

## RESOLUTIONS

- 11-01 A RESOLUTION FIXING A TIME AND PLACE PROVIDING FOR NOTICE OF A HEARING BEFOR THE GOVERNING BODY OF THE CITY OF GALENA, KS AT WHICH THE OWNER, HIS OR HER AGENT, LIEN HOLDERS OF RECORDER, OCCUPANT AND OTHER PARTIES IN INTEREST OF STRUCTURES LOCATED WITHIN SAID CITY AND DESCRIBED HEREIN MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OF DEMOLISED AS AN UNSAFE OR DANGEROUS STRUCTURE 115 FOREST FEBRUARY 22
- 11-02 A RESOLUTION FIXING A TIME AND PLACE PROVIDING FOR NOTICE OF A HEARING BEFOR THE GOVERNING BODY OF THE CITY OF GALENA, KS AT WHICH THE OWNER, HIS OR HER AGENT, LIEN HOLDERS OF RECORDER, OCCUPANT AND OTHER PARTIES IN INTEREST OF STRUCTURES LOCATED WITHIN SAID CITY AND DESCRIBED HEREIN MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OF DEMOLISED AS AN UNSAFE OR DANGEROUS STRUCTURE 902 DEWEY FEBRUARY 22
- 11-03 A RESOLUTION FIXING A TIME AND PLACE PROVIDING FOR NOTICE OF A HEARING BEFOR THE GOVERNING BODY OF THE CITY OF GALENA, KS AT WHICH THE OWNER, HIS OR HER AGENT, LIEN HOLDERS OF RECORDER, OCCUPANT AND OTHER PARTIES IN INTEREST OF STRUCTURES LOCATED WITHIN SAID CITY AND DESCRIBED HEREIN MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OF DEMOLISED AS AN UNSAFE OR DANGEROUS STRUCTURE 710 GALENA FEBRUARY 22
- 11-04 NOT USED
- 11-05 A LOAN REAOLUTION AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING,CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE

- 11-06 A RESOLUTION FINDING THE STRUCTURE LOCATED AT 115 E FOREST IN THE CITY OF GALENA KS IS UNSAFE OR DANGEROUS AND DIRECTING THAT THE STRUCTURE BE REMOVED AND THE PREMISES MADE SAFE AND SECURE
- 11-07 A RESOLUTION DETERMINING THAT THE FINACIAL STATEMENTS AND FINANCIAL REPORTS FOR THE YEAR ENDED DECEMBER 31, 2011 TO BE PREPARED IN CONFORMITY WITH THE REQUIREMENTS OF KSA 75-1120A(A) ARE NOT REVELANT TO THE REQUIREMENTS OF THE CASH BASIS AND BUDGET LAWS OF THIS STATE AND ARE OF NO SIGNIFICANT VALUE TO THE CITY OF GALENA KS OR TO THE MEMBERS OF THE GENERAL PUBLIC OF THE CITY OF GALENA KS
- 11-08 A RESOLUTION FINDING THE STRUCTURE LOCATED AT 902 DEWEY IN THE CITY OF GALENA KS IS UNSAFE OR DANGEROUS AND DIRECTING THAT THE STRUCTURE BE REMOVED AND THE PREMISES MADE SAFE AND SECURE
- 11-09 A RESOLUTION OF THE CITY OF GALENA, KS PURSUANT TO KSA 10+1201 ET SEQ. AS AMENDED AND SUPPLEMENTED, FOR THE PURPOSE OF GIVING NOTICE OF THE CITY'S INTENT TO REFUND AND PAY THE CITY'S SEWER UTILITY SYSTEM REVENUE BONDS, SERIES 1992-B, IN THE OUTSTANDING AGGREGATE PRINCIPAL AMOUNT OF \$\$1,415,400, AND SEWER UTILITY SYSTEM IMPROVEMENT BONDS, SERIES 2001 IN THE OUTSTANDING AGGREGATE PRINCIPAL AMOUNT OF \$284,000, AND DOING ALL OTHER THINGS NECESSARY AND INCIDENTAL THERETO, AND AUTHORIZING THE CITY TO ISSUE AND SELL GENERAL OBLIGATION REFUNDING BONDS OF THE CITY IN AN AMOUNT NOT TO EXCEED \$1,795,000 TO PAY THE COSTS THEREOF
- 11-10 A RESOLUTION AUTHORIZING THE CALL OF THE CITY OF GALENA KS SEWER UTILITY SYSTEM REVENUE BONDS SERIES 1992-B DATED SEPTEMBER 23, 1992 AND AUTHORIZING THE CITY TO GIVE NOTICE OF REDEMPTION
- 11-11 A RESOLUTION AUTHORIZING THE CALL OF THE CITY OF GALENA KS SEWER UTILITY SYSTEM IMPROVEMENT REVENUE BONDS SERIES 2001 DATED APRIL 25, 2001 AND AUTHORIZING THE CITY TO GIVE NOTICE OF REDEMPTION

- 11-12 A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF \$1,495,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011, OF THE CITY OF GALENA, KS PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.
- 11-13 A RESOLUTION AUTHORIZING THE IMPROVEMENT OR REIMPROVEMENT OF A MAIN TRAFFICWAY WITHIN THE CITY OF GALENA, KS AND PROVIDING FOR THE PAYMENT OF THE COSTS THEREOF.
- 11-14 DESIGNATING A HISTORICAL BYWAY
- 11-15 RESOLUTION DETERMINING THE INTENT OF THE CITY OF GALENA, KS TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS IN THE AMOUNT NOT TO EXCEED \$10,000,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING AND EQUIPPING A COMMERCIAL FACILITY FOR THE BENEFIT OF GALENA MOB PARTNERS, LLC AND ITS SUCCESSORS AND ASSIGNS



**RESOLUTION 11-1**

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF GALENA, KANSAS, AT WHICH THE OWNER, HIS OR HER AGENT, LIENHOLDERS OF RECORD, OCCUPANTS AND OTHER PARTIES IN INTEREST OF STRUCTURES LOCATED WITHIN SAID CITY AND DESCRIBED HEREIN MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS AN UNSAFE OR DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Galena, Kansas, did on or before the 4th day of January, 2011, file with the governing body of said city, a statement in writing that the structure, hereinafter described, is unsafe and dangerous.

