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

Section 1003. 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 1004. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Bond Resolution shall be in writing, given to the Notice Representative at the Notice Address and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

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

Section 1005. 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 1006. 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 1007. 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 1008. Governing Law. This Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 1009. Effective Date. This Bond Resolution shall take effect and be in full force from and after its adoption by the governing body of the Issuer.

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ADOPTED by the governing body of the Issuer on August 11, 2015.

(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 August 11, 2015, as the same appears of record in my office.

DATED: August 11, 2015.

Clerk

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**EXHIBIT A-1
(FORM OF BONDS)**

**REGISTERED
NUMBER** __

**REGISTERED
\$**

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

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF SEDGWICK
CITY OF CLEARWATER
GENERAL OBLIGATION BOND
SERIES 2015-A**

**Interest
Rate:**

**Maturity
Date:**

**Dated
Date: September 1, 2015**

CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Clearwater, in the County of Sedgwick, State of Kansas (the “Issuer”), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Maturity Date shown above, unless called for redemption prior to said Maturity Date, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable semiannually on April 1 and October 1 of each year, commencing April 1, 2017 (the “Interest Payment Dates”), until the Principal Amount has been paid.

Method and Place of Payment. The principal or redemption price of this Bond shall be paid at maturity or upon earlier redemption to the person in whose name this Bond is registered at the maturity or redemption date thereof, upon presentation and surrender of this Bond at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”). The interest payable on this Bond on any Interest Payment Date shall be paid to the person in whose name this Bond is registered on the registration books maintained by the Bond Registrar at the close of business on

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

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

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

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

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

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

CITY OF CLEARWATER, KANSAS

(Facsimile Seal)

By: _____ (facsimile)
Mayor

ATTEST:

By: _____ (facsimile)
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of a series of General Obligation Bonds, Series 2015-A, of the City of Clearwater, Kansas, described in the within-mentioned Bond Resolution.

Registration Date: _____

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

By _____

Registration Number: _____

(FORM OF REVERSE SIDE OF BOND)

ADDITIONAL PROVISIONS

Authorization of Bonds. This Bond is one of an authorized series of Bonds of the Issuer designated “General Obligation Bonds, Series 2015-A,” aggregating the principal amount of \$1,020,000* (the “Bonds”) issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Bonds and the Resolution of the Issuer prescribing the form and details of the Bonds (collectively, the “Bond Resolution”). The Bonds are issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and laws of the State of Kansas, including Charter Ordinance No. 18 of the Issuer, K.S.A. 12-101 *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 from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are hereby pledged for the payment of the principal of and interest on this Bond and the issue of which it is a part as the same respectively become due.

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

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)

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

**EXHIBIT A-2
(FORM OF BONDS)**

**REGISTERED
NUMBER** __

**REGISTERED
\$**

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

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF SEDGWICK
CITY OF CLEARWATER
GENERAL OBLIGATION REFUNDING BOND
SERIES 2015-B**

**Interest
Rate:**

**Maturity
Date:**

**Dated
Date: September 1, 2015**

CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Clearwater, in the County of Sedgwick, State of Kansas (the “Issuer”), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Maturity Date shown above, unless called for redemption prior to said Maturity Date, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable semiannually on April 1 and October 1 of each year, commencing April 1, 2016 (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 CLEARWATER, KANSAS

(Facsimile Seal)

By: _____ (facsimile)
Mayor

ATTEST:

By: _____ (facsimile)
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of a series of General Obligation Refunding Bonds, Series 2015-B, of the City of Clearwater, Kansas, described in the within-mentioned Bond Resolution.

Registration Date: _____

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

By _____

Registration Number: _____

(FORM OF REVERSE SIDE OF BOND)

ADDITIONAL PROVISIONS

Authorization of Bonds. This Bond is one of an authorized series of Bonds of the Issuer designated “General Obligation Refunding Bonds, Series 2015-B,” aggregating the principal amount of \$620,000* (the “Bonds”) issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Bonds and the Resolution of the Issuer prescribing the form and details of the Bonds (collectively, the “Bond Resolution”). The Bonds are issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and laws of the State of Kansas, including K.S.A. 10-427 *et seq.*, 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 benefitted by the construction of certain public improvements financed by certain refunded bonds, and if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The balance of the principal and interest on the Bonds is payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are hereby pledged for the payment of the principal of and interest on this Bond and the issue of which it is a part as the same respectively become due.

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

LEGAL OPINION

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

GILMORE & BELL, P.C.

Attorneys at Law

100 N. Main Suite 800

Wichita, Kansas 67202

(PRINTED LEGAL OPINION)

BOND ASSIGNMENT

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

(Name and Address)

(Social Security or Taxpayer Identification No.)

