

**OSAWATOMIE CITY COUNCIL
AGENDA**

October 9, 2008

7:00 p.m., Memorial Hall

1. Call to order
2. Roll Call
3. Pledge of Allegiance
4. Consent Agenda

Consent Agenda items will be acted upon by one motion unless a Council member requests an item be removed for discussion and separate action

 - A. Approve Minutes of September 11 and September 25 City Council Meetings
 - B. Approve October 9 Agenda
 - C. Appropriation Ordinances 08-17 & 08-18
5. Comments from the Public; Presentations

Citizen participation will be limited to 5 minutes. Please stand & be recognized by the Mayor
6. Public Hearings - none
7. Unfinished Business
 - A. Ordinance Authorizing Issuance of Sewer Bonds 2008A
 - B. Resolution Prescribing Details of Sewer Bonds 2008A
 - C. Ordinance Authorizing Issuance of Street Bonds 2008B
 - D. Resolution Prescribing Details of Street Bonds 2008B
 - E. Approve Change Order No. 12 for Sewer Improvement Grant
 - F. Approve Invoices for Sewer Improvement Grant – Request No. 29
 - G. Approve Pay Request No. 4 For Street Improvement Project
 - H. Approve Pay Request No. 2 for Housing Development Grant Program
8. New Business
 - A. Appointments
 - B. Ordinance Regarding Protection of Important Land Resources & Mitigation
 - C. Identity Theft Prevention Program
9. Council Reports
10. Mayor's Report
11. City Manager's Report
12. Executive Session – none
13. Adjournment

COUNCIL MEETING & WORK SESSION – October 23, 2008

REGULAR MEETING – November 13, 2008
COUNCIL MEETING & WORK SESSION – November 20, 2008

Osawatome, Kansas. September 11, 2008. The Council meeting was held in Memorial Hall. Mayor Dudley called the meeting to order at 7:00 p.m. Council members present were Dalton, Hunter, Klein, LaDuex, Maichel, and Moon. Absent were Kaempfe and Walmann. Also present were City Manager Glendening, City Attorney Wetzler and City Clerk Elmquist. Visitors were Robert Kerr, Grady Atwater, Brian Kingsley, Jerry McKenzie, Donna Darner, Nancy Thompson, Ron Dean, David Dean, Chad & Rhonda Smithhisler, Brad England, Dave Arteberry, and Web Hawkins.

CONSENT AGENDA. Approval of the Minutes of August 14 and August 28 Meetings, approval of September 11 Agenda, approval of Appropriation Ordinances 08-15 & 08-16. Motion made by Hunter, seconded by LaDuex to approve the Minutes of August 14 and August 28 Meetings and approval of Appropriation Ordinances 08-15 & 08-16. Yeas: All.

Approval of September 11 Agenda. Amended agenda to move Approve Woodland Hills Estates Preliminary & Final Plats to the first item under Unfinished Business. Motion made by LaDuex, seconded by Hunter to approve agenda as amended. Yeas: All.

Public Participation; Presentations:

WATER RATE ANALYSIS & RECOMMENDATION – JERRY MCKENZIE. McKenzie presented three options. The first option to not adjust the rates would not provide money for capital improvements. The second option was that capital improvements would be paid for through rates. Third Option was to go to debt service which would require a 7% rate increase. If the third option was chosen, there would not be a need to increase rates for approximately six years.

No public participation.

Public Hearings: None

Unfinished Business:

APPROVE WOODLAND HILLS ESTATES PRELIMINARY & FINAL PLATS. Planning commission held a public hearing August 27 on the preliminary and final plats for Woodland Hills Estates. The plats were both approved for recommendation unanimously. The approval of the plat permits Dean Development, LLC to sell the 5 lots on the west side of the property to the adjoining property owners on Rohrer Heights and also formally accepts the dedication of rights of way and easements for the public infrastructure. Motion made by Hunter, seconded by LaDuex to approve Woodland Hills Estates preliminary flat and the final plat. Yeas: All.

ORDINANCE DESIGNATING TRAFFICWAY CONNECTOR STREETS AND AUTHORIZING IMPROVEMENTS. The proposed six blocks to be designated as a main trafficways are 9th Street between Pacific and Walnut, 10th Street between Main and Walnut, and 11th Street between Main and Pacific. Motion made by Hunter, seconded by LaDuex to approve Ordinance No. 3653. Yeas: All.

RESOLUTION AUTHORIZING SALE OF BONDS AND PRELIMINARY OFFICIAL STATEMENT. The resolution authorizes the Preliminary Official Statement, Official Notice of Bond Sale, and the City’s bid form for the issue of not to exceed \$2,490,00 in General Obligation Bonds for the Street Improvement Project be distributed to prospective bidders. Motion made by LaDuex, seconded by Maichel to approve Resolution No. 605. Yeas: All.

APPROVE BIDS FOR ADDITIONAL STREET IMPROVEMENTS. Bids were received for improvements to 9th Street between Pacific and Walnut, 10th Street between Main and Walnut, and 11th Street between Main and Pacific.

	<u>Base Bid</u>	<u>Alt #1</u>	<u>Revised Total</u>	<u>Alt #2</u>	<u>Revised Total</u>
Freeman Concrete Construction Shawnee Mission, KS	\$435,613.60	\$268,423.50	\$507,177.10	--	--
Meadows Construction Co. Tonganoxie, KS	\$518,990.80	\$221,265.00	\$491,741.80	-\$4.50	-\$10,233.00
Miller Paving & Construction Kansas City, KS	\$434,897.00	\$187,069.50	\$412,507.15	--	--
Miles Excavating Basehore, KS	\$480,073.85	\$196,680.00	\$476,927.60	--	--

Motion made by Maichel, seconded by Hunter to award the contract to Miller Paving & Construction in the base bid amount of \$434,897.00 and add Alternate #1 in the amount of \$187,069.50 adjusting the total contract amount to \$412,507.15 and authorizing construction. Yeas: All.

APPROVE CHANGE ORDER NO. 10 AND NO. 11 FOR SEWER IMPROVEMENT GRANT. Change Order No. 10 reflects an increase of \$44,771.88. The increase is due to finalizing the last of the point repairs. Change Order No. 11 reflects an increase of 36,164.53. The increase is due to changing one line from a pipe burst line to a pipe reaming line. The existing line rests on a fair amount of rock with no bedding. If the line were to be fully replaced, several trees would need to be removed, which the homeowners object to. Motion made by LaDuex, seconded by Maichel to approve Change Order No. 10 and No. 11 in the amount of \$57,333.57. Yeas: All.

APPROVE INVOICES FOR SEWER IMPROVEMENT GRANT – REQUEST NO. 28. Motion made by LaDuex, seconded by Hunter to approve Request No. 28. Yeas: All.

APPROVE PAY REQUEST NO. 3 FOR STREET IMPROVEMENT PROJECT. Motion made by Hunter, seconded by LaDuex to approve Pay Request No. 3. Yeas: All.

APPROVE PAY REQUEST NO. 1 FOR HOUSING DEVELOPMENT GRANT PROGRAM. Motion made by Hunter, seconded by LaDuex to approve Pay Request No. 1. Yeas: All.

New Business:

APPOINTMENTS.

League of KS Municipalities	2 delegates
	2 alternates

Motion made by LaDuex, seconded by Maichel to approve City Manager Glendening and President Hunter as voting delegates. Yeas: All. No alternates were appointed.

PROCLAMATION – NATIONAL REHABILITATION AWARENESS WEEK. The proclamation recognized the Osawatome Rehabilitation and Miami County Medical Center Rehabilitation Services serving the community. Motion made by Maichel, seconded by LaDuex to approve the proclamation. Yeas: All.

ENGINEERING CONTRACT AMENDMENT – SEWER IMPROVEMENTS. The amendment provides additional design services to add a sanitary sewer main. It also meets the requirement of USDA - Rural Development of a separate agreement with City Engineer BG Consultants to access the additional sewer grant dollars to begin the construction of the northland sewer force main. Design must still be accomplished as well as easements acquired. The hours are comparable, and the rates are the same as those we have in our general city engineering contract. Motion made by Hunter, seconded by LaDuex to approve the Addendum No. 1 with BG Consultants in an amount not to exceed \$54,360. Yeas: All.

RURAL WATER DISTRICT #3 PROVIDING WATER TO CITY OF FONTANA. Motion made by Maichel, seconded by Hunter to approve RWD #3's request to add the City of Fontana as a customer. Yeas: All.

Council Members' Concerns/Issues:

Moon: Requested a list of City boards in order to find out about vacancies. Received a complaint on the 1100 block of Parker. The street is torn up due to the street project. There aren't alleys, the sidewalks are torn up, and the retaining walls are a problem. Jeff Gulley was hired by the City of Raymond where he puts together a magazine that communicates with the Citizens about a variety of issues.

Dalton: Complaints received about debris being put out too early for the monthly bulky item pickup. The City Manager will get with the Police Department.

Hunter: The Freedom Festival is September 19 – 21. September 18 at Memorial Hall there will be a political forum with the local and state offices running for office.

Klein: This Saturday is Miami County Airport Day. Encouraged everyone to attend.
Adamant

Maichel: Added to Moon's comment as she has been very much in favor of having a monthly flyer to help people know what's going on in the community. Received a complaint

about owners having to pay for animals to be put in the City's pound. Maichel said she would still like to meet Bruno.

Mayor's Report: None.

City Manager's Report: None.

EXECUTIVE SESSION. Motion made by Hunter, seconded by LaDuex at 8:34 p.m. to recess into executive session for personnel mater of nonelected personnel (City Manager Evaluation) for a period of 30 minutes. Yeas: All. The City Manager was present. Meeting reconvened at 9:08 p.m. No action taken. Motion made by LaDuex, seconded by Hunter at 9:09 p.m. to recess into executive session for an additional period of 10 minutes. Yeas: All. The City Manager and City Attorney were present. Meeting reconvened at 9:19 p.m. No action taken. Motion made by Hunter, seconded by LaDuex at 9:20 p.m. to recess into executive session for an additional period of 5 minutes. Yeas: All. The City Manager and City Attorney were present. Meeting reconvened at 9:27 p.m. No action taken. Motion made by Hunter, seconded by LaDuex to approve a 3% merit increase for the City Manager to be effective on the August 24, 2008 pay period.

Motion made by Hunter, seconded by LaDuex to adjourn. Yeas: All.

Ann Elmquist, City Clerk

Osawatomie, Kansas. September 25, 2008. The Council meeting was held in Memorial Hall. Mayor Dudley called the meeting to order at 7:30 p.m. Council members present were Dalton, Hunter, Kaempfe, Klein, and LaDuex. Absent were Maichel, Moon, and Walmann. Also present were City Manager Glendening, City Attorney Wetzler and City Clerk Elmquist. Visitors were Grady Atwater, Robert Kerr, Audrey Oberman, Dale & Jo Shay, Mark Fuchs, Eddie Shay, Adam Shay, Web Hawkins, David Miller, Larry Smith and Brian McCauley.

APPROVAL OF AGENDA. Added an executive session for personnel mater of nonelected personnel. Motion made by Hunter, seconded by Kaempfe to approve the agenda as amended. Yeas: All.

APPROVE 2007 AUDIT. Audrey Oberman with Lowenthal, Singleton Webb and Wilson presented the City's audit and answered question. Motion made by Hunter, seconded by LaDuex to approve the 2007 audit as presented. Yeas: All.

APPROVE ORDINANCE DIRECTING ACTION TO REMOVE STRUCTURE AT 1120 THIRD STREET. Motion made by LaDuex, seconded by Dalton to approve Ordinance No. 3654. Yeas: All.

APPROVE ORDINANCE DIRECTING ACTION TO REMOVE STRUCTURE AT 1140 FOURTH STREET. Motion made by Hunter, seconded by LaDuex to approve Ordinance No. 3655. Yeas: All

SOLID WASTE CONTRACT. The main change to the contract was explaining the fuel surcharge and how L&K Services arrives at the percentage to be added to or taken away from the rate. The other changes are formalities. Motion made by Hunter, seconded by LaDuex to approve the solid waste contract with L&K Services. Yeas: All.

Took a 5-minute break to sign contract with L&K Services.

FEES RESOLUTION ADJUSTING UTILITY RATES. The new rates were recommended by City Manager Glendening at the suggestion of Jerry McKenzie. Water rates would increase by 3%. Electric rates for residential customers would decrease 4%. Commercial rates for both large and small general customers would decrease 8%. Motion made by Kaempfe, seconded by LaDuex to approve Resolution No. 606. Yeas: Dalton, Hunter, Kaempfe, and LaDuex. Nay: Klein.

CONSIDER 2009 UNION CONTRACT. Motion made by Hunter, seconded by Dalton to approve the 2009 Union contract. Yeas: All.

EXECUTIVE SESSION – CONSULTATION WITH CITY ATTORNEY WHICH WOULD BE DEEMED PRIVILEGED IN THE ATTORNEY-CLIENT RELATIONSHIP. Motion made by LaDuex, seconded by Dalton at 8:22 p.m. to recess into executive session for consultation with city attorney which would be deemed privileged in the attorney-client relationship for a period of 10 minutes. Yeas: All. The City Manager and City Attorney were present. Meeting reconvened at 8:34 p.m. No action taken.

Motion made by LaDuex, seconded by Hunter to adjourn. Yeas: All.

Ann Elmquist, City Clerk

Record of Ordinances

ORDINANCE NO. 8-17

DATE WARRANTS ISSUED:
September 30, 2008

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AN ORDINANCE MAKING APPROPRIATION FOR THE PAYMENT OF CERTAIN CLAIMS.

Be it ordained by the Governing Body of the City of Osawatomie, Kansas

Section 1. That in order to pay the claims hereinafter stated which have been properly audited and approved, there is hereby appropriated out of the respective funds in the city treasury the sum required for each claim.

CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
Payroll 09/12/08			84,187.90
Payroll 09/26/08			87,576.88
FICA 09/12/08			6,210.61
FICA 09/26/08			6,469.81
KPERS			8,617.10
Crawford Sales	Budweiser	31960	99.70
Aetna (POS)	health insurance	31961	28,286.57
Delta Dental of Kansas	dental insurance	31962	2,949.59
Electronically Speaking	outlet, cord	31963	22.97
EMBARQ	RTU's	31964	236.56
Grass Pad Warehouse	sprayer, pesticide	31965	40.90
Dylan Manchester	Governing Body Scholarship	31966	200.00
Oz Mart	fuel	31967	48.09
Pitney Bowes	cartridge for postage meter	31968	55.24
Rural Water District #1	services	31969	188.00
Suddenlink	internet	31970	59.95
Vision Service Plan	vision insurance	31971	787.12
Brad Waggoner	Pro Shop	31972	852.23
Yamaha	golf cart lease	31973	1,020.00
Suddenlink	internet	31974	119.90
Miller Paving & Construction	construction	31975	143,111.12
AT&T	RTU's	31976	216.06
City of Osawatomie	Utilities	31977	13,727.14
Hajoca Olathe	power wrap	31978	30.87
J. Thomas Distributors, LLC	housing	31979	126.59
L & K Services	refuse	31980	28,440.14
Lybarger Oil, Inc.	fuel	31981	1,101.57
Osawatomie Public Library	tax appropriation	31982	5,443.00
Osawatomie Recreation Commission	tax appropriation	31983	8,106.99
S & R Enterprise	mowing weed lots	31984	1,520.00
Suddenlink	internet	31985	78.90
Home Depot	privacy fence	31986	4,748.96
Elliott Insurance Inc.	quarterly premium	31987	31,640.00
Hanes Florist & Greenhouse	plant - Waggoner	31988	45.00
International Code Council	membership dues	31989	100.00
KCP&L	services	31990	1,404.89
Kansas Dept of Revenue	sales tax	31991	12,416.01
Kansas Gas Service	power plant	31992	24.52
KMEA - Nearman	electricity	31993	51,855.14
LaQuinta	lodging - P.D.	31994	325.08

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CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
Visa	lodging - Glendening	31995	107.87
David Boyd	Freedom Festival	31996	250.00
Asylum Bridge - Jeff Young	Freedom Festival	31997	100.00
Philip Barbour	Freedom Festival	31998	50.00
Void		31999	-
Norman Joy	Freedom Festival	32000	279.60
Doug McGovern	Freedom Festival	32001	50.00
The Lecompton Reenactors	Freedom Festival	32002	50.00
Old Cowtown Vintage Baseball Team	Freedom Festival	32003	200.00
Jack Puett	Freedom Festival	32004	50.00
Voices of Praise - Nancy Snyder	Freedom Festival	32005	100.00
Kelly Werts	Freedom Festival	32006	550.00
Kerry Altenbernd	Freedom Festival	32007	50.00
LDF Sales	Freedom Festival	32008	96.60
Crawford Sales	Budweiser	32009	143.20
Lewis Case	Freedom Festival	32010	100.00
CIT Technology Fin. Serv. Inc.	copier lease	32011	315.28
First Option Bank	bucket truck	32012	1,798.99
John Deere Credit	equipment lease	32013	2,043.12
KDHE	sewer revolving loans	32014	125,356.55
Kansas Gas Service	services	32015	467.59
Lesco	pesticide, grass seed	32016	905.54
Jack Puett	Freedom Festival	32017	25.00
Richard Raymer	Freedom Festival	32018	200.00
Rob Robinson	Freedom Festival	32019	75.00
Mike Stiles	hay Freedom Festival	32020	160.00
Suddenlink	internet	32021	59.95
T-Mobile	cell phones	32022	293.77
Beachner Grain, Inc.	pesticides	32023	431.55
Dollar General	supplies	32024	118.26
EMBARQ	long distance	32025	401.66
EMBARQ	services	32026	2,209.62
EMBARQ	RTU's	32027	236.56
First Option Bank	note principal, int - GC	32028	19,692.82
Home Depot	drill kit, bits	32029	506.44
KMEA - GRDA	electricity, transmission	32030	90,821.93
KMEA - Hydro	hydroelectric	32031	5,368.86
Lybarger Oil, Inc.	fuel	32032	7,856.38
Pitney Bowes	postage meter lease	32033	299.00
Postmaster	utility billing	32034	1,000.00
Sprint	service	32035	31.63
Suddenlink	internet	32036	59.95
Wal-Mart Community	paint, supplies	32037	296.69
City of Osawatomie	petty cash reimbursement	908	1,774.26
			797,474.77

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ORDINANCE NO. 8-18

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AN ORDINANCE MAKING APPROPRIATION FOR THE PAYMENT OF CERTAIN CLAIMS.

Be it ordained by the Governing Body of the City of Osawatomie, Kansas

Section 1. That in order to pay the claims hereinafter stated which have been properly audited and approved, there is hereby appropriated out of the respective funds in the city treasury the sum required for each claim.

CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
Airgas Mid South, Inc.	oxygen cylinder	32038	71.94
Alexander Pump & Services, Inc.	troubleshooting pump & motor	32039	520.00
Alliance Pump & Mech. Service, Inc.	troubleshooting & timer	32040	563.36
Apparatus Services	pump test	32041	449.02
Auten Pharmacy	sympathy card - Waggoner	32042	3.49
BG Consultants, Inc.	2006 St. Improvement CA phase 1	32043	1,582.00
Blue Valley Tractor & Supply, Inc.	mower parts	32044	35.64
Board of Police Commissioners	alert system user charges	32045	23.49
Boggs, Inc.	ground rod	32046	358.60
Bollings Bargain Bonanza	extension bar	32047	5.95
Bowes Automotive Products	filters, supplies	32048	112.00
Brewer's Automotive Repair	batteries	32049	212.90
Void		32050	-
Void		32051	-
Brown's Hardware	supplies	32052	412.82
C & G Merchants Supply, Inc.	supplies	32053	284.25
Certifion Corporation	entersect police online	32054	79.00
Champion Brands LLC	oil, supplies	32055	727.60
Coleman Equipment, Inc.	parts	32056	119.52
Community Wholesale Tire, Inc.	tires	32057	94.28
Copy Products, Inc.	copier maintenance	32058	470.53
Correct Care Solutions, LLC	inmate healthcare services repricing	32059	17.50
Country Corral	welding wire	32060	183.00
Crash Technology Group	install new laptop and software	32061	1,344.01
Division of Accounts and Reports	2007 audit	32062	150.00
E's Trenching & Directional Boring	directional bore - Woodland Hills	32063	1,029.79
Electronically Speaking	cartridges, supplies	32064	135.91
EMC Insurance Companies	golf course claim	32065	2,500.00
Employee Screening Services	drug & alcohol testing	32066	371.20
Environmental Laboratories, Inc.	analytical services	32067	354.00
Evco Wholesale Food Corp.	gatorade, hot dogs - Bogey's	32068	595.11
Extreme Collision & Custom	damage to W/S truck	32069	1,239.18
Family Center	charger, parts	32070	276.47
Richard M. Fisher, Jr. LLC	court appointed attorney	32071	400.00
Five A Farm & Lawn, LLC	weed eater string	32072	123.19
Flooring America	paint	32073	20.00
Fort Bend Services, Inc.	polymer	32074	990.00
Franklin Co. Ambulance Service	CPR card	32075	30.00
Galls	marijuana test kit, supplies	32076	127.76
Gerken Rental	portable restrooms, chairs	32077	1,572.00

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CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
Goodyear Wholesale Tire Centers	tires	32078	615.20
Grainger	lamps	32079	199.72
Grass Pad Inc.	grass seed	32080	128.40
Hach Company	chemicals	32081	863.05
Hajoca Olathe	water meters, parts	32082	9,036.06
HD Supply Waterworks	clamps	32083	270.96
Helena Chemical Co.	fertilizer	32084	647.00
Heritage Tractor, Inc.	mower parts	32085	545.00
Hertz Equipment Rental Corp.	measuring wheel, level	32086	284.28
Holman Hansen & Colville, PC	City prosecutor, Municipal matters	32087	3,626.35
Hunt Martin Materials	rock	32088	417.79
Infilco Degremont, Inc.	cooling fan	32089	222.08
JCI	install bar screen float	32090	626.00
JMK Sports	cards - Golf Course	32091	58.99
Kansas Electric Cooperatives, Inc.	safety meeting	32092	1,300.00
Kansas Municipal Utilities	workshops	32093	450.00
Kansas One Call Concepts	locates	32094	76.38
Kansas State Treasurer	training funds	32095	863.00
Killough Construction, Inc.	asphalt	32096	892.62
Kincaid Ready Mix	concrete	32097	352.75
Knight Trucking, LLC	freight - shale	32098	1,262.73
Kriz Davis Co.	replaced relay, supplies	32099	3,540.28
Louisburg Tractor Boyz	v-belt	32100	97.12
Lybarger Oil, Inc.	diesel	32101	1,716.75
Matco Tools	tools	32102	94.35
McLean Auto & Truck Service, Inc.	fuel pumps, labor	32103	928.23
Meyers Turf Farms	sod	32104	1,026.00
Miami Co. Internet on Ramp	internet	32105	19.95
Miami Veterinary Clinic	check up - Bruno	32106	166.00
Miami County Medical Center	negotiated rate medical for prisoners	32107	253.93
Miami County Register of Deeds	copies	32108	79.00
Miami County Sheriff's Office	prisoner care	32109	320.00
Miami County Solid Waste	refuse - Christmas in October	32110	15.00
Miami Lumber, Inc.	gutter, lumber	32111	140.06
Mississippi Lime Company	hydrated lime	32112	1,461.33
Moon's IGA	supplies	32113	670.14
N.J.A.T.C.	lineman kit, guide books	32114	774.26
National Sign Company, Inc.	signs	32115	657.00
Navrat's	A/P checks, special window envelops	32116	1,206.84
Navrat's Office Products	paper, sharpener	32117	102.76
Void		32118	-
NPG Newspapers	ads	32119	1,468.10
Oil Patch Pump & Supply, Inc.	plug	32120	2.20
Olathe Winwater Works	gasket pipe, supplies	32121	407.80
OMB's Express Police Supply	shirts, trousers	32122	224.94

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CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
R.E. Pedrotti Co., Inc.	troubleshoot, repair relay	32123	840.00
P.J. LaManna, Inc.	metal parts protector	32124	300.75
Praxair Distribution, Inc.	gloves, hoses	32125	198.08
Prestige Flag	flags, plastic cups	32126	574.85
QA Balance Services	cleaned & adjusted balance	32127	95.00
Ouill	office supplies	32128	194.75
Read It Free	ads	32129	498.15
G.S.. Robins	alum	32130	14,119.70
RS Electric Motor Service	rewind electric motor	32131	3,076.47
Rural Water District #1	services	32132	148.64
Rural Water District #3	ETI water	32133	15.00
Schendel Pest Services	pest control	32134	196.68
Seven Highway Auto Salvage	cruise module	32135	60.00
Glen E. Sharp, II	court appointed attorney	32136	480.00
Stanion Wholesale Electric Co.	electric line supplies	32137	838.39
Star Printing	letterhead, envelops	32138	479.50
Supreme Turf Products, Inc.	pesticides, grass seed	32139	687.50
T & R Electric	transformers - Woodland Hills	32140	13,017.00
Mike Talley	Memorial Hall janitorial	32141	375.00
Terracon Consultants, Inc.	consultants for St. project	32142	1,046.25
Tri County Ice	ice machine	32143	75.00
Tyler Technologies	cemetery software	32144	190.00
UZ Engineered Products	screw extractor	32145	146.87
Van Wall Equipment	mower parts	32146	366.62
Wade Quarries	rock	32147	126.58
Weir Auto Parts	parts	32148	100.57
Weis Fire & Safety Equipment Co	repair compressor, freight	32149	448.62
Western Communications, Inc.	radio repair	32150	123.54
Westfall GMC Truck, Inc.	transmission fluid	32151	77.40
Winkler, Domoney & Schultz	Municipal Court Judge	32152	2,000.00
Void		32153	-
Void		32154	-
Winterscheid Auto Parts	parts	32155	1,131.60
Zep Sales & Service	dust mops	32156	180.30
			97,904.72
GO	21,947.41		
WT	29,125.99		
EL	26,545.92		
Ind	15.00		
St Imp	3,093.06		
Sewer	4,015.35		
GC	8,478.34		
Trsm	1,809.50		
Cap St	2,874.15		
	97,904.72		

(Published in the Osawatome Graphic on October ____, 2008.)

ORDINANCE NO. 3657

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$2,435,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, SERIES 2008B, OF THE CITY OF OSAWATOMIE, KANSAS, UNDER THE AUTHORITY OF K.S.A. 10-101 TO 125, INCLUSIVE, AND K.S.A. 12-685 ET SEQ., ALL AS AMENDED.