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

That a hearing will be held on the 22nd day of February, 2011, before the governing body of the city at 6:00 p.m., at the city council chambers in the Galena City Hall, 211 W. 7th, Galena, Kansas, at which the owner, his or her agent, any lienholders of record, any occupant and any other parties in interest, as that term is defined by law, of the structure located at:

**Lot Ninety-one (91) in the Original Plat of the Empire City, Kansas, now a part of the city of Galena, Cherokee County, Galena, Kansas, (address is 115 E. Forrest, Galena, Kansas);**

may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure and ordered repaired or demolished.

BE IT FURTHER RESOLVED, that the City Clerk shall cause this resolution to be published and shall give notice of the aforesaid hearing in the manner provided by law.

Passed and approved this 4th day of January, 2011, by the City Council of Galena, Kansas.

  
Dale Oglesby, Mayor

Attest:

  
Deborah Kitch, City Clerk

Resolution 11-1

**LEGAL NOTICE**

(First Published in the Sentinel-Times  
January 12, 2011)

**RESOLUTION 11-2**

A RESOLUTION FIXING A TIME AND PLACE PROVIDING FOR THE NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF GALENA, KANSAS, AT WHICH THE OWNER, HIS OR HER AGENT, LIENHOLDERS OR RECORD OCCUPANTS AND OTHER PARTIES IN INTEREST OF STRUCTURES LOCATED WITHIN SAID CITY AND DESCRIBED HEREIN MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS AN UNSAFE OR DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Galena, Kansas, did on or before the 4th day of January, 2011, file with the governing body of said city, a statement in writing that the structure, hereinafter described, is unsafe and dangerous.

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

That a hearing will be held on the 22nd day of February, 2011, before the governing body of the city at 6:00 p.m., at the city council chambers in the Galena City Hall, 211 W. 7th, Galena, Kansas, at which the owner, his or her agent, any lienholders of record, any occupant and any other parties in interest as that term is defined by law, of the structure located at:

Lot 58, in the Galena Lead and Zinc Company's Addition to the City of Galena, Cherokee County, Kansas, (address is 902 Dewey, Galena, Kansas);

may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure and ordered repaired or demolished.

BE IT FURTHER RESOLVED, that the City Clerk shall cause this resolution to be published and shall give notice of the aforesaid hearing in the manner provided by law.

Passed and approved on this 4th day of January, 2011, by the City Council of Galena, Kansas.

Dale Oglesby, Mayor

Attest:  
Deborah Kitch, City Clerk  
Resolution 11-2

(First Published in the Sentinel-Times  
January 12, 2011)

**RE**

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### RESOLUTION 11-3

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF GALENA, KANSAS, AT WHICH THE OWNER, HIS OR HER AGENT, LIENHOLDERS OF RECORD, OCCUPANTS AND OTHER PARTIES IN INTEREST OF STRUCTURES LOCATED WITHIN SAID CITY AND DESCRIBED HEREIN MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS AN UNSAFE OR DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Galena, Kansas, did on or before the 4th day of January, 2011, file with the governing body of said city, a statement in writing that the structure, hereinafter described, is unsafe and dangerous.

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

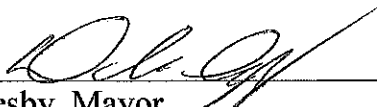
That a hearing will be held on the 22nd day of February, 2011, before the governing body of the city at 6:00 p.m., at the city council chambers in the Galena City Hall, 211 W. 7th, Galena, Kansas, at which the owner, his or her agent, any lienholders of record, any occupant and any other parties in interest, as that term is defined by law, of the structure located at:

**Lot 41 in Carlin Lead and Zinc Company's First Addition to the City of Galena, Cherokee County, Kansas (address is 710 Galena Avenue, Galena, Kansas);**

may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure and ordered repaired or demolished.

BE IT FURTHER RESOLVED, that this resolution shall be published once a week for two consecutive weeks in the official city newspaper. Notice of the aforesaid hearing shall be provided by law.

Passed and approved this 4th day of January, 2011, by the City Council of Galena, Kansas.

  
\_\_\_\_\_  
Dale Oglesby, Mayor

Attest:

A handwritten signature in cursive script, appearing to read "Deborah Kitch", written over a horizontal line.

Deborah Kitch, City Clerk  
Resolution 11-3

Prepared by:

Kevin Cure, City Attorney

Position 5

USDA  
Form RD 1942-47  
(Rev. 12-97)

LOAN RESOLUTION  
(Public Bodies)

FORM APPROVED  
OMB NO. 0575-0015

A RESOLUTION OF THE CITY COMMISSION  
OF THE CITY OF GALENA, KANSAS  
AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING  
A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS  
CITY OF GALENA, KANSAS STREET IMPROVEMENTS  
FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the CITY OF GALENA, KANSAS  
(Public Body)  
(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of  
THREE HUNDRED FORTY THOUSAND AND NO/100 (\$340,000.00) -----

pursuant to the provisions of K.S.A. 10-101 to 10-125 et. seq.; and

WHEREAS, the Association intends to obtain assistance from the Rural Housing Service, Rural Business - Cooperative Service, Rural Utilities Service, or their successor Agencies with the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U. S. C. 1983 (c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$ 10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by the Government. No free service or use of the facility will be permitted.



**CERTIFICATION TO BE EXECUTED AT LOAN CLOSING**

I, the undersigned, as CITY CLERK of the CITY OF GALENA, KANSAS

hereby certify that the CITY COMMISSION of such Association is composed of

8 members, of whom \_\_\_\_\_, constituting a quorum, were present at a meeting thereof duly called and held on the 22ND day of FEBRUARY, 2011; and that the foregoing resolution was adopted at such meeting

by the vote shown above. I further certify that as of 02-22-2011, the date of closing of the loan from the Government, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this 22ND day of FEBRUARY, 11.