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

Dated _____

Name

Social Security or
Taxpayer Identification No.

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

Signature guarantee:

By _____

CERTIFICATE OF CLERK

STATE OF KANSAS)
) SS.
COUNTY OF SEDGWICK)

The undersigned, Clerk of the City of Clearwater, Kansas, does hereby certify that the within Bond has been duly registered in my office according to law as of September 1, 2015.

WITNESS my hand and official seal.

(Facsimile Seal)

By: _____ (facsimile)
Clerk

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

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

WITNESS my hand and official seal.

(Facsimile Seal)

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

THE CITY OF CLEARWATER, KANSAS

OMNIBUS CONTINUING DISCLOSURE UNDERTAKING

DATED AS OF AUGUST 11, 2015

OMNIBUS CONTINUING DISCLOSURE UNDERTAKING

THIS OMNIBUS CONTINUING DISCLOSURE UNDERTAKING (the “Disclosure Undertaking”), dated as of August 11, 2015, is executed and delivered by the City of Clearwater, Kansas (the “Issuer”).

RECITALS

1. This Disclosure Undertaking is executed and delivered by the Issuer, pursuant to a resolution adopted by the governing body of the Issuer to consolidate the continuing disclosure obligations of the Issuer with respect to the Bonds and the Prior Undertakings, both as defined below, to enhance efficiency of the administration of Prior Undertakings and promote timely disclosure by the Issuer.

2. The Issuer is executing this Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist each Participating Underwriter in complying with the SEC Rule, as defined below. The Issuer is the only “obligated person,” as defined in the SEC Rule, with responsibility for continuing disclosure hereunder.

3. This Disclosure Undertaking shall apply with respect to any series of Bonds issued prior to the effective date hereof and subject to the SEC Rule.

In consideration of the foregoing, the Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Undertaking, unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report filed by the Issuer pursuant to, and as described in, *Section 2* of this Disclosure Undertaking, which may include the Issuer’s CAFR, so long as the CAFR contains the Financial Information and Operating Data.

“**Beneficial Owner**” means, with respect to a series of Bonds, any registered owner of any Bonds of such series and any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds of such series (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Bonds of such series for federal income tax purposes.

“**Bond Insurer**” means the provider of the bond insurance policy, if any, for any series of Bonds.

“**Bond Resolution**” means collectively the ordinance(s) and/or resolution(s) of the governing body of the Issuer authorizing the issuance of each series of the Bonds.

“**Bonds**” means all bonds, notes, installment sale agreements, leases or certificates intended to be a debt obligation of the Issuer identified on *Schedule 1* as such schedule may be supplemented and amended and, as context may require, the Bonds of any particular series identified on *Schedule 1*. The Issuer may make future series of Bonds subject to this Disclosure Undertaking by incorporating by reference in a Bond Resolution or executing a certificate to such effect in conjunction with the issuance of such series of Bonds.

“Business Day” means a day other than: (a) a Saturday, Sunday or legal holiday; (b) a day on which banks located in any city in which the principal corporate trust office or designated payment office of the trustee, any paying agent or a Dissemination Agent, as applicable, is located are required or authorized by law to remain closed; or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“CAFR” means the Issuer's Comprehensive Annual Financial Report, if any.

“Designated Agent” means Gilmore & Bell, P.C. or one or more other entities designated in writing by the Issuer to serve as a designated agent of the Issuer for purposes of this Disclosure Undertaking.

“Dissemination Agent” means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Disclosure Undertaking and which has filed with the Issuer a written acceptance of such designation substantially in the form attached hereto as *Exhibit C*.

“EMMA” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“Financial Information” means the financial information of the Issuer described in *Section 2(a)(1)* hereof.

“Fiscal Year” means the one-year period ending December 31, or such other date or dates as may be adopted by the Issuer for its general accounting purposes.

“GAAP” means generally accepted accounting principles, as applied to governmental units, as in effect at the time of the preparation of the Financial Information.

“Issuer” means the City of Clearwater, Kansas, and any successors or assigns.

“Material Events” means any of the events listed in *Section 3(a)* hereof.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the SEC Rule.

“Official Statement” means collectively the Issuer's Official Statement(s) for each series of the Bonds, including all appendices and exhibits thereto.

“Operating Data” means the operating data of the Issuer described in *Section 2(a)(2)* hereof.

“Participating Underwriter” means each of the original underwriters of a series of Bonds required to comply with the SEC Rule in connection with the offering of such Bonds.

“Prior Undertakings” means the prior continuing disclosure undertakings of the Issuer under the SEC Rule.

“Repository” means the MSRB via EMMA.

“SEC” means the Securities and Exchange Commission of the United States.