WHEREAS, the Governing Body of the **City of Osawatome, Kansas**, (the “City”) has caused certain main trafficway and trafficway connection improvements (the “Improvements”) to be made in the City under the authority of K.S.A. 12-685 et seq., as amended; and

WHEREAS, all legal requirements pertaining to the Improvements have been complied with and the total cost of making the Improvements has been ascertained to be \$2,585,000 (the “Project Cost”); and

WHEREAS, \$150,000 of the Project Cost was paid from unexpended proceeds of temporary notes of the City to be redeemed and paid with the proceeds of the Bonds authorized herein, leaving unpaid the balance of the Project Cost in the amount of \$2,435,000 for which general obligation bonds of the City may be issued; and

WHEREAS, the City deems it necessary and advisable to issue its general obligation bonds in the aggregate principal amount of Two Million Four Hundred Thirty-five Thousand Dollars (\$2,435,000) for the purpose of paying the balance of the Project Costs; and

WHEREAS, the City has, in accordance with K.S.A. 10-106, published notice (the “Sale Notice”) of the City’s intent to sell the Bonds; and

WHEREAS, the City does, in accordance with the terms and conditions of the Sale Notice, hereby authorize the issuance and sale of the bonds to the best bidder.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE, MIAMI COUNTY, KANSAS:

Section 1. That for the purpose of providing funds to pay the cost of making the Improvements hereinbefore described, there is hereby authorized and directed to be issued General Obligation Bonds of the City in the aggregate principal amount of Two Million Four Hundred Thirty-five Thousand Dollars (\$2,435,000) (the “Bonds”) as provided by K.S.A. 12-685 et seq., and Article 1 of Chapter 10, Kansas Statutes Annotated, all as amended. The Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such form, shall be subject to redemption and payment prior to the maturity thereof and shall be issued in the manner prescribed and subject to the provisions, covenants and agreements set forth in a

resolution of the Governing Body of the City adopted the same date as the date of the passage and approval of this Ordinance (the "Resolution").

Section 2. That the Mayor and City Clerk are hereby authorized to prepare and execute the Bonds and when so executed, the Bonds shall be registered as required by law and the Governing Body shall annually make provisions for the payment of the principal of, redemption premium, if any, and interest on the Bonds as the same shall become due by levying a tax upon all the taxable property of the City.

Section 3. That the City shall, and the officers, agents and employees of the City are hereby authorized and directed to, take such action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with and perform the duties of the City with respect to the Bonds and the Resolution all as necessary to carry out and give effect to the transaction contemplated hereby and thereby.

Section 4. That if any portion or provision of this Ordinance or the Bonds shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such portion or provisions shall not effect any of the remaining provisions of this Ordinance or the Bonds but this Ordinance and said Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 5. That the Bonds shall be issued and sold to the purchaser thereof in accordance with both their bid for the purchase thereof and the terms and conditions of this Ordinance.

Section 6. That this Ordinance shall take effect and be in force from and after its passage and publication in the official City newspaper.

PASSED by the Governing Body and approved by the Mayor this 9th day of October, 2008.

CITY OF OSAWATOMIE, KANSAS

Mayor

ATTEST:

City Clerk

(SEAL)

RESOLUTION

OF

CITY OF OSAWATOMIE, KANSAS

PASSED

October 9, 2008

\$3,550,000
GENERAL OBLIGATION BONDS
SERIES 2008A

RESOLUTION

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RESOLUTION NO. 607

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF THE SERIES 2008A GENERAL OBLIGATION BONDS OF THE CITY OF OSAWATOMIE, KANSAS, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$3,550,000 THE ISSUANCE OF WHICH WAS AUTHORIZED BY THE CITY PURSUANT TO ITS ORDINANCE NO. 3657 PASSED AND APPROVED OCTOBER 9, 2008; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

WHEREAS, the Governing Body of the City of Osawatome, Kansas, (the "City") has improved its sanitary sewerage system by constructing, installing and equipping certain sewerage system improvements including new collection lines, manholes, pump stations and doing all other things necessary and incidental thereto (the "Improvements") in the City under the authority of K.S.A. 12-618 et seq., as amended; and

WHEREAS, the City has by its Ordinance No. 3656 passed and approved October 9, 2008, (the "Ordinance") authorized the issuance of its General Obligation Bonds, Series 2008A in the aggregate principal amount of \$3,550,000 (the "Bonds") under the authority of K.S.A. 12-618 et seq., as amended; and

WHEREAS, the Bonds have been sold on a negotiated basis to the United States of America (the "Purchaser") and, as such, pursuant to K.S.A. 10-106, as amended, the City is not obligated to sell the Bonds at public sale; and

WHEREAS, in accordance with the terms and conditions of the Ordinance, the City hereby intends to both prescribe the form and details of the Bonds and authorize certain other documents and actions in connection with the issuance of the Bonds.

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms identified elsewhere herein, the following words and terms as used in this Resolution shall have the following meanings:

"Bond and Interest Fund" means the Bond and Interest Fund of the City for its general obligation bonds.

"Bond Counsel" means the firm of Nichols and Wolfe Chartered, or any other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing as selected by the City.

"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 Treasurer of the State of Kansas, Topeka, Kansas, and its successors and assigns.

"Bonds" means the General Obligation Bonds, Series 2008A, authorized and issued by the City pursuant to the Ordinance.

"Business Day" means a day other than a Saturday, Sunday or holiday 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.

"City" means the City of Osawatomie, Kansas, the issuer of the Bonds.

"Clerk" means the duly appointed and/or elected Clerk of the City or, in the Clerk's absence, the duly appointed Deputy Clerk or Acting Clerk of the City.

"Code" means the Internal Revenue Code of 1986, as amended.

"Costs of Issuance" means all costs of issuing the Bonds, including all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel.

"Dated Date" means October 28, 2008.

"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 City 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; and

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

"Event of Default" means each of the following occurrences or events:

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

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

(c) The City 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 Resolution on the part of the City to be performed (other than relating to Rule 15c2-12 as defined in the Disclosure Certificate), 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 City by the Owner of any of the Bonds then Outstanding.

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

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

"Government" means the United States of America.

"Improvements" mean certain sanitary sewerage system improvements constructed in the City in accordance with the legal authority as described in the recitals to this Resolution.

"Interest Payment Date(s)" means the Stated Maturity of an installment of interest on any Bond which shall be October 28 each year, commencing October 28, 2009.

"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 appointed and/or elected Mayor of the City or, in the Mayor's absence, the duly appointed Deputy Mayor or Acting Mayor of the City.

"No Arbitrage and Use of Proceeds Certificate" means the certificate so named and included in the transcript of proceedings pertaining to the issuance of the Bonds describing the investment and use of the proceeds of the Bonds.

"Ordinance" means Ordinance No. 3656 passed and approved October 9, 2008, and published as required by law, pursuant to which the issuance of the Bonds has been authorized.

"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 **Section 701** hereof; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

"Outstanding Principal Amount" means, as of a particular date, that portion of the principal amount of the Bond which has not yet matured and become due and payable, and which has not, in fact, been paid or provision made for such payment.

"Owner" when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

"Paying Agent" means the State Treasurer, and any successors and assigns.

"Permitted Investments" means: (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 City's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks located in the county or counties in which the City is located; (f) obligations of the federal national mortgage association, federal home loan banks or the federal home loan mortgage corporation; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements with 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, Inc. or Standard & Poor's; (i) investments in 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 States 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). No Permitted Investment shall include any derivative 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.

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

"Principal and Interest Account" means the Principal and Interest Account for the City of Osawatimie, Kansas, General Obligation Bonds, Series 2008A, created herein within the City's Bond and Interest Fund.

"Project Account" means the Project Account in the treasury of the City, created herein.

"Purchase Price" means the par value of the Bonds.

"Purchaser" means the United States of America, the original purchaser of the Bonds.

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

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

"Redemption Price" when used with respect to any Bond to be redeemed means the price at which such Bond is to be redeemed pursuant to the terms of this Resolution, including

the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

"Replacement Bonds" means Bonds issued to the beneficial owners of the Bonds in accordance with **Section 207** hereof.

"Resolution" means this resolution relating to the Bonds.

"Special Record Date" means the date fixed by the Paying Agent pursuant to **Section 204** hereof for the payment of Defaulted Interest.

"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 of Kansas.

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

"System" means the sanitary sewerage system, including all extensions, improvements and enlargements thereto, of the City.

"Treasurer" means the duly appointed and/or elected Treasurer of the City or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the City.

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills or other securities consisting of 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 the 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).

ARTICLE II

AUTHORIZATION AND DETAILS OF THE BONDS

Section 201. Authorization of the Bonds. There shall be issued and hereby are authorized and directed to be issued the General Obligation Bonds, Series 2008A, of the City in the aggregate principal amount of \$3,550,000 for the purpose of providing funds to pay the costs of the Improvements.

Section 202. Description of the Bonds. The Bonds shall be a single certificated Registered Bond without coupons in the denomination of \$3,550,000 or the aggregate declining unpaid principal balance payable to the registered holder thereof and registered as to principal and interest in the name of such registered holder and be dated October 28, 2008, bearing interest at the rate of four and one-half percent (4.50%) per annum (calculated on the basis of a 365-day year) payable on October 28 of each year commencing October 28, 2009, (the "Interest Payment Dates") until the principal of the Bonds has been paid, with installments of principal payable as provided in the attached Bond Amortization Schedule, marked as Schedule No. 1 hereto.

Payments of principal and interest, whether upon redemption or otherwise, made in respect of the Bonds, shall be made to the registered owner of the Bonds appearing on the

registration books of the City maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar by the close of business on the 15th day preceding the applicable Interest Payment Date (the "Record Dates"). Such payments by check or draft of the Paying Agent shall fully discharge the obligation of the City in respect of the Bonds, to the extent of the payment made. The final installment payable toward the principal balance of the Bond shall be payable at the office of the Treasurer of the State of Kansas in the City of Topeka, Kansas (the "Paying Agent," "Bond Registrar" and "Transfer Agent").

The Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be typed or 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 and Clerk of the City are hereby authorized and empowered to execute on behalf of the City an agreement with the Bond Registrar and Paying Agent for the Bonds.

The City will at all times maintain a Paying Agent and Bond Registrar meeting the qualifications herein described for the performance of the duties hereunder. The City reserves the right to appoint a successor Paying Agent or Bond Registrar by (1) 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 (2) 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 or Redemption Price of and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

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

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

Section 205. Registration, Transfer and Exchange of Bonds. The City 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 corporate trust 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 Resolution. The City shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds provided for by this 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 Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Owner hereunder or under the Bonds.

The City and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to **Section 303** hereof and during the period of 15

days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 204** hereof.

The City 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 City 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 of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Owners whose authority is evidenced to the satisfaction of the Bond Registrar.

Section 206. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the City by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Clerk and the seal of the City 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 City 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 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 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 Resolution. Upon authentication, the Bond Registrar shall deliver the Bonds to the Purchaser upon instructions of the City or its representative.

Section 207. Mutilated, Lost, Stolen or Destroyed Bonds. If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the City and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the City or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the City shall execute and, upon the City'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 City, in its discretion, may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this Section, the City 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 City, and shall be entitled to all the benefits of this Resolution equally and ratably with all other Outstanding Bonds.

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

Section 209. Sale of the Bonds. The sale of the Bonds to the Purchaser is hereby ratified and confirmed. Delivery of the Bonds shall be made to the Purchaser as soon as practicable after the passage of this Resolution, upon payment of the Purchase Price.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds.

(a) Optional Redemption by City. At the option of the City, the Outstanding Principal Amount of the Bonds, or any portion thereof, is subject to redemption prior to maturity on any date (the date being so set for redemption and payment under this sub paragraph being referred to as (the "Redemption Date"), at a redemption price equal to one hundred percent (100%) of the principal amount so redeemed plus all accrued and unpaid interest on such principal amount so redeemed to the Redemption Date.

(b) Redemption Upon Graduation. The City hereby acknowledges the provisions of 7 U.S.C. 1983(3) and the right and ability of the Government to require redemption of the entire Outstanding Principal Amount of the Bonds in accordance therewith.

Section 302. Selection of Bonds to be Redeemed. Bonds shall be redeemed only in the principal amount of \$1,000 or any integral multiple thereof. When less than all of the Bonds of the same maturity are to be redeemed and paid prior to their Stated Maturity, the Bonds to be redeemed shall be selected by the Bond Registrar in \$1,000 units 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 \$1,000 are then Outstanding, then for all purposes in connection with such redemption each \$1,000 of face value shall be treated as though it were a separate Bond of the denomination of \$1,000. If it is determined that one or more, but not all, of the \$1,000 units of face value

represented by any Bond is selected for redemption, then upon notice of intention to redeem such \$1,000 unit or units, 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 such \$1,000 unit or units 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 the \$1,000 unit or units of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption. That in the event of any such redemption, the City will give written notice of its intention to redeem and pay the Outstanding Principal Amount, or any portion thereof, by United States certified mail addressed to the Paying Agent at which the Bonds are payable not less than forty-five (45) days prior to the date fixed for redemption. Upon its receipt of notice of the call for any redemption, the Paying Agent shall give notice of such call by mailing a copy of the redemption notice by first class mail, postage prepaid, not less than thirty (30) days prior to the date of such redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Failure to give such notice by mailing to the registered owner of any Bond, or any defect therein, shall not affect the validity of any proceedings for the redemption of the Outstanding Principal Amount, or any portion thereof. Any notice mailed as provided herein shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds received the notice.

ARTICLE IV

SECURITY FOR AND PAYMENT OF BONDS

Section 401. Security for the Bonds. The 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 full faith, credit and resources of the City are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 402. Levy and Collection of Annual Tax. 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 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 City are levied and collected. The proceeds derived from said taxes shall be deposited in the Principal and Interest Account, shall be kept separate and apart from all other funds of the City and shall be used solely for the payment of the principal of, premium, if any, and interest on the Bonds as and when the same become due, taking into account the fees and expenses of the Bond Registrar and 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 City 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 MONEYS

Section 501. Establishment of Funds and Accounts. Simultaneously with the issuance of the Bonds, there shall be created within the treasury of the City the following funds and accounts:

(a) In the treasury of the City, the "Project Account"; and

(b) In the City's Bond and Interest Fund, the "Principal and Interest Account for the City of Osawatomie, Kansas, General Obligation Bonds, Series 2008A (the "Principal and Interest Account").