By: *Deborah Kitch*  
Deborah Kitch  
CITY CLERK

Title \_\_\_\_\_

Need to get  
a good copy  
From Kevin

## RESOLUTION 11-6

### **A RESOLUTION FINDING THE STRUCTURE LOCATED AT 115 E. FORREST IN THE CITY OF GALENA, KANSAS, IS UNSAFE OR DANGEROUS AND DIRECTING THAT THE STRUCTURE BE REMOVED AND THE PREMISES MADE SAFE AND SECURE**

Whereas, the Enforcing Officer for the City of Galena, Kansas, did on or before the 4th day of January, 2011, file with the governing body of said City a statement in writing that a certain structure, hereinafter described, was unsafe and dangerous; and,

Whereas, the governing body did by Resolution No. 11-1 dated the 4th day of January, 2011, fix the time and place of a hearing at which the owner, his or her agent, and lienholders, any occupants and all other parties of interest in such structure could appear and show cause why such structure should not be condemned and ordered repaired or demolished, and provided for giving notice thereof as provided by law; and,

Whereas Resolution 11-1 was published in the official city newspaper on the 12th day of January, 2011, and on the 19th day of January, 2011, and a copy of said resolution was served upon all persons entitled thereof as provided by law; and,

Whereas, on this 22nd day of February, 2011, the governing body did conduct the hearing scheduled in Resolution 11-1 and took evidence from the following: the enforcing officer on behalf of the city and no one else. The following parties in interest failed to appear or appeared and did not present evidence, no one else. The following parties in interest appeared and did present evidence, none.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF GALENA, KANSAS, THAT:

1. The governing body hereby finds that the structure located at 115 E. Forrest, Galena, Kansas, and legally described as:

**Lot 91, in the Original Plat of Empire City, Kansas, now a part of the City of Galena, Cherokee County, Kansas, according to the recorded plat thereof;**

is unsafe and dangerous and directs that such structure is to be removed and the premises made safe and secure.

2. The owner of such structure is hereby directed to commence the removal of the structure within 30 days from publication of this resolution (not later than March 24, 2011) and to have the removal completed within March 2011 days of commencement (not later than March 2011, 2011). Provided, that upon due application by the owner and for good cause shown, the governing body, in its sole discretion, may grant the owner additional time to complete the removal of the property.

BE IT FURTHER RESOLVED, that if the owner fails to commence the repair or removal of the structure within the time provided herein or fails to diligently prosecute the same, the governing body may take such further action as its deems necessary to raze and remove the structure without further notice to the owner or other parties in interest.

BE IT FURTHER RESOLVED, that the City Clerk shall cause this Resolution to be published once in the official city newspaper and mail a copy to the owners, agents, lienholders, occupants and other parties in interest.

Adopted this 22nd day of February, 2011, by the Governing Body of the City of Galena, Kansas.

\_\_\_\_\_  
Dale Oglesby, Mayor

Attest:

\_\_\_\_\_  
Deborah Kitch, City Clerk  
Resolution 11-6

RESOLUTION NO. 11-07

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF GALENA, KANSAS:

WHEREAS, the Governing Body of the City of Galena, Kansas, has determined that the financial statements and financial reports for the year ended December 31, 2011, to be prepared in conformity with the requirements of K.S.A. 75-1120a(a) are not relevant to the requirements of the cash basis and budget laws of this state and are of no significant value to the City of Galena, Kansas, or the members of the general public of the City of Galena, Kansas, and,

WHEREAS, there are no revenue bond ordinances or resolutions or other ordinances or resolutions of the municipality which require financial statements and financial reports to be prepared in conformity with K.S.A. 75-1120a(a) for the year ended December 31, 2011.

BE IT RESOLVED, that the Governing Body of the City of Galena, Kansas, waives the requirements of K.S.A. 75-1120a(a) as these requirements apply to the City of Galena, Kansas, for the year ended December 31, 2011.

BE IT RESOLVED, that the Governing Body shall cause the financial statements and financial reports of the City of Galena, Kansas, to be prepared on the basis of cash receipts and disbursements as adjusted to show compliance with the cash basis and budget laws of this State.

This resolution was passed by the City Council of Galena, Kansas, March 7th, 2011.

This resolution was executed by the Mayor of Galena, Kansas on March 7th, 2011.

  
Dale Oglesby, Mayor

ATTEST:

  
Deborah Kitch, City Clerk

Need to get good  
Copy from  
Kevin Cure

**Legal Notice**

**RESOLUTION 11-8**

**A RESOLUTION FINDING THE STRUCTURE LOCATED AT 902 DEWEY STREET IN THE CITY OF GALENA, KANSAS, IS UNSAFE OR DANGEROUS AND DIRECTING THAT THE STRUCTURE BE REMOVED AND THE PREMISES MADE SAFE AND SECURE**

Whereas, the Enforcing Officer for the City of Galena, Kansas, did on the 4th day of January, 2011, file with the governing body of said City a statement in writing that a certain structure, hereinafter described, was unsafe and dangerous; and,

Whereas, the governing body did by Resolution No. 11-2 dated the 4th day of January, 2011, fix the time and place of a hearing at which the owner, his or her agent, and lienholders, any occupants and all other parties of interest in such structure, could appear and show cause why such structure should not be condemned and ordered repaired or demolished, and provided for giving notice thereof as provided by law; and,

Whereas Resolution 11-2 was published in the official city newspaper on the 12th day of January, 2011, and on the 19th day of January, 2011, and a copy of said resolution was served upon all persons entitled thereof as provided by law; and

Whereas, on this 22nd day of February, 2011, and on March 7, 2011, the governing body did conduct the hearing scheduled in Resolution 11-2 and took evidence from the following: the enforcing officer on behalf of the city and Robert Hargis. The following parties in interest failed to appear or appeared and did not present evidence, Afliss Youngblood; if actually an interested party in the property, and no one else. The following parties in interest appeared and did present evidence, Robert Hargis

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NOW, THEREFORE, BE IT RE-  
SOLVED BY THE GOVERNING  
BODY OF THE  
CITY OF GALENA, KANSAS,  
THAT:

1. The governing body hereby finds  
that the structure located at 902  
Dewey, Galena, Kansas, and legally  
described as:

Lot 58 in the Galena Lead and Zinc  
Company's Addition to the City of  
Galena, Cherokee County, Kansas,  
is unsafe and dangerous and directs  
that such structure is to be removed  
and the premises made safe and se-  
cure.