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

Section 2. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, file the Issuer's Annual Report with the Repository by November 1 of every year, beginning on November 1, 2016. The Annual Report shall consist of the Financial Information and Operating Data described as follows:

(1) **Financial Information.** The financial statements of the Issuer for such prior Fiscal Year, accompanied by an audit report resulting from an audit conducted by an Independent Accountant in conformity with generally accepted auditing standards. Such financial statements will be prepared in accordance with GAAP. A more detailed explanation of the accounting basis is contained in the Official Statement. If such audit report is not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain summary unaudited financial information and the audit report and accompanying financial statements shall be filed in the same manner as the Annual Report promptly after they become available. In the event that GAAP has changed since the submission of the last Annual Report, and if such changes are material to the Issuer, a narrative explanation describing the impact of such changes shall be contained in the Annual Report.

(2) **Operating Data.** Updates as of the end of the Fiscal Year of certain financial information and operating data described in *Exhibit A*, with such modifications to the formatting and general presentation thereof as deemed appropriate by the Issuer; provided, any substantive change to information provided shall be effected only in accordance with **Section 6** hereof.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the SEC Rule), which have been filed with the Repository, the MSRB or the SEC. If the document included by reference is a final official statement, it must be available from the Repository. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audit report and accompanying financial statements may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3(b)**.

(b) From and after such time that Section (b)(5) of the SEC Rule applies to any series of Bonds, if the Annual Report is not filed within the time period specified in **subsection (a)** hereof, the Issuer shall send a notice to the Repository in a timely manner, in substantially the form attached as *Exhibit B*.

(c) Pursuant to Section (d)(3) of the SEC Rule, the provisions of **Section 2(a)(1)** hereof shall not apply to any Bonds with a stated maturity of 18 months or less.

Section 3. Reporting of Material Events.

(a) No later than 10 Business Days after the occurrence of any of the following Material Events, the Issuer shall give, or cause to be given, to the Repository notice of the occurrence of any of the following Material Events with respect to the Bonds, with copies to the Bond Insurer:

(1) principal and interest payment delinquencies;

- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer (which shall be deemed to occur as provided in the SEC Rule);
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional paying agent or trustee or the change of name of the paying agent or trustee, if material.

(b) Notwithstanding the foregoing, notice of Material Events described in *subsections (a)(8)* and *(9)* need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Owners of affected Bonds pursuant to the Bond Resolution.

Section 4. Dissemination Agent.

(a) **General.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as Dissemination Agent hereunder at any time upon 30 days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Disclosure Undertaking.

(b) **Annual Reports.** Except as provided in **Section 2(c)** hereof, if a Dissemination Agent is appointed, not later than 15 Business Days prior to the date specified in **Section 2(a)** for providing the Annual Report to the Repository, the Issuer shall provide the Annual Report to the Dissemination Agent or the Repository. The Dissemination Agent shall file a report with the Issuer certifying that the Annual Report has been filed pursuant to this Disclosure Undertaking, stating the date it was filed, or that the Issuer has certified to the Dissemination Agent that the Issuer has filed the Annual Report with the Repository. Except as provided in **Section 2(b)** hereof, if the Dissemination Agent has not received an Annual Report or has not received a written notice from the Issuer that it has filed an Annual Report with the Repository, by the date required in **Section 2(a)**, the Dissemination Agent shall send a notice to the Repository in substantially the form attached as **Exhibit A**.

(c) **Material Event Notices.**

(1) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence of any event that it believes may constitute a Material Event, contact the chief financial officer of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time, inform such person of the event, and request that the Issuer promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to **Section 4(c)(3)**.

(2) Whenever the Issuer obtains knowledge of the occurrence of an event, because of a notice from the Dissemination Agent pursuant to **Section 4(c)(1)** or otherwise, the Issuer shall promptly determine if such event constitutes a Material Event and shall promptly notify the Dissemination Agent of such determination. If appropriate, such writing shall instruct the Dissemination Agent to report the occurrence pursuant to **Section 4(c)(3)**.

(3) If the Dissemination Agent has been given written instructions by the Issuer to report the occurrence of a Material Event pursuant to **Section 4(c)(2)**, the Dissemination Agent shall promptly file a notice of such Material Event with the Repository and provide a copy thereof to the Issuer and the Bond Insurer. Notwithstanding the foregoing, notice of Material Events described in **Sections 3(a)(8)** and **(9)** need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Owners of affected Bonds pursuant to the Bond Resolution.

(d) **Duties, Immunities and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking. The Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Undertaking.