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

Section 502. Disposition of Bond Proceeds. The proceeds of the Bonds in the amount of \$3,550,000, upon issuance and delivery thereof, shall be deposited in the Project Account.

Section 503. Withdrawals from the Project Account. The Treasurer shall make withdrawals from the Project Account solely for the purpose of paying costs and expenses of the Improvements, including the allocable portion of the Costs of Issuance. Such withdrawals shall be made only on due authorization by the governing body of the City.

Section 504. Surplus in the Project Account. All moneys remaining in the Project Account after the completion of the Improvements, as determined by the governing body of the City, shall be transferred immediately to the Principal and Interest Account and applied to the next installment of principal due on the series of Bonds from which surplus moneys remain.

Section 505. Application of Moneys in Principal and Interest Account. All amounts paid and credited to the Principal and Interest Account shall be expended and used by the City 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 Principal and Interest 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 City. 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 Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Bonds and entitled to payment from such moneys.

Any moneys or investments remaining in the Principal and Interest Account after the retirement of the indebtedness for which the Bonds were issued shall be transferred and paid into the Bond and Interest Fund of the City.

Section 506. Deposits and Investment of Moneys. Moneys in each of the Funds and Accounts shall be deposited in accordance with the requirements of K.S.A. 10-131, as amended.

All such deposits shall be continuously and adequately secured by the financial institutions holding such deposits 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 City so that there shall be no commingling of such funds with any other funds of the City.

Moneys held in the funds and accounts herein created or established in conjunction with the issuance of the Bonds may be invested by the City in Permitted Investments or in other investments allowed by Kansas law in such amounts and maturing at such times as shall reasonably provide for moneys to be available when required in said accounts or funds; 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 or account was created. All interest on any Permitted Investment held in any fund or account shall accrue to and become a part of such fund or account; provided, however, that interest earned on investments of moneys held in the Project Account may, at the direction of the governing body of the City, be paid and credited to the Principal and Interest Account and used to pay interest on the Bonds. In determining the amount held in any fund or account under the provisions of the Resolution, Permitted Investments shall be valued at their par value or at their then redemption value, whichever is lower.

Section 507. 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 City 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 Resolution or on, or with respect to, said Bond. If such funds shall have remained unclaimed for five (5) years after such principal or interest has become due and payable, such funds shall be paid to the City; and all liability of the Paying Agent to the owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged. The obligations of the Paying Agent under this Section to pay any such funds to the City shall be subject to any provisions of law applicable to the Paying Agent or to such funds providing other requirements for disposition of unclaimed property.

ARTICLE VI

DEFAULT AND REMEDIES

Section 601. Remedies. The provisions of the Resolution, including the covenants and agreements herein contained, shall constitute a contract between the City 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 City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the 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 City, 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 City 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 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 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 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 City 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 or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Resolution and the pledge of the City'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 or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this 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 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; provided, however, that if any such Bonds are to be redeemed prior to their Stated Maturity, (1) the City has elected to redeem such Bonds, and (2) either notice of such redemption has been given, or the City has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption in compliance with **Section 303** of this Resolution. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the City, 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 Resolution. Provided, however, that as long as any part of the Bonds are owned or insured by the Government, the City will not issue any additional bonds or other obligations for the purpose of providing funds to refund all or part of the Bonds unless either (i) all of the outstanding principal amount of the Bonds is paid, retired and cancelled either concurrently with the issuance of such refunding bonds or at the first interest and principal payment date for the Bonds occurring after the issuance of such refunding bonds, or (ii) consent to the issuance of such refunding bonds is given by the Government. The City will refinance the unpaid balance, in whole or in part, of the outstanding principal amount of the Bonds upon the request of the Government if, at any time, it should appear to the Government that the City is able and authorized by law to refinance the Bonds by obtaining a loan for such purposes from responsible, cooperative or private sources at reasonable rates and terms.

ARTICLE VIII

TAX COVENANTS

Section 801. General Covenants.

(a) The City covenants and agrees that (1) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds and (2) it will not use or permit the use of any proceeds of Bonds or any other funds of the City, will not take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely effect the exclusion from gross income of the interest on the Bonds. The City 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 City.

(b) The City covenants and agrees that (1) it will use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Bonds are issued, and (2) it will not invest or directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the City in any manner, to take or omit to take any action, that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code.

(c) The City covenants and agrees that it will not use any portion of the proceeds of the Bonds, including any investment income earned on such proceeds, directly or indirectly, in a manner that would cause any Bond to be a "private activity bond" within the meaning of Section 141(a) of the Code.

Section 802. Survival of Covenants. The covenants contained in this Article shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to Article VII hereof or any other provision of this Resolution until the final maturity date of all Bonds Outstanding.

Section 803. Qualified Tax-exempt Obligations. The Bonds are designated as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code.

ARTICLE X

MISCELLANEOUS PROVISIONS

Section 901. Rates, Fees and Charges. The City will fix, establish, maintain and collect such rates, fees or charges for service furnished by and through the System including all extensions, improvements and enlargements thereto thereafter constructed or acquired by the City, which rates, fees or charges shall be sufficient to pay the costs of operation, maintenance and improvement of the System. The City will operate and maintain the System, including System revenue receipt and operation and maintenance accounts to be established and maintained by the City, in an efficient and businesslike manner and it will keep the same in good repair and working order. As long as the Bonds are either held or insured by the Purchaser, the City will not provide free sanitary sewerage service of any kind to persons or entitles subsequent to the date of this Ordinance except to those which were authorized by the City prior to such date.

Section 902. Annual Audit. Annually, promptly after the end of the Fiscal Year, the City will cause an audit to be made of its Funds and Accounts for the preceding Fiscal Year in accordance with RUS Staff Instruction 1780-4 of the United Sates Department of Agriculture, Rural Development, by a certified public accountant or firm of certified public accountants.

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 of the City be open to the examination and inspection by any taxpayer, any Owner 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 City shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Resolution, the City shall promptly cure such deficiency.

Section 903. Amendments. The rights and duties of the City and the Owners, and the terms and provisions of the Bonds or of this Resolution, may be amended or modified at any time in any respect by resolution of the City 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 City 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 Resolution.

Any provision of the Bonds or of this Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the City 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 City may amend or supplement this Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein 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 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 City amending or supplementing the provisions of this Resolution and shall be deemed to be a part of this Resolution. A certified copy of every such amendatory or supplemental resolution, if any, and a certified copy of this 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 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 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 City 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 City shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Resolution which affects the duties or obligations of the Paying Agent under this Resolution.

Section 904. 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 Resolution, and shall be conclusive in favor of the City 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 make acknowledgements 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 Resolution, Bonds owned by the City shall be disregarded and deemed not to be Outstanding under this 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 rights so to act with respect to such Bonds and that the pledge is not the City.

Section 905. Further Authority. The officers and officials of the City, 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 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 906. Sale, Disposition or Use of Improvements. That the City will not sell, lease or otherwise dispose of the Improvements to any nongovernmental person or entity without the prior written consent of the Government. Furthermore, none of the facilities or services afforded by the Improvements will be furnished to any user thereof without a reasonable charge being made therefore except to the City itself.

Section 907. Insurance. That the City will carry and maintain a reasonable amount of all risk insurance upon the properties forming part of its sanitary sewerage system insofar as they are of an insurable nature, the amount of such insurance being in amounts as would customarily be carried by municipal corporations similar to the City. In the event of loss or damage, the City, with all reasonable dispatch, will use the proceeds of such insurance to reconstruct and replace the property damaged or destroyed or, if such reconstruction or replacement be unnecessary, then either to improve, extend or enlarge the City's sanitary sewerage system. The City in operating its sanitary sewerage system will carry and maintain public liability and workmen's compensation insurance in such amounts as would normally be maintained by a municipal corporation engaged in a similar type of activity and the proceeds derived from any of such policies shall be used in paying the claims on the account of which such proceeds were received. All employees of the City handling funds of the City shall be bonded at all times in an amount not less than the City's total annual debt service requirements. The cost of all insurance referred to in this paragraph shall be paid as an operating cost out of the revenues of the City's sanitary sewerage system.

Section 908. Compliance with Loan Resolution. So long as the Government is the Owner of any of the Bonds, the City shall be subject to the separate Loan Resolution executed and entered into by it at the closing of the issuance of the Bonds in accordance with RUS Bulletin 1780-27 of the United States Department of Agriculture, Rural Development (the "Loan Resolution"). The provisions of the Loan Resolution and the provisions of this Resolution are to be construed wherever possible so that they will not be in conflict. In the event such a construction is not possible, the provisions of the Loan Resolution shall prevail.

Section 909. Refinancing. The City covenants agrees that it will refinance the unpaid balance, in whole or in part, of the outstanding principal amount of the Bonds (including parity obligations) upon request of the Government, if any time it should appear to the Government that the City is able and authorized by law to refinance the Bonds (including parity obligations) by obtaining a loan for such purposes from responsible cooperative or private sources of reasonable rates and terms for loans for similar purposes (7 USC § 1983(3)).

Section 910. Severability. If any section or other part of this Resolution is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Resolution.

Section 911. Governing Law. This Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 912. Effective Date. This Resolution shall take effect and be in full force from and after its passage by the governing body of the City.

PASSED by the governing body of the City on the 9th day of October, 2008.

CITY OF OSAWATOMIE, KANSAS

Philip A. Dudley, Mayor

ATTEST:

Ann Elmquist, City Clerk

(SEAL)

EXHIBIT A

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF MIAMI
CITY OF OSAWATOMIE
GENERAL OBLIGATION BOND
SERIES 2008A

No. R-_____ \$ _____

Rate of Interest: 4.50% Maturity Date: October 28, 2048 Dated Date: October 28, 2008 CUSIP _____

Registered Owner: UNITED STATES OF AMERICA
RURAL DEVELOPMENT
UNITED STATES DEPARTMENT OF AGRICULTURE
1520 MARKET STREET
ST. LOUIS, MISSOURI 63103
TAX ID NUMBER 43-1757115

PRINCIPAL AMOUNT _____

The City of Osawatomie, in the County of Miami, State of Kansas, (the "City") for value received acknowledges itself to be indebted to and promises to pay, but solely from the sources hereinafter pledged, to the registered owner identified above, or registered assigns as hereinafter provided, on the maturity date identified above, the principal amount identified above, and in like manner to pay, as of the Record Dates as hereinafter provided, interest on such principal amount from the date of this Bond or from the most recent interest payment date to which interest has been paid prior to the registration date set forth below at the rate of interest per annum set forth above (calculated on the basis of a 365-day year) on October 28 of each year commencing October 28, 2009, (the "Interest Payment Dates") until said principal amount is paid.

The principal of and interest on this Bond shall be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas, (the "Paying Agent" and "Bond Registrar") by mailing to the registered owner thereof at the address appearing on the registration books of the City maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar at the close of business on the 15th day of October next preceding the applicable interest payment date (the "Record Dates"). The principal of and interest on this Bond shall be payable in accordance with the Schedule printed on the reverse of this bond.

The principal of and all interest on this Bond constitute a general obligation of the City and the full faith, credit and resources of the City are hereby pledged for the payment of the principal of and interest on this Bond.

THE TERMS AND 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.

It is hereby certified and declared 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 said City, including this series of bonds, does not exceed any constitutional or statutory limitation.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Bond Registrar.

IN WITNESS WHEREOF, the said City of Osawatomie, in the State of Kansas, by its governing body, has caused this Bond to be executed by its Mayor and attested by its City Clerk by their manual signatures with its corporate seal affixed hereon, all as of the 28th day of October, 2008.

CITY OF OSAWATOMIE, KANSAS

Mayor

ATTEST: _____
City Clerk

(SEAL)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the City of Osawatomie, Kansas, General Obligation Bonds, Series 2008A described in the within mentioned Resolution.

Registration Date: _____

OFFICE OF THE STATE TREASURER
Topeka, Kansas,
as Bond Registrar and Paying Agent

By _____

I.D.#: _____

FURTHER TERMS AND PROVISIONS

This Bond is one of a duly authorized series of Bonds of the City aggregating the principal amount of \$3,550,000 (the "Bonds") issued for the purposes set forth in Ordinance No. 3656 of the City (the "Ordinance"). This Bond and the series of Bonds of which it is a part 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. 10-101 to 125, inclusive, as amended by K.S.A. 10-620 to 10-632, inclusive, K.S.A. 12-618 et seq., all as amended, acts supplemental thereto, the Ordinance, Resolution No. 607 of the City (the "Resolution") and all other provisions of the laws of the State of Kansas applicable thereto.

This Bond is issued in fully registered form in the denomination of \$3,550,000 or the aggregate declining unpaid principal balance thereof. This Bond may be exchanged at the principal office of the Bond Registrar for a Bond of like aggregate outstanding principal amount of the same maturity, upon the terms set forth in the authorizing Ordinance and the Resolution.

At the option of the City, the Outstanding Principal Amount of the Bonds, or any portion thereof, is subject to redemption prior to maturity on any date, at a redemption price equal to one hundred percent (100%) of the principal amount so redeemed plus all accrued and unpaid interest on such principal amount so redeemed to the redemption date.

Bonds will be redeemed in integral multiples of \$1,000. If less than all Bonds are called for redemption, the Bond Registrar will, in the case of Bonds in denominations greater than \$1,000, treat each \$1,000 of face value as though it were a separate Bond.

In the event of any such redemption, the Paying Agent shall give notice of such call by mailing a copy of the redemption notice by first class mail, postage prepaid, not less than thirty (30) days prior to the date of such redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Failure to give such notice by mailing to the registered owner of any Bond, or any defect therein, shall not affect the validity of any proceedings for the redemption of the Outstanding Principal Amount. Any notice mailed as provided herein shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds received the notice.

The City and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof, or redemption price hereof and interest due hereon and for all other purposes.