2. The owner of such structure is  
hereby directed to commence the re-  
moval of the structure within 10 days  
from publication of this resolution  
(not later than March 19, 2011) and  
to have the removal completed within  
20 days of commencement (not later  
than April 8, 2011). Provided, that  
upon due application by the owner  
and for good cause shown, the gov-  
erning body, in its sole discretion,  
may grant the owner additional time  
to complete the removal of the prop-  
erty.

BE IT FURTHER RESOLVED, that  
if the owner fails to commence the  
repair or removal of the structure  
within the time provided herein or  
fails to diligently prosecute the same,  
the governing body may take such  
further action as it deems necessary  
to raze and remove the structure with-  
out further notice to the owner or  
other parties in interest.

BE IT FURTHER RESOLVED, that  
the City Clerk shall cause this Reso-  
lution to be published once in the  
official city newspaper and mail a  
copy to the owners, agents,  
lienholders, occupants and other par-  
ties in interest.

Adopted this 7th day of March, 2011  
by the Governing Body of the City of  
Galena, Kansas  
Dale Oglesby, Mayor  
Attest:  
Deborah Klitch, City Clerk  
Resolution 11-8  
Prepared by: Kevin Cure,  
City Attorney



RESOLUTION NO. 11-09

**A RESOLUTION OF CITY OF GALENA, KANSAS, (THE "CITY") PURSUANT TO K.S.A. 10-1201 *ET SEQ.* AS AMENDED AND SUPPLEMENTED, FOR THE PURPOSE OF GIVING NOTICE OF THE CITY'S INTENT TO REFUND AND PAY THE CITY'S SEWER UTILITY SYSTEM REVENUE BONDS, SERIES 1992-B, IN THE OUTSTANDING AGGREGATE AMOUNT OF \$1,415,400, AND SEWER UTILITY SYSTEM IMPROVEMENT REVENUE BONDS, SERIES 2001, IN THE OUTSTANDING AGGREGATE PRINCIPAL AMOUNT OF \$284,000, AND DOING ALL OTHER THINGS NECESSARY AND INCIDENTAL THERETO, AND AUTHORIZING THE CITY TO ISSUE AND SELL GENERAL OBLIGATION REFUNDING BONDS OF THE CITY IN AN AMOUNT NOT TO EXCEED \$1,795,000 TO PAY THE COSTS THEREOF.**

**WHEREAS**, the City of Galena, Kansas, (the "City") is authorized by the laws of the State of Kansas to issue and sell General Obligation Refunding Bonds of the City for the purpose of refunding any previous issue or issues or parts thereof of the City's outstanding revenue bonds, including the principal amount thereof and all accrued outstanding interest thereon, all pursuant to K.S.A. 10-1201 *et seq.* and all amendments thereto; and

**WHEREAS**, the City has heretofore issued and sold \$1,845,500 principal amount of Sewer Utility System Revenue Bonds, Series 1992-B, dated September 23, 1992, of which \$1,415,400 is outstanding and unpaid and \$317,500 Sewer Utility System Improvement Revenue Bonds, Series 2001, dated April 25, 2001, of which \$284,000 is outstanding and unpaid (collectively the "Outstanding Bonds"); and

**WHEREAS**, the outstanding Sewer Utility System Revenue Bonds, Series 1992-B, maturing on September 23, 2011, and thereafter, may be called for redemption and payment prior to maturity, in whole or in part, at any time, at a redemption price of par, plus accrued interest to date of redemption and payment; and

**WHEREAS**, the outstanding Sewer Utility System Improvement Revenue Bonds, Series 2001, maturing on April 25, 2012, and thereafter, may be called for redemption and payment prior to maturity, in whole or in part, at any time, at a redemption price of par, plus accrued interest to date of redemption and payment; and

**WHEREAS**, the City is desirous of issuing and selling its General Obligation Refunding Bonds in an amount not to exceed \$1,795,000 to pay the costs of refunding any Outstanding Bonds, the total cost of the refunding project in an amount not to exceed \$1,795,000.

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

**Section 1.** It is deemed by the Governing Body of the City to be necessary and advisable that the City refund and pay any Outstanding Bonds and doing all things necessary and incidental thereto (the "Project").

**Section 2.** That the purpose of issuing such bonds is to restructure any outstanding debt of the City as represented by any Outstanding Bonds so as to lower the City's interest costs relative to such Outstanding Bonds and the issuance of the General Obligation Refunding Bonds is necessary to accomplish a comprehensive and orderly financing plan for the City's Sewer Utility System.

**Section 3.** That the total cost of the refunding project to the City will not exceed \$1,795,000.

**Section 4.** It is deemed by the Governing Body that *The Galena Sentinel-Times* shall be the official newspaper of the City.

**Section 5.** The refunding is necessary to accomplish a comprehensive and orderly financing plan of the City's Sewer Utility System.

**Section 6.** The City finds that the total cost to the City to issue the General Obligation Refunding Bonds amounts to less than the remaining interest cost to the City on the Outstanding Bonds being refunded.

**Section 7.** The City finds the anticipated revenues for the City's Sewer Utility System are expected to be sufficient to retire such General Obligation Refunding Bonds.

**Section 8.** That notice pursuant to K.S.A. 10-1201 *et seq.* as amended and supplemented be given by the Governing Body of the City of its intention to refund and pay any Outstanding Bonds and to sell General Obligation Refunding Bonds of the City in an amount not exceeding \$1,795,000 to pay part of the costs thereof. Such notice shall be given by publishing this resolution (the "Resolution") once each week for two (2) consecutive weeks in the official newspaper of the City.

**Section 9.** That unless a petition requesting an election on the proposition signed by not less than five percent (5%) of the qualified electors of the City who voted for the office of Secretary of State at the last preceding general election of such office, is filed with the City Clerk within twenty

(20) days after the last publication of the Resolution herein authorized the City both reasonably expects and intends to finance the costs as hereinbefore described from the proceeds of the sale of its General Obligation Refunding Bonds. The City does hereby express its official intent to reimburse any expenditures made or obligations incurred by it subsequent to the date of the Resolution from the proceeds of its General Obligation Refunding Bonds as aforesaid in the maximum principal amount previously described. The Resolution, as the expression of the Governing Body's official intent regarding the matters described herein, will be available for public inspection in the City Clerk's office during regular business hours of the City.

IN WITNESS WHEREOF, the Resolution has been duly passed and adopted this 21st day of March, 2011.