(e) **Other Designated Agents.** The Issuer may, from time to time, appoint or designate a Designated Agent to submit Annual Reports, Material Event notices, and other notices or reports pursuant to this Disclosure Undertaking. The Issuer hereby appoints the Dissemination Agent and the Designated Agent(s) solely for the purpose of submitting Issuer-approved Annual Reports, Material Event notices, and other notices or reports pursuant to this Disclosure Undertaking. The Issuer may revoke this designation at any time upon written notice to the Designated Agent.

Section 5. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Undertaking for a particular series of Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of that series of Bonds. If the Issuer's obligations hereunder are assumed in full by some other entity as permitted in the Bond Resolution, such person shall be responsible for compliance with under this Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or assumption occurs prior to the final maturity of such Bonds, the Issuer shall give notice of such termination or assumption in the same manner as for a Material Event under *Section 3(b)*.

Section 6. Bonds Subject to this Disclosure Undertaking; Amendment; Waiver.

(a) All outstanding Bonds as of the date of this Disclosure Undertaking shown on *Schedule 1* are hereby made subject to this Disclosure Undertaking. The Issuer may make any future series of Bonds subject to this Disclosure Undertaking by incorporating by reference in a Bond Resolution or executing a certificate to such effect in conjunction with the issuance of such series of Bonds.

(b) All references to the "Bonds" in this Disclosure Undertaking shall apply separately to each series of Bonds that are or become subject to this Disclosure Undertaking, without further amendment hereto.

(c) Notwithstanding the provisions of *subsection (d)* or anything else contained in this Disclosure Undertaking to the contrary, in conjunction with the public offering of any series of Bonds, the Issuer and the Dissemination Agent may amend the categories of Operating Data to be updated as set forth in *Section 2(a)(2)* and *Exhibit A* to conform to the operating data included in the final Official Statement for such series of Bonds, in conformance with the requirements and interpretations of the SEC Rule as of the date of such final Official Statement, without further amendment to this Disclosure Undertaking. Thereafter, the Operating Data to be filed by the Issuer with the Repository with respect to the Bonds (and all other series of Bonds then subject to this Disclosure Undertaking) shall be deemed to be amended to reflect the requirements of the revised *Exhibit A* for the new series of Bonds.

(d) Except as otherwise provided in *subsection (c)*, the Issuer may amend this Disclosure Undertaking and any provision of this Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the SEC Rule and all current amendments thereto and interpretations thereof that are applicable to this Disclosure Undertaking; provided, however, that this Disclosure Undertaking, including *Schedule 1* hereto, may be amended for the purpose of (1) extending the coverage of this Disclosure Undertaking to any additional series of Bonds or (2) removing reference to any series of Bonds for which the Issuer's reporting obligations have terminated in accordance with *Section 5* hereof, each without the provision of a written opinion as otherwise required by this paragraph.

(e) If a provision of this Disclosure Undertaking is amended or waived with respect to a series of Bonds pursuant to *subsection (d)*, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (1) notice of such change shall be given in the same manner as for a Material Event under *Section 3(b)*; and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative

form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Noncompliance. In the event of a failure of the Issuer or the Dissemination Agent, if any, to comply with any provision of this Disclosure Undertaking with respect to a series of Bonds, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer or the Dissemination Agent, if any, as the case may be, to comply with its obligations under this Disclosure Undertaking. Noncompliance with the provisions of this Disclosure Undertaking shall not be deemed an Event of Default under the Bond Resolution or the Bonds, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer or the Dissemination Agent, if any, to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 9. Notices. Any notices or communications to or among the parties referenced in this Disclosure Undertaking shall be given the Notice Representatives at the Notice Addresses set forth in the Bond Resolution for each series of Bonds; provided notice to the Dissemination Agent shall be given at the Notice Address set forth on *Exhibit C* hereto.

Section 10. Electronic Transactions. Actions taken hereunder and the arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 11. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, each Participating Underwriter and Beneficial Owners from time to time with respect to a series of Bonds, and shall create no rights in any other person or entity.

Section 12. Severability. If any provision in this Disclosure Undertaking, the Bond Resolution or the Bonds relating hereto, shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Disclosure Undertaking shall not in any way be affected or impaired thereby.

Section 13. Governing Law. This Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Kansas.

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IN WITNESS WHEREOF, the Issuer has caused this Disclosure Undertaking to be executed as of August 11, 2015.