This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. The City shall pay out of the proceeds of the Bonds or from other funds all costs incurred in connection with the issuance, transfer, exchange, registration, redemption or payment of the Bonds except (a) the reasonable fees and expenses in connection with the replacement of a Bond or Bonds mutilated, stolen, lost or destroyed or (b) any tax or other governmental charge imposed in relation to the transfer, exchange, registration, redemption or payment of the Bonds. Upon such transfer a replacement Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefore.

BOND ASSIGNMENT

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

(Name and Address)

(Social Security or Taxpayer Identifying 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 Treasurer of the State of Kansas (the "Bond Registrar"). The undersigned does (do) hereby irrevocably constitute and appoint _____ as attorney 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
Identifying No.

Name(s) Appear on Face of
Certificate)

Signature guaranty:

By _____

CERTIFICATE OF CITY CLERK

I, the undersigned, City Clerk of the City of Osawatomie, Kansas, do hereby certify that this Bond has been duly registered in my office according to law as of the 28th day of October, 2008.

WITNESS my hand and official seal.

City Clerk

(SEAL)

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

I, LYNN JENKINS, Treasurer of the State of Kansas, do hereby certify that a full and complete transcript of the proceedings leading up to the issuance of this Bond has been filed in my office and that this Bond was registered in my office according to law this

_____.

WITNESS my hand and official seal.

LYNN JENKINS
TREASURER OF THE STATE OF KANSAS

By _____
Assistant State Treasurer

(SEAL)

SCHEDULE 1
BOND AMORTIZATION SCHEDULE

\$3,550,000

CITY OF OSAWATOMIE, KANSAS
GENERAL OBLIGATION BOND
SERIES 2008A

<u>YEAR</u> <u>(October 28)</u>	<u>PRINCIPAL</u> <u>INSTALLMENTS</u>	<u>BALANCE</u>
2009	\$ 30,000	\$3,520,000
2010	34,000	3,486,000
2011	36,000	3,450,000
2012	37,000	3,413,000
2013	39,000	3,374,000
2014	42,000	3,332,000
2015	43,000	3,289,000
2016	45,000	3,244,000
2017	48,000	3,196,000
2018	49,000	3,147,000
2019	52,000	3,095,000
2020	54,000	3,041,000
2021	57,000	2,984,000
2022	59,000	2,925,000
2023	61,000	2,864,000
2024	65,000	2,799,000
2025	68,000	2,731,000
2026	70,000	2,661,000
2027	74,000	2,587,000
2028	77,000	2,510,000
2029	80,000	2,430,000
2030	83,000	2,347,000
2031	87,000	2,260,000
2032	91,000	2,169,000
2033	95,000	2,074,000
2034	100,000	1,974,000
2035	104,000	1,870,000
2036	109,000	1,761,000
2037	114,000	1,647,000
2038	118,000	1,529,000
2039	125,000	1,404,000
2040	130,000	1,274,000
2041	135,000	1,139,000
2042	142,000	997,000
2043	148,000	849,000
2044	155,000	694,000
2045	162,000	532,000
2046	170,000	362,000
2047	177,000	185,000
2048	185,000	-0-

(Published in Osawatomie Graphic on October ____, 2008.)

ORDINANCE NO. 3656

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$3,550,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, SERIES 2008A, OF THE CITY OF OSAWATOMIE, KANSAS, UNDER THE AUTHORITY OF K.S.A. 10-101 TO 125, INCLUSIVE, K.S.A. 12-618 ET SEQ., AS AMENDED.

WHEREAS, the Governing Body of the **City of Osawatomie, Kansas**, (the "City") has improved its sanitary sewerage system by constructing, installing and equipping certain sewerage system improvements including new collection lines, manholes, pump stations and doing all other things necessary and incidental thereto (the "Improvements") in the City under the authority of K.S.A. 12-618 et seq., as amended; and

WHEREAS, all legal requirements pertaining to the Improvements have been complied with and the total cost of making the Improvements has been ascertained to be \$5,450,000 (the "Project Cost"); and

WHEREAS, \$1,500,000 of the Project Cost was paid by the City by the expenditure of the proceeds of a grant to the City from USDA Rural Development; and

WHEREAS, \$400,000 of the Project Cost was paid by the City by the expenditure of the proceeds of a grant to the City from a Community Development Block Grant; and

WHEREAS, the City deems it necessary and advisable to issue its general obligation bonds in the aggregate principal amount of Three Million Five Hundred Fifty Thousand Dollars (\$3,550,000) for the purpose of paying the balance of the Project Cost; and

WHEREAS, the City has, in accordance with the provisions of K.S.A. 10-106, as amended, negotiated the sale of the Bonds to the United States of America.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE, MIAMI COUNTY, KANSAS:

Section 1. That for the purpose of providing funds to pay the cost of making the Improvements hereinbefore described, there is hereby authorized and directed to be issued General Obligation Bonds of the City in the aggregate principal amount of Three Million Five Hundred Fifty Thousand Dollars (\$3,550,000) (the "Bonds") as provided by K.S.A. 12-618 et seq., as amended. The Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such form, shall be subject to redemption and payment prior to the maturity thereof and shall be issued in the manner prescribed and subject to the provisions, covenants and agreements set forth in a resolution of the Governing Body of the City adopted the same date as the date of the passage and approval of this Ordinance (the "Resolution").

Section 2. That the Mayor and City Clerk are hereby authorized to prepare and execute the Bonds and when so executed, the Bonds shall be registered as required by law and the Governing Body shall annually make provisions for the payment of the principal of, redemption premium, if any, and interest on the Bonds as the same shall become due by levying a tax upon all the taxable property of the City.

Section 3. That the City shall, and the officers, agents and employees of the City are hereby authorized and directed to, take such action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the provisions of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Bonds and the Resolution all as necessary to carry out and give effect to the transaction contemplated hereby and thereby.

Section 4. That if any portion or provision of this Ordinance or the Bonds shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such portion or provisions shall not effect any of the remaining provisions of this Ordinance or the Bonds but this Ordinance and said Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 5. That the Bonds shall be issued and sold to the United States of America in accordance with the terms and conditions of this Ordinance.

Section 6. That this Ordinance shall take effect and be in force from and after its passage and publication in the official City newspaper.

Passed by the Governing Body and approved by the Mayor this 9th day of October, 2008.

CITY OF OSAWATOMIE, KANSAS

ATTEST:

Mayor

City Clerk

(SEAL)

RESOLUTION

OF

CITY OF OSAWATOMIE, KANSAS

PASSED

OCTOBER 9, 2008

\$2,435,000
GENERAL OBLIGATION BONDS
SERIES 2008B

RESOLUTION

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RESOLUTION NO. 608

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF THE SERIES 2008B GENERAL OBLIGATION BONDS OF THE CITY OF OSAWATOMIE, KANSAS, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$2,435,000 THE ISSUANCE OF WHICH WAS AUTHORIZED BY THE CITY PURSUANT TO ITS ORDINANCE NO. 3657 PASSED AND APPROVED OCTOBER 9, 2008; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

WHEREAS, the Governing Body of the City of Osawatome, Kansas, (the "City") has caused certain main trafficway and trafficway connection improvements (the "Improvements") to be made in the City under the authority of K.S.A. 12-685 et seq., all as amended; and

WHEREAS, the City has by its Ordinance No. 3657 passed and approved October 9, 2008, (the "Ordinance") authorized the issuance of its General Obligation Bonds, Series 2008B in the aggregate principal amount of \$2,435,000 (the "Bonds") under the authority of K.S.A. 12-685 et seq. and Article 1 of Chapter 10, Kansas Statutes Annotated, all as amended; and

WHEREAS, in accordance with the City's notice of the sale of the Bonds published in accordance with the requirements of law the Bonds have been sold to and purchased by _____, _____, _____; and

WHEREAS, in accordance with the terms and conditions of the Ordinance, the City hereby intends to both prescribe the form and details of the Bonds and authorize certain other documents and actions in connection with the issuance of the Bonds.

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms identified elsewhere herein, the following words and terms as used in this Resolution shall have the following meanings:

"Bond and Interest Fund" means the Bond and Interest Fund of the City for its general obligation bonds.

"Bond Counsel" means the firm of Nichols and Wolfe Chartered, or any other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing as selected by the City.

"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 Treasurer of the State of Kansas, Topeka, Kansas, and its successors and assigns.

"Bonds" means the General Obligation Bonds, Series 2008B, authorized and issued by the City pursuant to the Ordinance.

"Business Day" means a day other than a Saturday, Sunday or holiday 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 name of The Depository Trust Company, New York, New York.

"City" means the City of Osawatomie, Kansas, the issuer of the Bonds.

"Clerk" means the duly appointed and/or elected Clerk of the City or, in the Clerk's absence, the duly appointed Deputy Clerk or Acting Clerk of the City.

"Code" means the Internal Revenue Code of 1986, as amended.

"Costs of Issuance" means all costs of issuing the Bonds, including all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel and expenses incurred in connection with compliance with the Code.

"Dated Date" means October 15, 2008.

"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 City 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; and

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

"Event of Default" means each of the following occurrences or events:

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

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

(c) The City 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 Resolution on the part of the City to be performed (other than relating to Rule 15c2-12 as defined in the Disclosure Certificate), 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 City by the Owner of any of the Bonds then Outstanding.

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

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

"Improvements" mean certain main trafficway improvements constructed in the City in accordance with the legal authority as described in the recitals to this Resolution.

"Interest Payment Date(s)" means the Stated Maturity of an installment of interest on any Bond which shall be March 1 and September 1 of each year, commencing March 1, 2009.

"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 appointed and/or elected Mayor of the City or, in the Mayor's absence, the duly appointed Deputy Mayor or Acting Mayor of the City.

"No Arbitrage and Use of Proceeds Certificate" means the certificate so named and included in the transcript of proceedings pertaining to the issuance of the Bonds describing the investment and use of the proceeds of the Bonds.

"Ordinance" means Ordinance No. 3657 passed and approved October 9, 2008, and published as required by law, pursuant to which the issuance of the Bonds has been authorized.

"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 **Section 701** 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.

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

"Paying Agent" means the State Treasurer, and any successors and assigns.

"Permitted Investments" means: (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 City's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks located in the county or counties in which the City is located; (f) obligations of the federal national mortgage association, federal home loan banks or the federal home loan mortgage corporation; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements with 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, Inc. or Standard & Poor's; (i) investments in 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 States 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). No Permitted Investment shall include any derivative 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.

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

"Principal and Interest Account" means the Principal and Interest Account for the City of Osawatimie, Kansas, General Obligation Bonds, Series 2008B, created herein within the City's Bond and Interest Fund.

"Project Account" means the Project Account in the treasury of the City, created herein.

"Purchase Price" means the par value of the Bonds plus accrued interest to the date of delivery.

"Purchaser" means _____, _____, _____, the original purchaser of the Bonds.

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

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

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

"Replacement Bonds" means Bonds issued to the beneficial owners of the Bonds in accordance with **Section 211** hereof.

"Representation Letter" means the Representation Letter from the City and the Paying Agent to the Securities Depository with respect to the Bonds, substantially in the form attached to this Resolution as Exhibit B.

"Resolution" means this resolution relating to the Bonds.

"Securities Depository" means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

"Special Record Date" means the date fixed by the Paying Agent pursuant to **Section 204** hereof for the payment of Defaulted Interest.

"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 of Kansas.

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

"Term Bonds" means the Bonds scheduled to mature in the year _____.

"Treasurer" means the duly appointed and/or elected Treasurer of the City or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the City.

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills or other securities consisting of 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 the 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).

ARTICLE II

AUTHORIZATION AND DETAILS OF THE BONDS

Section 201. Authorization of the Bonds. There shall be issued and hereby are authorized and directed to be issued the General Obligation Bonds, Series 2008B, of the City in the aggregate principal amount of \$2,435,000 for the purpose of providing funds to pay part of the costs of the Improvements.

Section 202. Description of the Bonds. The Bonds shall consist of fully registered bonds in the denominations of \$5,000 or any integral multiple thereof and shall be numbered in such manner as the Bond Registrar shall determine. All of the Bonds shall be dated October 15,

2008, shall become due in the amounts on the Stated Maturities (subject to redemption and payment prior to their Stated Maturities as provided in Article III hereof), and shall bear interest at the rates per annum as follows:

SERIAL BONDS

<u>MATURITY</u> (September 1)	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>
2009	\$ 60,000	____%
2010	35,000	_____
2011	70,000	_____
2012	75,000	_____
2013	75,000	_____
2014	80,000	_____
2015	75,000	_____
2016	80,000	_____
2017	85,000	_____
2018	90,000	_____
2019	140,000	_____
2020	145,000	_____
2021	150,000	_____
2022	160,000	_____
2023	165,000	_____
2024	175,000	_____
2025	180,000	_____
2026	190,000	_____
2027	200,000	_____
2028	205,000	_____

TERM BONDS

20____

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, payable 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 typed or 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 and Clerk of the City are hereby authorized and empowered to execute on behalf of the City an agreement with the Bond Registrar and Paying Agent for the Bonds.

The City will at all times maintain a Paying Agent and Bond Registrar meeting the qualifications herein described for the performance of the duties hereunder. The City reserves

the right to appoint a successor Paying Agent or Bond Registrar by (1) 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 (2) 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 or Redemption Price of and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

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

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

Section 205. Registration, Transfer and Exchange of Bonds. The City 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 corporate trust 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 Resolution. The City shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds provided for by this 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 Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Owner hereunder or under the Bonds.

The City and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to **Section 303** hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 204** hereof.

The City 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 City 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 of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Owners whose authority is evidenced to the satisfaction of the Bond Registrar.

Section 206. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the City by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Clerk and the seal of the City

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 City 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 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 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 Resolution. Upon authentication, the Bond Registrar shall deliver the Bonds to the Purchaser upon instructions of the City or its representative.