[SEAL]

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

**EXTRACT FROM MINUTES**

The Governing Body of the City of Galena, Cherokee County, Kansas, met in regular session at City Hall, Galena, Kansas.

PRESENT were Ms. Watkins, Mr. Reed, Mr. Martin, Mr. Alderman,  
Mr. Watkins, Mr. Allen

THE following being absent: Ms. Hardman

Resolution No. 11-09 was introduced by Mr. Watkins,  
who moved its passage, which motion was seconded by Mr. Alderman.

AFTER a full discussion, the Mayor called for a vote on said motion, the vote being as follows:

AYES: 6  
NAYS: 0

THE Mayor then declared the motion duly carried.

**CERTIFICATE**

I, the undersigned, City Clerk of the City of Galena, Cherokee County, Kansas, hereby certify that the above and foregoing is a true and correct copy of portions of the minutes of the meeting of the Governing Body held on March 21, 2011, as recorded on Page 1 of the Journal of Proceedings of the City.

WITNESS MY HAND and THE SEAL of said City of Galena, Cherokee County, Kansas.

  
\_\_\_\_\_  
City Clerk

(Seal)

**NOTICE OF REDEMPTION  
CITY OF GALENA, KANSAS  
SEWER UTILITY SYSTEM REVENUE BONDS  
SERIES 1992-B**

Notice is hereby given, pursuant to the terms of the Sewer Utility System Revenue Bonds dated September 23, 1992, of the City of Galena, Kansas (the "City"), that the City has called for redemption the following Sewer Utility System Revenue Bonds of the above issue maturing in the years 2011 through 2032, inclusive, at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon to May 26, 2011.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
09/23/2011	\$ 36,700	5.00%
09/23/2012	\$ 38,700	5.00%
09/23/2013	\$ 40,500	5.00%
09/23/2014	\$ 42,600	5.00%
09/23/2015	\$ 44,700	5.00%
09/23/2016	\$ 46,900	5.00%
09/23/2017	\$ 49,300	5.00%
09/23/2018	\$ 51,700	5.00%
09/23/2019	\$ 54,400	5.00%
09/23/2020	\$ 57,000	5.00%
09/23/2021	\$ 59,900	5.00%
09/23/2022	\$ 62,900	5.00%
09/23/2023	\$ 66,000	5.00%
09/23/2024	\$ 69,400	5.00%
09/23/2025	\$ 72,800	5.00%
09/23/2026	\$ 76,500	5.00%
09/23/2027	\$ 80,300	5.00%
09/23/2028	\$ 84,300	5.00%
09/23/2029	\$ 88,500	5.00%
09/23/2030	\$ 92,900	5.00%
09/23/2031	\$ 97,600	5.00%
09/23/2032	\$101,800	5.00%

From and after May 26, 2011, interest shall cease to accrue and be payable on said Bonds.

On May 26, 2011, all of the Bonds shall be due and payable and must be surrendered for payment at the principal office of the Paying Agent, Office of the State Treasurer, State of Kansas,

at the following address: Office of the State Treasurer, State of Kansas, Bond Department, 900 SW Jackson, Suite 201, Topeka, Kansas 66612-1235.

To avoid a 20% backup withholding required by the Interest and Dividend Act of 1983, bondholders should submit certified taxpayer identification numbers on IRS Form W-9 when presenting their securities for redemption.

Dated March 21, 2011.

THE CITY OF GALENA, KANSAS

[SEAL]

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



Mayor

RESOLUTION NO. 11-10

**A RESOLUTION AUTHORIZING THE CALL OF THE CITY OF GALENA, KANSAS, SEWER UTILITY SYSTEM REVENUE BONDS, SERIES 1992-B, DATED SEPTEMBER 23, 1992, AND AUTHORIZING THE CITY TO GIVE NOTICE OF REDEMPTION.**

WHEREAS, the City of Galena, Kansas (the "City") has determined and hereby determines that it is in the best interests of the City that the following Sewer Utility System Revenue Bonds, Series 1992-B, dated September 23, 1992, in the aggregate principal amount of \$1,415,400 (the "Bonds") be called for redemption pursuant to the terms of the Bonds. The redemption will help the City achieve interest cost savings on its restructuring of the debt service obligation of the City.

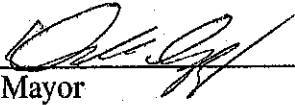
<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
09/23/2011	\$ 36,700	5.00%
09/23/2012	\$ 38,700	5.00%
09/23/2013	\$ 40,500	5.00%
09/23/2014	\$ 42,600	5.00%
09/23/2015	\$ 44,700	5.00%
09/23/2016	\$ 46,900	5.00%
09/23/2017	\$ 49,300	5.00%
09/23/2018	\$ 51,700	5.00%
09/23/2019	\$ 54,400	5.00%
09/23/2020	\$ 57,000	5.00%
09/23/2021	\$ 59,900	5.00%
09/23/2022	\$ 62,900	5.00%
09/23/2023	\$ 66,000	5.00%
09/23/2024	\$ 69,400	5.00%
09/23/2025	\$ 72,800	5.00%
09/23/2026	\$ 76,500	5.00%
09/23/2027	\$ 80,300	5.00%
09/23/2028	\$ 84,300	5.00%
09/23/2029	\$ 88,500	5.00%
09/23/2030	\$ 92,900	5.00%
09/23/2031	\$ 97,600	5.00%
09/23/2032	\$101,800	5.00%

**NOW, THEREFORE, BE IT RESOLVED** by the governing body of the City of Galena, Kansas, that the Bonds be called for redemption on May 26, 2011.

**BE IT FURTHER RESOLVED** by the governing body of the City of Galena, Kansas, that the attached Notice of Redemption be given to the outstanding bondholders in accordance with the outstanding Ordinance No. 92-12 and Kansas Statutes Annotated.

**IN WITNESS WHEREOF**, the Resolution has been duly passed and adopted this 21st day of March, 2011.

[SEAL]



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Mayor

ATTEST:



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City Clerk

**EXTRACT FROM MINUTES**

The Governing Body of the City of Galena, Cherokee County, Kansas, met in regular session at City Hall, Galena, Kansas.