CITY OF CLEARWATER, KANSAS

(SEAL)

Mayor

Clerk

SCHEDULE 1

DESCRIPTION OF BONDS SUBJECT TO DISCLOSURE UNDERTAKING

General Obligation Bonds (Base CUSIP No.: 185333)

<u>Description of Indebtedness</u>	<u>Dated Date</u>	<u>Final Maturity</u>
General Obligation Refunding Bonds, Series 2012	08/01/2012	10/01/2024
General Obligation Bonds, Series 2015-A	09/01/2015	10/01/2026

Temporary Notes (Base CUSIP No.: [])

<u>Description of Indebtedness</u>	<u>Dated Date</u>	<u>Final Maturity</u>
None		

Revenue Bonds (Base CUSIP No.: [])

<u>Description of Indebtedness</u>	<u>Dated Date</u>	<u>Final Maturity</u>
None		

Lease Obligations (Base CUSIP No.: [])

<u>Description of Indebtedness</u>	<u>Dated Date</u>	<u>Final Maturity</u>
None		

EXHIBIT A

OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

The Operating Data in the sections and tables contained in the most recent Official Statement (with such modifications to the formatting and general presentation thereof as deemed appropriate by the Issuer) generally described as follows:

Operating Data for General Obligation Bonds, Temporary Notes, Lease Obligations

FINANCIAL INFORMATION

- Assessed Valuation
- Property Tax Levies and Collections
 - Aggregate Tax Levies
 - Tax Collection Record

AUTHORITY TO INCUR DEBT

- Outstanding General Obligation Debt
- Temporary Notes Outstanding
- Capital Leases Outstanding
- Loans Outstanding

Additionally, the Issuer shall provide updates as of the end of the Fiscal Year for any material adverse changes in the portions of the final Official Statement concerning Property Valuations and Pension and Employee Retirement Plans.

EXHIBIT B

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Clearwater, Kansas
Name of Bond Issue: [Description of Bonds], Series [____], dated as of [Bonds Dated Date]
Name of Obligated Person: City of Clearwater, Kansas
Date of Issuance: [Bonds Closing Date]

NOTICE IS GIVEN that the City of Clearwater, Kansas (the “Issuer”) has not provided an Annual Report with respect to the above-named Bonds as required by the Issuer’s Omnibus Continuing Disclosure Undertaking. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

CITY OF CLEARWATER, KANSAS

By _____

By _____, as
Dissemination Agent

cc: City of Clearwater, Kansas

EXHIBIT C

ACCEPTANCE OF DISSEMINATION AGENT

Name of Issuer: City of Clearwater, Kansas

Name of Bond Issue: [Description of Bonds], Series [____], dated as of [Bonds Dated Date]

Dissemination Agent:

Notice Address of Dissemination Agent:

_____, having been duly appointed by the City of Clearwater, Kansas to act in the capacity of Dissemination Agent pursuant to the Disclosure Undertaking, to which this acceptance is attached, accepts such duties and responsibilities set forth therein.

Dated: _____

TRANSCRIPT OF PROCEEDINGS

AUTHORIZING THE ISSUANCE

OF

CITY OF CLEARWATER, KANSAS

\$1,020,000*
GENERAL OBLIGATION BONDS
SERIES 2015-A

\$620,000*
GENERAL OBLIGATION REFUNDING
BONDS
SERIES 2015-B

DATED SEPTEMBER 1, 2015

Legal Opinion

Gilmore & Bell, P.C.
Wichita, Kansas

CITY OF CLEARWATER, KANSAS

\$1,020,000*
GENERAL OBLIGATION BONDS
SERIES 2015-A

\$620,000*
GENERAL OBLIGATION REFUNDING
BONDS
SERIES 2015-B

DATED SEPTEMBER 1, 2015

CLOSING LIST

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 Clearwater, Kansas (the “Issuer”)
2. Austin Parker, Esq., Clearwater, Kansas (“Issuer's Counsel”)
3. Attorney General of the State of Kansas
4. _____, (the “Original Purchaser”)
5. Ranson Financial Consultants, L.L.C., Wichita, Kansas (the “Financial Advisor”)
6. Gilmore & Bell, P.C., Wichita, Kansas (“Bond Counsel”)

Document
Number

PROCEEDINGS AUTHORIZING THE IMPROVEMENTS

1. **Main Trafficway Improvements**
 - Excerpt of Minutes of the governing body meeting evidencing passage of Ordinance No. 989 and adoption of Resolution No. 7-2014
 - Ordinance No. 989 designating certain streets in the City as main trafficways
 - Affidavit of Publication of Summary of Ordinance No. 989
 - Resolution No. 7-2014 authorizing main trafficway improvements
2. **Wastewater Improvements**
 - Excerpt of Minutes of the governing body meeting evidencing adoption of Ordinance No. 990
 - Ordinance No. 990 authorizing sewer system improvements
 - Affidavit of Publication of Summary of Ordinance No. 990