Section 207. Mutilated, Lost, Stolen or Destroyed Bonds. If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the City and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the City or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the City shall execute and, upon the City'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 City, in its discretion, may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this Section, the City 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 City, and shall be entitled to all the benefits of this Resolution equally and ratably with all other Outstanding Bonds.

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

Section 209. Preliminary and Final Official Statement. The Preliminary Official Statement dated September 11, 2008, is hereby ratified and approved. For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the City hereby deems the information regarding the City contained in the Preliminary Official Statement to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the City are hereby authorized, if requested, to provide the Purchaser a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of such Rule.

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

The City agrees to provide to the Purchaser within seven business days of the date of the sale of Bonds sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 210. Sale of the Bonds. The sale of the Bonds to the Purchaser is hereby ratified and confirmed. Delivery of the Bonds shall be made to the Purchaser as soon as practicable after the passage of this Resolution, upon payment of the Purchase Price.

Section 211. Book-Entry Bonds; Securities Depository.

(a) 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 subsection (b) hereof. 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 subsection (b).

(b) (1) If the City determines (A) that the Securities Depository is unable to properly discharge its responsibilities, or (B) 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 (C) 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 (2) 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 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 (1)(A) or (1)(B) of this subsection (b), the City, with the consent of the Bond Registrar, may select a successor securities depository in accordance with **Section 211(c)** hereof 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 City, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository in accordance with **Section 211(c)** hereof, 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 City.

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

(d) The execution and delivery of the Representation Letter to DTC by the Mayor of the City in the form attached hereto as Exhibit B with such changes, omissions, insertions and revisions as the Mayor shall deem advisable, is hereby authorized, and execution of the Representation Letter by the Mayor shall be conclusive evidence of such approval. The Representation Letter shall set forth certain matters with respect to, among other things, notices, consents and approvals by Registered Owners of the Bonds and beneficial Owners and payments on the Bonds. The Paying Agent shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Resolution.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Optional and Mandatory Redemption by City.

(a) **Optional Redemption.** At the option of the City, the Bonds or portions thereof maturing on September 1, 2018, and thereafter may be called for redemption and payment prior to their Stated Maturity on September 1, 2017, and thereafter as a whole or in part at any time (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the City) at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

(b) **Mandatory Redemption.** 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 Principal and Interest Account shall be sufficient to redeem, and the City shall redeem on September 1 in each year, the following principal amounts of such Term Bonds:

TERM BONDS

<u>Principal Amount</u>	<u>Year</u>
\$ _____	20__
_____	20__
_____	20__

(leaving \$_____ to mature September 1, 20__)

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the City 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 City 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 (b)) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection (b). 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 City 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 in chronological order, and the principal amount of Term Bonds to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the City intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the City 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 the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Bonds of the same maturity are to be redeemed and paid prior to their Stated Maturity, the Bonds to be redeemed shall be selected by the Bond Registrar in \$5,000 units 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 \$5,000 are then Outstanding, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, 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 such \$5,000 unit or units 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 the \$5,000 unit or units of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption. In the event the City 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 it of the City's written notice. If the Bonds are refunded more than 90 days in advance of such Redemption Date, any escrow agreement entered into by the City in connection with such refunding shall provide that such written instructions to the Paying Agent shall be given by the escrow agent on behalf of the City not more than 90 days prior to the Redemption Date. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in **Section 303** are met.

Unless waived by any Owner of Bonds to be redeemed, the Bond Registrar shall give written notice of the redemption of said Bonds on a specified date, the same being described by maturity, said notice to be mailed by United States first class mail addressed to the Owners of said Bonds to be redeemed and to the Original Purchaser of the Bonds, each of said notices to be mailed not less than 30 days prior to the date fixed for redemption. The City and Bond Registrar shall also give such additional notice as may be required by Kansas law or regulations of the Securities and Exchange Commission in effect as of the date of such notice.

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 City 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.

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 City 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 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.

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

ARTICLE IV

SECURITY FOR AND PAYMENT OF BONDS

Section 401. Security for the Bonds. The 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 full faith, credit and resources of the City are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 402. Levy and Collection of Annual Tax. 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 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 City are levied and collected. The proceeds derived from said taxes shall be deposited in the Principal and Interest Account, shall be kept separate and apart from all other funds of the City and shall be used solely for the payment of the principal of, premium, if any, and interest on the Bonds as and when the same become due, taking into account the fees and expenses of the Bond Registrar and 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 City 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 MONEYS

Section 501. Establishment of Funds and Accounts. Simultaneously with the issuance of the Bonds, there shall be created within the treasury of the City the following funds and accounts:

- (a) In the treasury of the City, the "Project Account"; and
- (b) In the City's Bond and Interest Fund, the "Principal and Interest Account for the City of Osawatomie, Kansas, General Obligation Bonds, Series 2008B (the "Principal and Interest Account"); and

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

Section 502. Disposition of Bond Proceeds. The proceeds of the Bonds, upon issuance and delivery thereof, shall be deposited as follows:

(a) In the Principal and Interest Account, a sum equal to the accrued interest and any premium paid on the Bonds.

(b) In the Project Account, the sum of \$2,435,000.

Section 503. Withdrawals from the Project Account. The Treasurer shall make withdrawals from the Project Account solely for the purpose of paying costs and expenses of the Improvements, including the allocable portion of the Costs of Issuance. Such withdrawals shall be made only on due authorization by the governing body of the City.

Section 504. Surplus in the Project Account. All moneys remaining in the Project Account after the completion of the Improvements, as determined by the governing body of the City, shall be transferred immediately to the Principal and Interest Account and applied to the next installment of principal due on the series of Bond from which surplus moneys remain.

Section 505. Application of Moneys in Principal and Interest Account. All amounts paid and credited to the Principal and Interest Account shall be expended and used by the City 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 Principal and Interest 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 City. 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 Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Bonds and entitled to payment from such moneys.

Any moneys or investments remaining in the Principal and Interest Account after the retirement of the indebtedness for which the Bonds were issued shall be transferred and paid into the Bond and Interest Fund of the City.

Section 506. Deposits and Investment of Moneys. Moneys in each of the Funds and Accounts shall be deposited in accordance with the requirements of K.S.A. 10-131, as amended. All such deposits shall be continuously and adequately secured by the financial institutions holding such deposits 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 City so that there shall be no commingling of such funds with any other funds of the City.

Moneys held in the funds and accounts herein created or established in conjunction with the issuance of the Bonds may be invested by the City in Permitted Investments or in other investments allowed by Kansas law in such amounts and maturing at such times as shall reasonably provide for moneys to be available when required in said accounts or funds;

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 or account was created. All interest on any Permitted Investment held in any fund or account (except amounts required to be deposited in the Rebate Fund in accordance with the Arbitrage Instructions) shall accrue to and become a part of such fund or account; provided, however, that interest earned on investments of moneys held in the Project Account may, at the direction of the governing body of the City, be paid and credited to the Principal and Interest Account and used to pay interest on the Bonds. In determining the amount held in any fund or account under the provisions of the Resolution, Permitted Investments shall be valued at their par value or at their then redemption value, whichever is lower.

Section 507. 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 City 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 Resolution or on, or with respect to, said Bond. If such funds shall have remained unclaimed for five (5) years after such principal or interest has become due and payable, such funds shall be paid to the City; and all liability of the Paying Agent to the owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged. The obligations of the Paying Agent under this Section to pay any such funds to the City shall be subject to any provisions of law applicable to the Paying Agent or to such funds providing other requirements for disposition of unclaimed property.

ARTICLE VI

DEFAULT AND REMEDIES

Section 601. Remedies. The provisions of the Resolution, including the covenants and agreements herein contained, shall constitute a contract between the City 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 City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the 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 City, 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 City 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 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 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 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 City 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 or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Resolution and the pledge of the City'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 or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this 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 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; provided, however, that if any such Bonds are to be redeemed prior to their Stated Maturity, (1) the City has elected to redeem such Bonds, and (2) either notice of such redemption has been given, or the City has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption in compliance with **Section 303** of this Resolution. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the City, 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 Resolution.

ARTICLE VIII
TAX COVENANTS

Section 801. General Covenants.

(a) The City covenants and agrees that (1) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds and (2) it will not use or permit the use of any proceeds of Bonds or any other funds of the City, will not take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely effect the exclusion from gross income of the interest on the Bonds. The City 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 City.

(b) The City covenants and agrees that (1) it will use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Bonds are issued, and (2) it will not invest or directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the City in any manner, to take or omit to take any action, that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code.

(c) The City covenants and agrees that it will not use any portion of the proceeds of the Bonds, including any investment income earned on such proceeds, directly or indirectly, in a manner that would cause any Bond to be a "private activity bond" within the meaning of Section 141(a) of the Code.

Section 802. Survival of Covenants. The covenants contained in this Article shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to Article VII hereof or any other provision of this Resolution until the final maturity date of all Bonds Outstanding.

Section 803. Qualified Tax-exempt Obligations. The Bonds are designated as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code.

ARTICLE IX
CONTINUING DISCLOSURE REQUIREMENTS

Section 901. Disclosure Requirements. The City hereby covenants with the Purchaser and the Beneficial Owners (as defined in the Disclosure Certificate) to provide and disseminate such information as is required by Rule 15c2-12 (as defined in the Disclosure Certificate) and is further set forth in the Disclosure Certificate. Such covenant shall be for the benefit of and enforceable by the Purchaser and such Beneficial Owners.

Section 902. Failure to Comply with Continuing Disclosure Requirements. In the event the City fails to comply in a timely manner with its covenants contained in the preceding section, the Purchaser and/or any such Beneficial Owner may make demand for such compliance by written notice to the City. In the event the City does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any such 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 such Beneficial Owner shall deem effectual to protect and enforce any of the duties of the City under such preceding section.

ARTICLE X

MISCELLANEOUS PROVISIONS

Section 1001. Annual Audit. Annually, promptly after the end of the Fiscal Year, the City will cause an audit to be made of its Funds and Accounts for the preceding Fiscal Year by a certified public accountant or firm of certified public accountants.

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 of the City be open to the examination and inspection by any taxpayer, any Owner 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 City shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Resolution, the City shall promptly cure such deficiency.

Section 1002. Amendments. The rights and duties of the City and the Owners, and the terms and provisions of the Bonds or of this Resolution, may be amended or modified at any time in any respect by resolution of the City 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 City 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 Resolution.

Any provision of the Bonds or of this Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the City 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 City may amend or supplement this Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein 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 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 City amending or supplementing the provisions

of this Resolution and shall be deemed to be a part of this Resolution. A certified copy of every such amendatory or supplemental resolution, if any, and a certified copy of this 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 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 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 City 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 City shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Resolution which affects the duties or obligations of the Paying Agent under this 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 Resolution, and shall be conclusive in favor of the City 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 make acknowledgements 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 Resolution, Bonds owned by the City shall be disregarded and deemed not to be Outstanding under this 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 rights so to act with respect to such Bonds and that the pledgee is not the City.

Section 1004. Further Authority. The officers and officials of the City, 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 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 1005. Severability. If any section or other part of this Resolution is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Resolution.

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

Section 1007. Effective Date. This Resolution shall take effect and be in full force from and after its passage by the governing body of the City.

PASSED by the governing body of the City on October 9, 2008.

CITY OF OSAWATOMIE, KANSAS

(SEAL)

Philip A. Dudley, Mayor

ATTEST:

Ann Elmquist, City Clerk

CERTIFICATE

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of the Resolution of the governing body of the City of Osawatomie, Kansas, adopted by the governing body at a regularly scheduled meeting held on October 9, 2008, as the same appears of record in my office, and that the Resolution has not been modified, amended or repealed and is in full force and effect as of this date.

DATED: October 9, 2008.

(SEAL)

Ann Elmquist, City Clerk

EXHIBIT A
(FORM OF BOND)

Unless this certificate is presented by an authorized representative of The Depository Trust Company 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 such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF MIAMI
CITY OF OSAWATOMIE
GENERAL OBLIGATION BOND
SERIES 2008B

No. R-_____ \$_____

Rate of Interest: _____ Maturity Date: _____ Dated Date: October 15, 2008 CUSIP _____

Registered Owner:

PRINCIPAL AMOUNT _____

The City of Osawatomie, in the County of Miami, State of Kansas, (the "City") for value received acknowledges itself to be indebted to and promises to pay, but solely from the sources hereinafter pledged, to the registered owner identified above, or registered assigns as hereinafter provided, on the maturity date identified above, the principal amount identified above, and in like manner to pay, as of the Record Dates as hereinafter provided, interest on such principal amount from the date of this Bond or from the most recent interest payment date to which interest has been paid prior to the registration date set forth below at the rate of interest per annum set forth above semiannually on March 1 and September 1 of each year (the "Interest Payment Dates") commencing March 1, 2009, until said principal amount is paid.

The principal of and premium, if any, on this Bond shall be payable in lawful money of the United States of America at the office of the Treasurer of the State of Kansas, Topeka, Kansas, (the "Paying Agent" and "Bond Registrar") upon presentation of this Bond for payment and cancellation. The interest on this Bond shall be payable in lawful money of the United States of America by check or draft of the Paying Agent by mailing to the registered owner thereof at the address appearing on the registration books of the City maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar at the close of business on the 15th day of February or August next preceding the applicable interest payment date (the "Record Dates"). The full faith, credit and resources of the City 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.

THE TERMS AND 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.

It is hereby certified and declared 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 said City, including this series of bonds, does not exceed any constitutional or statutory limitation.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Bond Registrar.

IN WITNESS WHEREOF, the said City of Osawatomie, in the State of Kansas, by its governing body, has caused this Bond to be executed by its Mayor and attested by its City Clerk by their manual or facsimile signatures with its corporate seal to be affixed or imprinted hereon, all as of the 15th day of October, 2008.