PRESENT were Ms. Watkins, Mr. Reed, Mr. Martin, Mr. Alderman,  
Mr. Watkins, Mr. Allen

THE following being absent: Ms. Hardman

Resolution No. 11-10 was introduced by Mr. Watkins,  
who moved its passage, which motion was seconded by Mr. Allen.

AFTER a full discussion, the Mayor called for a vote on said motion, the vote being as follows:

AYES: 6

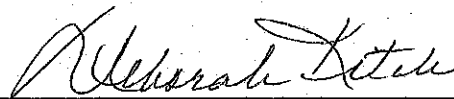
NAYS: 0

THE Mayor then declared the motion duly carried.

**CERTIFICATE**

I, the undersigned, City Clerk of the City of Galena, Cherokee County, Kansas, hereby certify that the above and foregoing is a true and correct copy of portions of the minutes of the meeting of the Governing Body held on March 21, 2011, as recorded on Page 1 of the Journal of Proceedings of the City.

WITNESS MY HAND and THE SEAL of said City of Galena, Cherokee County, Kansas.



City Clerk

(Seal)

**NOTICE OF REDEMPTION  
CITY OF GALENA, KANSAS  
SEWER UTILITY SYSTEM IMPROVEMENT REVENUE BONDS  
SERIES 2001**

Notice is hereby given, pursuant to the terms of the Sewer Utility System Improvement Revenue Bonds dated April 25, 2001, of the City of Galena, Kansas (the "City"), that the City has called for redemption the following Sewer Utility System Improvement Revenue Bonds of the above issue maturing in the years 2012 through 2041, inclusive, at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon to May 26, 2011.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
04/25/2012	\$ 4,000	4.75%
04/25/2013	\$ 4,000	4.75%
04/25/2014	\$ 5,000	4.75%
04/25/2015	\$ 5,000	4.75%
04/25/2016	\$ 5,000	4.75%
04/25/2017	\$ 5,000	4.75%
04/25/2018	\$ 6,000	4.75%
04/25/2019	\$ 6,000	4.75%
04/25/2020	\$ 6,000	4.75%
04/25/2021	\$ 7,000	4.75%
04/25/2022	\$ 7,000	4.75%
04/25/2023	\$ 7,000	4.75%
04/25/2024	\$ 8,000	4.75%
04/25/2025	\$ 8,000	4.75%
04/25/2026	\$ 8,000	4.75%
04/25/2027	\$ 9,000	4.75%
04/25/2028	\$ 9,000	4.75%
04/25/2029	\$10,000	4.75%
04/25/2030	\$10,000	4.75%
04/25/2031	\$11,000	4.75%
04/25/2032	\$11,000	4.75%
04/25/2033	\$12,000	4.75%
04/25/2034	\$13,000	4.75%
04/25/2035	\$13,000	4.75%
04/25/2036	\$14,000	4.75%
04/25/2037	\$15,000	4.75%
04/25/2038	\$15,000	4.75%
04/25/2039	\$16,000	4.75%

04/25/2040	\$17,000	4.75%
04/25/2041	\$18,000	4.75%

From and after May 26, 2011, interest shall cease to accrue and be payable on said Bonds.

On May 26, 2011, all of the Bonds shall be due and payable and must be surrendered for payment at the principal office of the Paying Agent, Office of the State Treasurer, State of Kansas, at the following address: Office of the State Treasurer, State of Kansas, Bond Department, 900 SW Jackson, Suite 201, Topeka, Kansas 66612-1235.

To avoid a 20% backup withholding required by the Interest and Dividend Act of 1983, bondholders should submit certified taxpayer identification numbers on IRS Form W-9 when presenting their securities for redemption.

Dated March 21, 2011.

THE CITY OF GALENA, KANSAS

[SEAL]

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

  
Mayor

RESOLUTION NO. 11-11

**A RESOLUTION AUTHORIZING THE CALL OF THE CITY OF GALENA, KANSAS, SEWER UTILITY SYSTEM IMPROVEMENT REVENUE BONDS, SERIES 2001, DATED APRIL 25, 2001, AND AUTHORIZING THE CITY TO GIVE NOTICE OF REDEMPTION.**

WHEREAS, the City of Galena, Kansas (the "City") has determined and hereby determines that it is in the best interests of the City that the following Sewer Utility System Improvement Revenue Bonds, Series 2001, dated April 25, 2001, in the aggregate principal amount of \$284,000 (the "Bonds") be called for redemption pursuant to the terms of the Bonds. The redemption will help the City achieve interest cost savings on its restructuring of the debt service obligation of the City.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
04/25/2012	\$ 4,000	4.75%
04/25/2013	\$ 4,000	4.75%
04/25/2014	\$ 5,000	4.75%
04/25/2015	\$ 5,000	4.75%
04/25/2016	\$ 5,000	4.75%
04/25/2017	\$ 5,000	4.75%
04/25/2018	\$ 6,000	4.75%
04/25/2019	\$ 6,000	4.75%
04/25/2020	\$ 6,000	4.75%
04/25/2021	\$ 7,000	4.75%
04/25/2022	\$ 7,000	4.75%
04/25/2023	\$ 7,000	4.75%
04/25/2024	\$ 8,000	4.75%
04/25/2025	\$ 8,000	4.75%
04/25/2026	\$ 8,000	4.75%
04/25/2027	\$ 9,000	4.75%
04/25/2028	\$ 9,000	4.75%
04/25/2029	\$10,000	4.75%
04/25/2030	\$10,000	4.75%
04/25/2031	\$11,000	4.75%
04/25/2032	\$11,000	4.75%
04/25/2033	\$12,000	4.75%

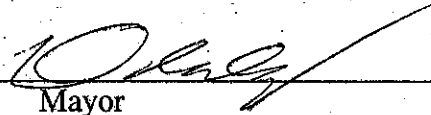
04/25/2034	\$13,000	4.75%
04/25/2035	\$13,000	4.75%
04/25/2036	\$14,000	4.75%
04/25/2037	\$15,000	4.75%
04/25/2038	\$15,000	4.75%
04/25/2039	\$16,000	4.75%
04/25/2040	\$17,000	4.75%
04/25/2041	\$18,000	4.75%

**NOW, THEREFORE, BE IT RESOLVED** by the governing body of the City of Galena, Kansas, that the Bonds be called for redemption on May 26, 2011.