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

3. Excerpt of Minutes of the governing body meeting evidencing adoption of Resolution No. 11-2015
4. Resolution No. 11-2015 authorizing the offering for sale of the Bonds
5. Notice of Bond Sale, Preliminary Official Statement and Certificate Preliminary Official Statement
6. Official Statement
7. Omnibus Continuing Disclosure Undertaking
8. 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. 998 and adoption of Resolution No. 11-2015
9. Ordinance No. 998 authorizing the issuance of the Bonds
10. Summary of Ordinance No. 998 and Affidavit of publication of Summary of Ordinance No. 998
11. Resolution No. 11-2015 prescribing the form and details of the Bonds
12. Ordinances/Resolutions authorizing Refunded Bonds
13. Redemption Documents re Refunded Bonds
 - Call for Redemption
 - Notice of Call for Redemption
 - Paying Agent's Certification

CLOSING DOCUMENTS

14. Transcript Certificate
 - Exhibit A* – Statement of Costs
 - Exhibit B* – Schedule of Outstanding General Obligation Indebtedness
15. Uniform Facsimile of Signature Certificate
16. Authorization of State Treasurer to use facsimile signature and seal
17. Specimen Bond and Bond Printer's Certificate
18. Agreement Between Issuer and Agent
19. DTC Documents
 - Blanket Letter of Representations
 - Underwriting Safekeeping Agreement

20. Rating Letter
Standard & Poor's
21. Closing Certificate
22. 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
Schedule 1 – Debt Service Schedule & Proof of Yield

LEGAL OPINIONS

23. Approving legal opinion of Gilmore & Bell, P.C.
24. Defeasance Opinion of Gilmore & Bell, P.C.
25. Approval letter of Attorney General

MISCELLANEOUS DOCUMENTS

26. Closing Letter

* * * * *

TRANSCRIPT CERTIFICATE

CITY OF CLEARWATER, KANSAS

\$1,020,000*
GENERAL OBLIGATION BONDS
SERIES 2015-A

\$620,000*
GENERAL OBLIGATION REFUNDING
BONDS
SERIES 2015-B

DATED SEPTEMBER 1, 2015

The undersigned Mayor and Clerk of the City of Clearwater, 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 August 11, 2015, 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 third 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 *Times-Sentinel* 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:

SERIES 2015

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>
Burt Ussery	Mayor	04/2015 to 04/2019
Paul Clark	Council Member	04/2013 to 04/2017
Chris Griffin	Council Member	04/2013 to 04/2017
Laura Papish	Council Member	04/2011 to 04/2019
Austin Wood	Council Member	04/2015 to 04/2019

Ron Marsh	Council Member	04/2015 to 04/2019
Courtney Meyer	Clerk	N/A
Carol Reitberger	Treasurer	N/A

SERIES 2007

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>
Michael A. Justice	Mayor	4/2007 to 4/2011
J.L. Walker	Mayor	1999 to 4/2007
Michael A. Justice	Council President	4/1995 to 4/2007
Judy Armstrong	Council Member	4/2007 to 4/2011
Lyle Berntsen	Council Member	4/2005 to 4/2009
Casey Carlson	Council Member	8/2005 to 4/2007
David FitzGerald	Council Member	4/2001 to 4/2009
Margaret Pelzl	Council Member	2003 to 8/2005
Jim Whitney	Council Member	4/2007 to 4/2011
Michael York	Council Member	4/2001 to 4/2009

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 of Bonds. The Bonds are being issued pursuant to Ordinance No. 998 and Resolution No. 11-2015 (collectively, the “Bond Resolution”) of the Issuer for the purpose of:

(a) paying a portion of the costs of certain street and sewer improvements (the “Improvements”) authorized by the governing body of the Issuer pursuant to K.S.A. 12-685 *et seq.* and Charter Ordinance No. 18, as amended, and all other applicable provisions of the laws of the State of Kansas; and

(b) refunding, pursuant to K.S.A. 10-427 *et seq.*, the following bonds of the Issuer (the “Refunded Bonds”):

<i>Description</i>	<i>Series</i>	<i>Dated Date</i>	<i>Years</i>	<i>Amount</i>
General Obligation Bonds	2007	October 1, 2007	2015 to 2023	\$660,000

The total principal amount of the Bonds does not exceed the cost of the Improvements for which the Bonds are issued. The total principal amount of the Bonds issued to refund the Refunded Bonds does not exceed the aggregate amounts prescribed in K.S.A. 10-427, as amended. A Statement of Cost is attached hereto as *Exhibit A* and made a part hereof by reference as though fully set out herein.