CITY OF OSAWATOMIE, KANSAS

(manual or facsimile)
Mayor

ATTEST: _____
(manual or facsimile)
City Clerk

(SEAL)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the City of Osawatomie, Kansas, General Obligation Bonds, Series 2008B described in the within mentioned Resolution.

Registration Date: _____

OFFICE OF THE STATE TREASURER
Topeka, Kansas,
as Bond Registrar and Paying Agent

By _____

I.D.#: _____

FURTHER TERMS AND PROVISIONS

This Bond is one of a duly authorized series of Bonds of the City aggregating the principal amount of \$2,435,000 (the "Bonds") issued for the purposes set forth in Ordinance No. 3657 of the City (the "Ordinance"). This Bond and the series of Bonds of which it is a part 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. 10-101 to 125, inclusive, as amended by K.S.A. 10-620 to 10-632, inclusive, K.S.A. 12-685 et seq., and all amendments thereof, acts supplemental thereto, the Ordinance, Resolution No. 608 of the City (the "Resolution") and all other provisions of the laws of the State of Kansas applicable thereto.

The Bonds are issued in fully registered form in the denomination of \$5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations upon the terms set forth in the authorizing Ordinance and the Resolution.

At the option of the City, the Bonds maturing in the years 2018 and thereafter may be called for redemption and payment prior to maturity on September 1, 2017, and thereafter in whole or in part at any time in such order as may be determined by the City (selection of Bonds within the same maturity to be by lot by the Bond Registrar in such manner as it shall determine) at a redemption price of 100% of the principal amount redeemed, plus accrued interest to date of redemption.

Each of the Bonds maturing on September 1, 20____, (the "Term Bonds") shall also be subject to mandatory redemption and payment prior to maturity on September 1, 20____, or on any September 1 thereafter, pursuant to the redemption schedule set forth in the Resolution at the Redemption Price of 100% (expressed as a percentage of the principal amount) plus accrued interest thereon to the Redemption Date.

Bonds will be redeemed in integral multiples of \$5,000. If less than all Bonds are called for redemption, the Bond Registrar will, in the case of Bonds in denominations greater than \$5,000, treat each \$5,000 of face value as though it were a separate Bond.

In the event of any such redemption, the Paying Agent shall give notice of such call by mailing a copy of the redemption notice by first class mail, postage prepaid, not less than thirty (30) days prior to the date of such redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Failure to give such notice by mailing to the registered owner of any Bond, or any defect therein, shall not affect the validity of any proceedings for the redemption of other Bonds. Any notice mailed as provided herein shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds received the notice.

The City and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof, or redemption price hereof and interest due hereon and for all other purposes.

This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. The City shall pay out of the proceeds of the Bonds or from other funds all costs incurred in connection with the issuance, transfer, exchange, registration, redemption or payment of the Bonds except (a) the reasonable fees and expenses in connection with the replacement of a Bond or Bonds mutilated, stolen, lost or destroyed or (b) any tax or other governmental charge imposed in relation to the transfer, exchange, registration, redemption or payment of the Bonds. Upon such transfer a replacement Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefore.

BOND ASSIGNMENT

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

(Name and Address)

(Social Security or Taxpayer Identifying 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 Treasurer of the State of Kansas (the "Bond Registrar"). The undersigned does (do) hereby irrevocably constitute and appoint _____ as attorney 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
Identifying No.

Signature (Sign Here Exactly as
Name(s) Appear on Face of
Certificate)

Signature guaranty:

By _____

CERTIFICATE OF CITY CLERK

I, the undersigned, City Clerk of the City of Osawatimie, Kansas, do hereby certify that this Bond has been duly registered in my office according to law as of October 15, 2008.

WITNESS my hand and official seal.

(SEAL)

(manual or facsimile)

City Clerk

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

I, LYNN JENKINS, Treasurer of the State of Kansas, do hereby certify that a full and complete transcript of the proceedings leading up to the issuance of this Bond has been filed in my office and that this Bond was registered in my office according to law this _____.

WITNESS my hand and official seal.

LYNN JENKINS
TREASURER OF THE STATE OF KANSAS

By _____

Assistant State Treasurer

(SEAL)

EXHIBIT B
(DTC LETTERS OF REPRESENTATIONS)

Change Order

No. 12

Date of Issuance: 9-5-08 Effective Date: 9-5-08

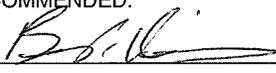
Project: 2007 Sanitary Sewer Improvements	Owner: City of Osawatomie, KS	Owner's Contract No.: 05-309L
Contract: 2007 Sanitary Sewer Improvements		Date of Contract: 9-26-07
Contractor: Bates Utility Company, Inc., 841 Westwood Industrial Park Drive, Weldon Springs, MO 63304		Engineer's Project No.: 05-309L

The Contract Documents are modified as follows upon execution of this Change Order:

Description: See Attached *summary of additional work*. This additional work is for value engineering work performed on a time and material basis for point repairs referenced in Change Order No. 2

Attachments: (List documents supporting change): _____

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price: \$ <u>4,591,615.42</u>	Original Contract Times: <input type="checkbox"/> Working days x Calendar days Final completion (days or date): <u>365 calendar days</u> Ready for final payment (days or date): _____
[Increase] [Decrease] from previously approved Change Orders No. <u>N/A</u> to No. _____: \$ _____	[Increase] [Decrease] from previously approved Change Orders No. <u>N/A</u> to No. _____: Substantial completion (days): _____ Ready for final payment (days): _____
Contract Price prior to this Change Order: \$ <u>4,201,247.77</u>	Contract Times prior to this Change Order: Substantial completion (days or date): <u>per contract</u> Ready for final payment (days or date): _____
[Increase] [Decrease] of this Change Order: \$ <u>+33,428.48</u>	[Increase] [Decrease] of this Change Order: Substantial completion (days or date): <u>N/A</u> Ready for final payment (days or date): _____
Contract Price incorporating this Change Order: \$ <u>4,234,676.25</u>	Contract Times with all approved Change Orders: Substantial completion (days or date): <u>per contract</u> Ready for final payment (days or date): _____

RECOMMENDED: By: <u></u> Engineer (Authorized Signature)	ACCEPTED: By: _____ Owner (Authorized Signature)	ACCEPTED: By: _____ Contractor (Authorized Signature)
Date: <u>10/7/08</u>	Date: _____	Date: _____
Approved by Funding Agency (if applicable): _____	Date: _____	

Bates Utility Company, Inc.
841 Westwood Industrial Park Drive
Weldon Spring, MO 63304
(636) 939 - 5628
Fax (636) 939 - 5615

Date: 9-30-08
Owner: City of Osawatomie
Project: 2007 Sanitary Sewer Improvements
CDBG No. 06-PF-536

Description of Work: Change Order 12
Summary page of completed force account work.

Labor

Sub-Total	\$2,199.48
Mark up (55%)	\$1,209.71
Total Labor	\$3,409.19

Material

Sub-Total	\$786.21
Mark up (15%)	\$117.93
Total Material	\$904.14

Equipment

Sub-Total	\$2,010.00
Mark up (15%)	\$301.50
Total Equipment	\$2,311.50

Subcontractor

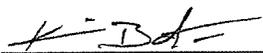
Sub-Total	\$23,307.52
Mark up (15%)	\$3,496.13
Total Sub	\$26,803.65

Other

Sub-Total	\$0.00
Mark up (5%)	\$0.00
Total Other	\$0.00

Total Cost \$33,428.48

Contractor: Bates Utility Company, Inc.

By: 

Date: 9/30/08

Engineer: BG Consultants, Inc.

By: _____

Date: _____

City: City of Osawatomie

By: _____

Date: _____



CITY OF OSAWATOMIE
439 Main Street
PO Box 37
Osawatomie, KS 66064
913-755-2146

SEWER IMPROVEMENTS PROJECT
CDBG GRANT # 06-PF-536
PAYMENT REQUEST
October 9, 2008
Payment Request No. 29

Claimant	Description	Document Number	Amount
Governmental Assistance Services 905 Joseph Drive Lawrence, KS 66049	administration	9/30/08	\$ 575.70
BG Consultants, Inc. 1405 Wakarusa Drive Lawrence, KS 66049	engineering inspection	9/15/08	\$ 16,873.33
Bates Utility Company, Inc. 841 Westwood Ind. Park Dr. Weldon Spring, MO 63304	construction	App #11 09/30/08	\$ 554,461.45
		TOTAL	\$ 571,910.48

Approved for payment by the Osawatomie City Council this 9th day of October, 2008.

Philip A. Dudley, Mayor



CITY OF OSAWATOMIE
 439 Main Street
 PO Box 37
 Osawatomie, KS 66064
 913-755-2146

**HOUSING DEVELOPMENT
 KHRC HOUSING DEVELOPMENT GRANT PROGRAM
 PAYMENT REQUEST
 October 9, 2008
 Payment Request No. 2**

Claimant	Description	Document Number	Amount
Woodco, Inc. PO Box 350 Republic, MO 65738	Public infrastructure for Appenfeller Drive (offsite)	ACP #2 9/30/08	\$ 67,789.17
Woodco, Inc. PO Box 350 Republic, MO 65738	Infrastructure for Woodland Hills apts. (sitework)	ACP #2 9/30/08	\$ 36,631.86
	TOTAL		\$ 104,421.03

Approved for payment by the Osawatomie City Council this 9th day of October, 2008.

Philip A. Dudley, Mayor

(Published in the Osawatomie Graphic, October 15, 2008) 1t

ORDINANCE NO. _____

AN ORDINANCE REGARDING PROTECTION OF IMPORTANT LAND RESOURCES AND MITIGATION MEASURES FOR THE CITY OF OSAWATOMIE, KANSAS.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE KANSAS:

SECTION ONE: The City of Osawatomie shall henceforth be and is hereby prohibited from extending or agreeing to extend water service, both now and in the future, to all structures, houses, buildings or other improvements not already existing, established and completed, and which are located or in any manner situated, in whole or in part, within the designated 100 year floodplain in the City of Osawatomie, Miami County, Kansas.

SECTION TWO: BINDING ACTION. This ordinance shall be binding upon the City of Osawatomie, its representatives, successors and assigns, and shall not be altered amended, repealed or modified without first obtaining the written consent of the Farmers Home Administration, USDA, an agency of the United States Government, or its representatives, successors or assigns.

SECTION THREE: EFFECTIVE DATE. This ordinance shall take effect and be in force from and after its publication in the official City Newspaper.

PASSED AND APPROVED by the Governing Body of the City of Osawatomie, Kansas, this 9th day of October, 2008.

APPROVED AND SIGNED by the Mayor.

Philip A. Dudley
Mayor

(SEAL)

ATTEST:

Ann Elmquist
City Clerk

City of Osawatomie

Identity Theft Prevention Program

Implemented as of October 23, 2008

I. INTRODUCTION

The City of Osawatomie (the "City") developed this Identity Theft Prevention Program ("Program") pursuant to the Federal Trade Commission's ("FTC") Red Flag Rule, which implements Section 114 of the Fair and Accurate Credit Transaction Act of 2003. 16 C. F. R. § 681.2. This Program is designed to detect, prevent and mitigate Identity Theft in connection with the opening and maintenance of certain city accounts. For purposes of this Program, "Identity Theft" is considered to be "fraud committed using the identifying information of another person." The accounts addressed by the Program, (the "Accounts"), are defined as:

1. An account the City offers or maintains primarily for personal, family or household purposes, that involves multiple payments or transactions; and
2. Any other account the City offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the City from Identity Theft.

This Program was developed with oversight and approval of the Osawatomie City Council. After consideration of the size and complexity of the City's operations and account systems, and the nature and scope of the City's activities, the Osawatomie City Council determined that this Program was appropriate for the City of Osawatomie and therefore approved this Program on October 23, 2008.

II. IDENTIFICATION OF RED FLAGS.

A “Red Flag” is a pattern, practice, or specific activity that indicates the possible existence of Identity Theft. In order to identify relevant Red Flags, the City considered the types of Accounts that it offers and maintains, the methods it provides to open its Accounts, the methods it provides to access its Accounts, and its previous experiences with Identity Theft. The City identifies the following Red Flags, in each of the listed categories:

A. Notifications and Warnings from Consumer Reporting Agencies.

Possible Red Flags for this category include:

- 1) Receiving a report or notice from a consumer reporting agency of a credit freeze;
- 2) Receiving a report of fraud with a consumer report; and
- 3) Receiving indication from a consumer report of activity that is inconsistent with a customer’s usual pattern or activity.

B. Suspicious Documents.

Possible Red Flags for this category include:

- 1) Receiving documents that are provided for identification that appear to be forged or altered;
- 2) Receiving documentation on which a person’s photograph or physical description is not consistent with the person presenting the documentation;
- 3) Receiving other documentation with information that is not consistent with existing customer information (such as if a person’s signature on a check appears forged); and
- 4) Receiving an application for service that appears to have been altered or forged.

C. Suspicious Personal Identifying Information.

Possible Red Flags for this category include:

- 1) A person’s identifying information is inconsistent with other sources of information (such as an address not matching an address on a consumer report or a SSN that was never issued);
- 2) A person’s identifying information is inconsistent with other information the customer provides (such as inconsistent SSNs or birth dates);
- 3) A person’s identifying information is the same as shown on other applications found to be fraudulent;
- 4) A person’s identifying information is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address);
- 5) A person’s SSN is the same as another customer’s SSN;
- 6) A person's address or phone number is the same as that of another person;
- 7) A person fails to provide complete personal identifying information on an application when reminded to do so; and

- 8) A person's identifying information is not consistent with the information that is on file for the customer.