**BE IT FURTHER RESOLVED** by the governing body of the City of Galena, Kansas, that the attached Notice of Redemption be given to the outstanding bondholders in accordance with the outstanding Ordinances and Kansas Statutes Annotated.

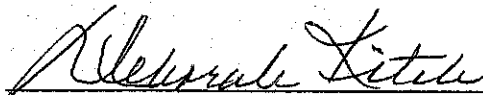
**IN WITNESS WHEREOF**, the Resolution has been duly passed and adopted this 21st day of March, 2011.

[SEAL]



\_\_\_\_\_  
Mayor

ATTEST:



\_\_\_\_\_  
City Clerk

**EXTRACT FROM MINUTES**

The Governing Body of the City of Galena, Cherokee County, Kansas, met in regular session at City Hall, Galena, Kansas.

PRESENT were Ms. Watkins, Mr. Reed, Mr. Martin, Mr. Alderman,  
Mr. Watkins, Mr. Allen

THE following being absent: Ms. Hardman

Resolution No. 11-11 was introduced by Mr. Allen,  
who moved its passage, which motion was seconded by Mr. Martin.

AFTER a full discussion, the Mayor called for a vote on said motion, the vote being as follows:

AYES: 6

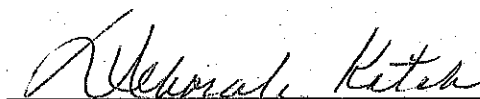
NAYS: 0

THE Mayor then declared the motion duly carried.

**CERTIFICATE**

I, the undersigned, City Clerk of the City of Galena, Cherokee County, Kansas, hereby certify that the above and foregoing is a true and correct copy of portions of the minutes of the meeting of the Governing Body held on March 21, 2011, as recorded on Page 1 of the Journal of Proceedings of the City.

WITNESS MY HAND and THE SEAL of said City of Galena, Cherokee County, Kansas.



City Clerk

(Seal)

RESOLUTION NO. 11-12

**A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF \$1,495,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011, OF THE CITY OF GALENA, KANSAS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.**

**WHEREAS**, the governing body of the Issuer is authorized by law to issue the Bonds to pay a portion of the costs of the refunding of the Series 1992-B; and

**WHEREAS**, the governing body of the Issuer hereby finds and determines that it is necessary for the Issuer to authorize the issuance and delivery of the Bonds in the principal amount of \$1,495,000 to pay the costs of the refunding of the Series 1992-B Bonds.

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

**ARTICLE I  
DEFINITIONS**

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

"Act" means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, K.S.A. 12-427, 12-427a and K.S.A. 10-1201 *et seq.*, all as amended and supplemented from time to time.

**"Arbitrage Instructions"** means the Arbitrage Instructions attached to the Issuer's Arbitrage Certificate dated as of the Issue Date (if required), as the same may be amended or supplemented in accordance with the provisions thereof.

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

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

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

**"Bond Counsel"** means the firm of Cosgrove, Webb & Oman, or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

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

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

**"Bond Registrar"** means the Treasurer of the State of Kansas, Topeka, Kansas, and any successors and assigns.

**"Bond Resolution"** means this resolution relating to the Bonds.

**"Bonds"** means the General Obligation Refunding Bonds, Series 2011, authorized and issued by the Issuer pursuant to the Ordinance and this Bond Resolution.

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

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

**"City"** means the City of Galena, Kansas.

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

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

"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/underwriting fees, Cooper Malone McClain, Inc., Wichita, Kansas, all legal fees and expenses of Bond Counsel, Cosgrove, Webb & Oman, Topeka, Kansas, and other legal counsel, expenses incurred in connection compliance with the Code, all expenses incurred in connection with receiving ratings on the Bonds, and any premiums or expenses incurred in obtaining municipal bond insurance on the Bonds.

"Costs of Issuance Account" means the Costs of Issuance Account for General Obligation Refunding Bonds, Series 2011, created pursuant to *Section 501* hereof.

"Debt Service Account" means the Debt Service Account for General Obligation Refunding Bonds, Series 2011 (within the Bond and Interest Fund) created pursuant to *Section 501* hereof.

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

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

"Defeasance Obligations" means any of the following obligations:

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

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

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

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

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

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

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

(6) the obligations are rated in the highest rating category by Moody's (presently "Aaa") or Standard & Poor's (presently "AAA").

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

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

"**DTC Representation Letter**" means the Blanket Letter of Representation from the Issuer and the Paying Agent to DTC which provides any agreement between the Issuer and Paying Agent and a successor securities depository duly appointed.

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

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

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

(c) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Bond

Resolution (other than the covenants relating to continuing disclosure requirements) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer 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 pursuant to or referred to in *Section 501* hereof.

**"Interest Payment Date(s)"** means the Stated Maturity of an installment of interest on any Bond which shall be June 1 and December 1 of each year, commencing December 1, 2011.

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

**"Issuer"** means the City and any successors or assigns.

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

**"Maximum Annual Debt Service"** means the maximum amount of Debt Service Requirements as computed for the then current or any future Fiscal Year.

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

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

**"Notice Address"** means with respect to the following entities:

(a) To the Issuer at:

City Hall  
211 W. 7<sup>th</sup> Street  
Galena, KS 66739  
Attention: City Clerk

(b) To the Paying Agent at:

State Treasurer of the State of Kansas  
Landon Office Building  
900 Southwest Jackson, Suite 201  
Topeka, KS 66612-1235

(c) To the Purchaser at:

Cooper Malone McClain, Inc.  
P. O. Box 781684  
Wichita, KS 67278-1684

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

"**Notice Representative**" means:

- (a) With respect to the Issuer, the City Clerk.
- (b) With respect to the Bond Registrar and Paying Agent, the Municipal Bond Clerk.
- (c) With respect to any Purchaser, the manager of its Municipal Bond Department.

"**Ordinance**" means Ordinance No. \_\_\_\_\_ of the Issuer authorizing the issuance of the Bonds, as amended from time to time.

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

- (a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Bonds deemed to be paid in accordance with the provisions of *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. Whenever consent of the Owners is required pursuant to the

terms of this Bond Resolution, and the Owner of the Bonds, as set forth on the Bond Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Bonds.