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

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

10. Valuation. The total assessed valuation of the taxable tangible property within the Issuer for the year 2014 is as follows:

Equalized Assessed Valuation of	
Taxable Tangible Property	\$14,373,701
Tangible Valuation of Motor Vehicles.....	2,754,207
Equalized Assessed Tangible Valuation	
for Computation of Bonded Debt Limitations	\$17,127,908

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 2015-A, and General Obligation Refunding Bonds, Series 2015-B, Dated September 1, 2015, of the City of Clearwater, Kansas

Sources of Funds:	<u>SERIES 2015-A</u>	<u>SERIES 2015-B</u>
Principal Amount of the Bonds	\$1,020,000.00	620,000.00
[Underwriter's Discount]	-	-
[Original Issue Premium]	-	-
[Original Issue Discount]	-	-
<i>Total</i>	\$	\$
Uses of Funds:		
Deposit to Improvement Fund, Series 2015-A	\$	
Deposit to Redemption Fund, Series 2015-B		\$
Costs of Issuance		
<i>Total</i>	\$	\$

EXHIBIT B

CITY OF CLEARWATER, KANSAS

**SCHEDULE OF OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS
(as of September 1, 2015)**

GENERAL OBLIGATION BONDS

Description of Indebtedness	Date of Indebtedness	Final Maturity	Original Principal Amount	Amount Outstanding	Exempt From Debt Limit
General Obligation Bonds, Series 2007 ⁽¹⁾	10/01/2007	10/01/2022	\$925,000	\$0	\$0
General Obligation Refunding Bonds, Series 2012 ⁽²⁾	08/01/2012	10/01/2024	2,535,000	2,115,000	470,165
General Obligation Bonds, Series 2013	03/29/2013	10/01/2028	440,000	420,000	215,334
General Obligation Bonds, Series 2014	04/01/2014	10/01/2034	790,000	790,000	342,860
General Obligation Bonds, Series 2015-A ⁽³⁾	07/15/2015	10/01/2026	1,020,000	1,020,000	
General Obligation Refunding Bonds, Series 2015-B ⁽³⁾	07/15/2015	10/01/2023	620,000	620,000	73,284
Total				\$4,965,000	\$

⁽¹⁾ Issue being refunded by the Series 2015-B Bonds.

⁽²⁾ A substantial portion of the bonds to be paid from Sewer System Revenues.

⁽³⁾ These issues and subject to change.

TEMPORARY NOTES

Description of Indebtedness	Date of Indebtedness	Final Maturity	Original Principal Amount	Amount Outstanding	Exempt From Debt Limit
General Obligation Temporary Notes, Series 2015	07/01/2015	07/01/2018	\$510,000	\$510,000	\$264,800
Total				\$510,000	\$264,800

AGREEMENT BETWEEN ISSUER AND AGENT

CITY OF CLEARWATER, KANSAS

\$1,020,000*
GENERAL OBLIGATION BONDS
SERIES 2015-A

\$620,000*
GENERAL OBLIGATION REFUNDING
BONDS
SERIES 2015-B

DATED SEPTEMBER 1, 2015

THIS AGREEMENT, dated as of September 1, 2015, between the City of Clearwater, 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 \$1,275 for the Series 2015-A Bonds, and a fee of \$750 for the Series 2015-B Bonds, both 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.

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CITY OF CLEARWATER, 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 CLEARWATER, KANSAS
GENERAL OBLIGATION BONDS
SERIES 2015-A, DATED SEPTEMBER 1, 2015

Notice is hereby given that pursuant to the provisions of *Article III* of Resolution No. 11-2015_ (the "Bond Resolution") of the City of Clearwater, Kansas (the "Issuer") that a portion of the above-mentioned bonds (the "Bonds") scheduled to mature [on October 1,][in] [2026][____][____] (the "Called Bonds"), have been called for mandatory redemption and payment on October 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>(October 1)</u> 2026 [_____]	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP</u> <u>Number</u>
---------------	---	-----------------------------------	--------------------------------	-------------------------------

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 CLEARWATER, KANSAS

By _____
Treasurer of the State of Kansas,
Topeka, Kansas]

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

\$1,020,000*	\$620,000*
GENERAL OBLIGATION BONDS SERIES 2015-A	GENERAL OBLIGATION REFUNDING BONDS SERIES 2015-B

DATED SEPTEMBER 1, 2015

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 September 1, 2015 (the "Closing Date"), the City of Clearwater, 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 _____, _____, 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: Courtney Meyer, 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 CLEARWATER, KANSAS

Dated: August 11, 2015

By: _____
Clerk

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

Dated: _____

By: _____
Title: Director of Bond Services

DEPOSITORY TRUST COMPANY

Dated: _____

By: _____
Title: _____

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

Dated: _____.

DEPOSITORY TRUST COMPANY

By: _____
Title: _____

Re: General Obligation Bonds, Series 2015-A, and General Obligation Refunding Bonds, Series 2015-B, dated September 1, 2015, of the City of Clearwater, Kansas

Dated: September 1, 2015.