D. Unusual Use Of or Suspicious Activity Related to an Account.

Possible Red Flags for the category include:

- 1) A change of address for an Account followed by a request to change the Account holder's name;
- 2) An account being used in a way that is not consistent with prior use (such as late or no payments when the Account has been timely in the past);
- 3) Mail sent to the Account holder is repeatedly returned as undeliverable;
- 4) The City receives notice that a customer is not receiving his paper statements;
- 5) The City receives notice that an Account has unauthorized activity;
- 6) Breaches in a City's computer system;
- 7) Unauthorized access to or use of customer Account information; and
- 8) A City's plans to take steps with certain data it maintains that contains customer information (i.e. destroying computer files).

E. Notice Regarding Possible Identity Theft.

- 1) The City receives notice from a customer, an identity theft victim, law enforcement or any other person that it has opened or is maintaining a fraudulent Account for a person engaged in Identity Theft.

III. DETECTION OF RED FLAGS.

In order to detect any of the Red Flags identified above with the opening of a new Account, City personnel will take the following steps to obtain and verify the identity of the person opening the Account:

- 1) Requiring certain identifying information such as name, date of birth, residential or business address, principal place of business for an entity, SSN, driver's license or other identification;
- 2) Verifying the customer's identity, such as by copying and reviewing a driver's license or other identification card;
- 3) Reviewing documentation showing the existence of a business entity; and
- 4) Independently contacting the customer.

In order to detect any of the Red Flags identified above for an existing Account, City personnel will take the following steps to monitor transactions with an Account:

- 1) Verifying the identification of customers if they request information (in person, via telephone, via facsimile, via email);
- 2) Verifying the validity of requests to change billing addresses; and
- 3) Verifying changes in banking information given for billing and payment purposes.

IV. PREVENTING AND MITIGATING IDENTITY THEFT.

In the event City personnel detect any identified Red Flags, such personnel shall take one or more of the following steps, depending on the degree of risk posed by the Red Flag:

- 1) Continuing to monitor an Account for evidence of Identity Theft;
- 2) Contacting the customer;
- 3) Changing any passwords or other security devices that permit access to Accounts;
- 4) Reopening an Account with a new number;
- 5) Not opening a new Account;
- 6) Closing an existing Account;
- 7) Notifying law enforcement;
- 8) Determining that no response is warranted under the particular circumstances;
or
- 9) Notifying the Program Administrator (as defined below) for determination of the appropriate step(s) to take.

In order to further prevent the likelihood of identity theft occurring with respect to City accounts, the City will take the following steps with respect to its internal operating procedures:

- 1) Providing a secure website or clear notice that a website is not secure;
- 2) Ensuring complete and secure destruction of paper documents and computer files containing customer information;
- 3) Ensuring that office computers are password protected and that computer screens lock after a set period of time; and
- 4) Requiring only the last 4 digits of SSNs on customer applications.

V. UPDATING THE PROGRAM AND THE RED FLAGS

This Program will be periodically reviewed and updated to reflect changes in risks to customers and the soundness of the City from Identity Theft. At least annually, the City Manager will consider the City's experiences with Identity Theft situations, changes in Identity Theft methods, changes in Identity Theft detection and prevention methods, changes in types of Accounts the City maintains and changes in the City's business arrangements with other entities. After considering these factors, the City Manager will determine whether changes to the Program, including the listing of Red Flags, are warranted. If warranted, the City Manager is hereby authorized to make any necessary changes to the Program with such changes being communicated to the City Council at their next regularly scheduled meeting.

VI. PROGRAM ADMINISTRATION.

A. Oversight

The City's Program will be overseen by a Program Administrator. The Program Administrator shall be the City Manager.

The Program Administrator will be responsible for the Program's administration, for ensuring appropriate training of City staff on the Program, for reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating Identity Theft, determining which steps of prevention and mitigation should be taken in particular circumstances, reviewing and, if necessary, approving changes to the Program.

B. Staff Training and Reports

City staff responsible for implementing the Program shall be trained either by or under the direction of the Program Administrator in the detection of Red Flags, and the responsive steps to be taken when a Red Flag is detected.

C. Service Provider Arrangements

In the event the City engages a service provider to perform an activity in connection with one or more Accounts, the City will take the following steps to ensure the service provider performs its activity in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of Identity Theft.

- 1) Requiring, by contract, that service providers have such policies and procedures in place;
- 2) Requiring, by contract, that service providers review the City's Program and report any Red Flags to the Program Administrator.



CITY OF OSAWATOMIE
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CITY OF OSAWATOMIE

CITY MANAGER'S REPORT

October 9, 2008

MUNICIPAL CODE UPDATE:

Recent staff changes and the approaching annual conference at the League of Kansas Municipalities has delayed the delivery of our new municipal code. This update (ten years in the making) incorporates all ordinances changing law in Osawatomie since the last code was developed in the 1970's. This update was begun in the mid to late 90's. Once the staff is satisfied that the code incorporates everything properly, the League of Kansas Municipalities will host a "code conference" for the Governing Body to discuss the code with you.

2008 SEWER PROJECT:

Work continues to move forward on the sewer project. On this agenda is change order #12 that reflects a combined increase of: \$33,428.48. Our City Engineer will present at the end of the project, a report detailing all of the changes and savings that were realized after the project is completed. Change order #12 finalizes many of the bills that had not been received from previous change orders such as camera work on additional point repairs and changing lines from open cut and full replacement to CIPP. There will be at least one, probably two more change orders to go which will adjust planned quantities to actual quantities. Once the Change Order is approved, the pay request should be approved.

2008 STREET PROJECT:

Measured progress continues on the initial four street reconstruction projects. As of this writing, we are hopeful that these streets will be completed by the end of either this week or next. On this agenda is the approval of pay request number 4. Assuming the quantities are correct, the pay request is in the amount of: \$119,329.34. Additionally, we anticipate demolition work to begin shortly on the six additional blocks of work as approved by the city council. Contracts have been signed and delivered to all necessary parties and we expect a quicker construction schedule than what we've experienced on the current project.

UPDATE TO OSAWATOMIE COMPREHENSIVE PLAN:

Data continues to be gathered and compiled for our comprehensive plan update. Interviews with various stakeholders as identified by the consultant have been set up and are taking place currently. At least one public meeting will need to take place and we hope to have that scheduled in the near future.

WOODLAND HILLS PAY REQUEST:

The second pay request for the infrastructure at Woodland Hills has been received. The amount of this pay request for both the onsite and offsite infrastructure work is: \$104,421.03. Work continues to be performed on the infrastructure portion of the project. Once utilities are in the ground, vertical construction is expected to begin, with an anticipated (as of today) completion timeframe of around the middle of the summer. I recommend approving the pay request.

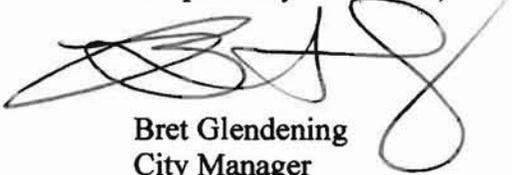
IDENTITY THEFT PREVENTION PROGRAM:

Under new rules promulgated last year by the Federal Trade Commission, all municipal utilities are now required to develop and maintain an Identity Theft Protection Program (ITTP). Utilities are to have such programs adopted and in place by November 1, 2008. In late September, the Kansas Municipal Utilities (KMU) organization, which I serve as a Board Member provided municipal utilities with a template which meets all of the federal requirements. We need to adopt this program prior to the end of this month. Included in this council packet is a draft copy of Osawatomie's draft ITTP for your review and consideration.

INQUIRY FROM WELLS FARGO REGARDING 1120 3RD STREET:

Last week we received an inquiry from Wells Fargo (financing company) regarding the property at 1120 3rd street that was recently condemned and ordered demolished. They were properly noticed in accordance with state statute regarding the public hearing, and were also noticed regarding the condemnation action the council took regarding the property. That being said, my initial reaction was to inform them that now was not the time to be coming in and asking for council permission to rehabilitate the property. However, I have spoken with the firm that they have contracted with to rehab the property and I believe that they do intend to spend a considerable amount of money bringing the property back to a habitable and safe condition. I have advised them that if this is a project they are sincere about pursuing, then they should appear before the council during public comment and make their case. I have also advised them that they should bring all of the documentation necessary to prove their position that they wish to save the house. It is stated in our housing policy resolution that we would do all we can to encourage rebuilding in the flood area, and after giving this request considerable thought over the weekend, I believe it is in the best interests of the city as well as Wells Fargo, to permit them to have a set amount of time to rehabilitate the property. I would recommend the council provide them with 60 days to complete the rehabilitation of this property.

Respectfully Submitted,



Bret Glendening
City Manager



Osawatomie Police Department

Monthly Report Sept. 2008

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	<u>Current Month</u>	<u>Year to Date</u>
Escorts	10	70
Warrant attempts/arrests	20	98
Traffic Stops/investigation	77	733
Investigate Person	1	11
DUI	3	29
Non-Injury Accident	11	135
Injury Accident	2	16
Assist EMS	22	232
Fire	1	32
Fights	7	52
Prowler	0	5
Domestic Violence	13	45
911 Misdialed	10	49
Animal at large	49	397
Animal Bite	6	29
Animal Missing	13	96
Animal Welfare	13	121
Assist Outside Agency	16	138
Bank Alarm	0	9
Burn Permit	9	161
Business Alarm	6	44
Burglary	3	26
Criminal Damage to Property	10	89
Child In need of Care	0	39
Carbon Monoxide Check	3	9
Civil Stand By	5	61
Citizen Complaint	66	825
Citizen Inquiry	88	619
City Services	35	267
Drug Cases	2	36
Disturbance	13	155
Deliver Message	1	25
Extra Patrol Request	7	78
Forgery	5	22



Osawatomie Police Department

Monthly Report Sept. 2008

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	<u>Current Month</u>	<u>Year to Date</u>
Fine Payment to Dispatch	24	169
Found Property	4	54
Finger Print (employment)	1	11
Gas Drive Off	2	20
HAZMAT	0	2
K9 Training Event	0	10
K9 Deployment	0	11
Loud Music Complaint	4	75
Murder	0	1
Motorist Assist	16	95
Medical Alarms	1	6
Missing Child	2	11
Missing Person	0	3
Open Door (Building Check)	6	39
Pedestrian Checks	3	19
Residential Alarms	0	2
Reckless Driver	0	6
Repossessions (notifications)	1	12
Runaway	1	6
Sexual Assault/Sex Crimes	2	21
Suspicious Activity	25	206
State Hospital Walk Away	1	9
Theft	20	184
Telephone Harassment	3	48
Unattended Death	1	2
Vehicle Lock Out	32	225
Violation of Protective Order	0	9
Verbal Dispute	1	3
Check Welfare	10	105
Incidents cleared by Arrest	17	122
Total Citations Issued for the Month	37	447
Nusciance Issues addressed		N/A
Last Case # assigned in Sept: 08-5448. 596 Numbers assigned.		



Osawatomie Police Department

Monthly Report for Sept. 2008

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Miles driven (Patrol Units)

	<u>Miles</u>	<u>Mileage Total</u>
Unit 1 (2007 Crown Victoria)	1,452	55064
Unit 3 (2004 Blazer)	2,137	99114
Unit 4 (2003 Crown Victoria)	3,361	151138

Notes:

Unit 1 down most of the month for repairs due to DUI hit and run.

Sept. was the highest month so far for Domestic Violence this year (13)

* Statistics based on dispatch entries, not final investigation decisions.

** Some duplication has been detected, error at this time believed to be less than 5% of total.

**Osawatomie Building Department
Summary for 2008 YTD thru September 30**

Caterory	Total #	Total Value	Rev to City
New Houses	29	2,704,000.00	45,471.60
Re-roofs	477	2,842,702.90	11,215.00
Remodel	31	355,291.28	4,394.32
Accessory	18	42,010.00	941.76
Concrete	18	130,443.00	670.00
Mechanical	19	91,979.00	680.00
Repairs	2	7,100.00	60.00
Decks & Porches	26	34,250.00	750.00
Additions	1	100,000.00	613.20
Commercial Buildings	1	128,000.00	869.92
Demo	16	40,350.00	480.00
Fences	15	16,550.00	420.00
Plumbing	40	45,645.00	1915.00
Electrical	18	20,960.00	600.00
Ag Barn	7	110,900.00	1193.20
Sign	8	10,140.00	240.00
Wileless	1	40,000.00	568.00
Totals	727	6,720,321.18	71,082.00

Accessory list contains garages, storage shed, pools, carports.

Concrete list contains driveways, sidewalks, concrete pads, porches, basement, foundations & patios.

Fences list contains chain link & privacy.

Ed Bridges
Building Official

Osawatomie Building Department
 Summary for July - September 2008

Caterory	Total #	Total Value	Rev to City
New Houses	26	2,526,000.00	42,721.20
Re-roofs	344	2,141,439.00	6,900.00
Remodel	9	96,500.00	813.04
Accessory	9	17,900.00	531.28
Concrete	4	14,172.00	120.00
Mechanical	6	23,300.00	200.00
Repairs	2	7,100.00	60.00
Decks & Porches	10	9,600.00	270.00
Additions	1	100,000.00	613.20
Commercial Buildings	0	0.00	0.00
Demo	5	11,000.00	150.00
Fences	5	4,050.00	120.00
Plumbing	16	13,935.00	420.00
Electrical	7	9,475.00	250.00
Ag Barn	0	0.00	0.00
Sign	3	6,200.00	90.00
Wileless	0	0.00	0.00
Totals	371	4,987,081.00	53,358.72

Accessory list contains garages, storage shed, pools, carports.

Concrete list contains driveways, sidewalks, concrete pads, porches, basement, foundations & patios.

Fences list contains chain link & privacy.

Ed Bridges
 Building Official