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

CITY OF CLEARWATER, KANSAS

\$1,020,000*
GENERAL OBLIGATION BONDS
SERIES 2015-A

\$620,000*
GENERAL OBLIGATION REFUNDING
BONDS
SERIES 2015-B

DATED SEPTEMBER 1, 2015

The undersigned Mayor and Clerk of the City of Clearwater, 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 September 1, 2015 (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 August 11, 2015 are true and correct as of this date and are incorporated in this Certificate by reference.

3. The Bond Resolution. 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. 10-427 *et seq.*, Charter Ordinance No. 18 of the Issuer and K.S.A. 12-101 *et seq.*, as amended, Ordinance No. 998 and Resolution No. 11-2015 of the Issuer duly adopted by the governing body of the Issuer on August 11, 2015 (collectively, the "Bond Resolution").

4. Purpose of the Bonds. The Bonds are being issued pursuant to the Bond Resolution for the purpose of:

(a) paying a portion of the costs of certain street and sewer improvements (the "Improvements"); and

(b) refunding the following bonds of the Issuer (the "Refunded Bonds"):

<i>Description</i>	<i>Series</i>	<i>Dated Date</i>	<i>Years</i>	<i>Amount</i>
General Obligation Bonds	2007	October 1, 2007	2015 to 2023	\$660,000

The purpose of the refunding is to achieve interest cost savings through early redemption of the Refunded Bonds, and to provide an orderly plan of finance for the Issuer.

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

6. 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 July 14, 2015 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.

7. 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,” “Bond Ratings,” “Legal Matters,” “Tax Matters,” and *Appendices B and C*, 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.

8. 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.

9. 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

[FORM OF BOND COUNSEL OPINION]

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

[September 1, 2015]

Governing Body
City of Clearwater, Kansas

Re: \$1,020,000* General Obligation Bonds, Series 2015-A (the “Series 2015-A Bonds”), and \$620,000* General Obligation Refunding Bonds, Series 2015-B (the “Series 2015-B Bonds”), of the City of Clearwater, Kansas, Dated September 1, 2015

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

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

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

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

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

3. The interest on the Bonds [(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.

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

[September 1, 2015]

Governing Body
City of Clearwater, Kansas

Country Club Bank, N.A.
Prairie Village, Kansas

Re: City of Clearwater, Kansas, General Obligation Bonds, Series 2007

This opinion is delivered to you in connection with the satisfaction, discharge and defeasance of the principal of the following described bonds originally issued by the City of Clearwater, Kansas (the "Issuer") (the "Defeased Bonds"):

<i>Series</i>	<i>Dated Date</i>	<i>Defeased Amount</i>	<i>Years</i>	<i>Redemption Date</i>
2007	October 1, 2007	\$660,000	2015 to 2023	October 1, 2015

The Defeased Bonds were issued pursuant to an ordinance and a resolution adopted by the governing body of the Issuer (collectively, the "Bond Resolution"). Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Bond Resolution.

Provision has been made for the payment of the principal, redemption price, if any, and interest due or to become due on the Defeased Bonds to the above-referenced Redemption Date in the manner specified in the Bond Resolution, by the irrevocable deposit with the State Treasurer, Topeka, Kansas (the "Paying Agent"), the paying agent for the Defeased Bonds, of cash and government securities that, according to the Paying Agent's Certification, described below, will mature as to principal in amounts and at times that will provide sufficient moneys to make such payment.

We have examined the law, the Bond Resolution and the other documents and certified proceedings that we deem necessary to render this opinion. 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. Provision has been made for payment of the Defeased Bonds in accordance with K.S.A. 10-427 *et seq.* All conditions precedent to the satisfaction, discharge and defeasance of the Defeased Bonds contained in the Bond Resolution have been complied with, and the Defeased Bonds are deemed to be paid and discharged under the Bond Resolution. All conditions precedent to the satisfaction, discharge

and defeasance of the Bond Resolution have been complied with, and the requirements contained in the Bond Resolution and all other rights granted thereby have ceased and terminated in accordance with the provisions thereof.

2. Provision for the payment, discharge and defeasance of the Defeased Bonds will not, in and of itself, cause the interest on the Defeased Bonds to become included in gross income for federal income tax purposes.

In rendering the opinions set forth herein, we have relied upon the calculations and conclusions contained in the Paying Agent's Certification, dated September 1, 2015.

We express no opinion with respect to the effect on the original status of the interest on the Defeased Bonds for federal income tax purposes of any actions taken or omitted to be taken by the Issuer or its affiliates with respect to the ownership, use or operation of the facilities financed or refinanced with the proceeds of the Defeased Bonds other than as stated in this opinion.

This opinion is delivered to you for your use only and may not be used or relied on by any third party for any purpose without our prior written approval in each instance.

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.