**"Paying Agent"** means the Treasurer of the State of Kansas, Topeka, Kansas, and any successors and assigns.

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

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

**"Project Fund"** means the Project Fund for General Obligation Refunding Bonds, Series 2011, created pursuant to *Section 501* hereof.

**"Project"** means the refunding of the Series 1992-B Bonds referred to in the preamble to the Ordinance.

**"Purchase Price"** means the principal amount of the Bonds plus accrued interest to the date of delivery.

**"Purchaser"** means Cooper Malone McClain, Inc., Wichita, Kansas, the original purchaser of the Bonds, and any successor and assigns.

**"Rating Agency"** means Moody's, Standard & Poor's, Fitch and any other company, agency or entity that provides ratings for the Bonds.

**"Rebate Fund"** means the Rebate Fund for General Obligation Refunding Bonds, Series 2011, created pursuant to *Section 501* thereof.

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

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

**"Redemption 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 Bond 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 209* hereof.

**"SEC Rule"** means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended from time to time.

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

**"Series 1992-B Bonds"** means the Sewer Utility System Revenue Bonds, Series 1992-B, in the outstanding principal amount of \$1,415,400.

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

**"Standard & Poor's"** means Standard & Poor's Rating Group, a Division of the McGraw-Hill Companies, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

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

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

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

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

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

"**Value**" as of any particular time of determination, means, (a) with respect to cash, the face value thereof, and (b) with respect to any Permitted Investments, the lower of the cost of the investment or the market price of the investment on the date of valuation.

## **ARTICLE II AUTHORIZATION AND DETAILS OF THE BONDS**

**Section 201. Authorization of the Bonds.** The Bonds have been heretofore authorized and directed to be issued pursuant to the Ordinance in the principal amount of \$1,495,000, for the purpose of providing funds to pay a portion of the cost of the Improvements.

**Section 202. Description of the Bonds.** The Bonds shall consist of fully registered bonds in an Authorized Denomination, and shall be numbered in such manner as the Bond Registrar shall determine. All of the Bonds shall be dated May 24, 2011, shall become due in the amounts, on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities as provided in *Article III* hereof, and shall bear interest at the rates per annum as follows:

**SERIAL BONDS**

<u>Stated Maturity December 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Stated Maturity December 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>
2011	\$45,000	___%	2017	\$60,000	___%
2012	\$55,000	___%	2018	\$60,000	___%
2013	\$55,000	___%	2019	\$65,000	___%
2014	\$55,000	___%	2020	\$65,000	___%
2015	\$55,000	___%	2021	\$65,000	___%
2016	\$60,000	___%			

**TERM BONDS**

\$145,000 Term Bonds to mature December 1, 2023 at \_\_\_%  
 \$155,000 Term Bonds to mature December 1, 2025 at \_\_\_%  
 \$165,000 Term Bonds to mature December 1, 2027 at \_\_\_%  
 \$185,000 Term Bonds to mature December 1, 2029 at \_\_\_%  
 \$205,000 Term Bonds to mature December 1, 2031 at \_\_\_%

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

Each of the Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be printed in accordance with the format required by the Attorney General of the State and shall be substantially in the form attached hereto as *EXHIBIT A* or as may be required by the Attorney General pursuant to the Notice of Systems of Registration for Kansas Municipal Bonds, 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 Treasurer of the State of Kansas, 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 City Clerk of the Issuer are hereby authorized and empowered to execute on behalf of the Issuer an agreement with the Bond Registrar and Paying Agent for the Bonds.

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

the termination of such Paying Agent or Bond Registrar and appointing a successor, and (b) causing notice of appointment of the successor Paying Agent and Bond Registrar to be given by first class mail to each Owner. No resignation or removal of the Paying Agent or Bond Registrar shall become effective until a successor has been appointed and has accepted the duties of Paying Agent or Bond Registrar.

Each Paying Agent or Bond Registrar appointed hereunder shall at all times meet the requirements of K.S.A. 10-1501 *et seq.* and K.S.A. 10-620 *et seq.*, respectively.

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

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

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner or (b) in the case of an interest payment to any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (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 Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of

the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice at the address of such Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

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

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

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

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

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

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

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

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

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

**Section 207. Execution, Registration, Authentication and Deliver of Bonds.** Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the Issuer by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the City Clerk and the seal of the Issuer shall be affixed thereto or imprinted thereon. The Mayor and City 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 City Clerk, which registration shall be evidenced by the manual or facsimile signature of the City Clerk with the seal of the Issuer affixed thereto or imprinted thereon. The Bonds shall also be registered in the office of the State Treasurer, which registration shall be evidenced by the manual or facsimile signature of the State Treasurer with the seal of the State Treasurer affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

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

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

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

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

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

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

**Section 209. Cancellation and Destruction of Bonds Upon Payment.** All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be canceled 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 canceled and destroyed and shall file an executed counterpart of such certificate with the Issuer.

**Section 210. Securities Depository.** The Issuer and Paying Agent have entered into a DTC Representation Letter, if required, with DTC.

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

**Section 212. Preliminary and Final Official Statement.** The Preliminary Official Statement dated May 2, 2011, is hereby ratified and approved.

The Final Official Statement is hereby authorized to be prepared by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor 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 Issuer are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the Issue Date.

The Issuer agrees to provide to the Purchaser within seven (7) 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 213. Sale of the Bonds.** The sale of the Bonds to the Purchaser is hereby ratified and confirmed. The Mayor and City Clerk are hereby authorized to execute the official bid form submitted by the Purchaser. Deliver of the Bonds shall be made to the Purchaser on the Issue Date

(which shall be as soon as practicable after the adoption of this Bond Resolution), upon payment of the Purchase Price.

**ARTICLE III  
REDEMPTION OF BONDS**

**Section 301. Redemption by Issuer.**

*Optional Redemption.* At the option of the Issuer, Bonds or portions thereof maturing on December 1, 2019, and thereafter are subject to optional redemption beginning December 1, 2018, or thereafter in whole at any time, or in part as determined by the Issuer on any interest payment date in inverse order of maturity and by lot within a single maturity, at a price equal to 100% of the principal amount plus accrued interest to the Redemption Date.

*Sinking Fund Redemption.* (a) Each of the Term Bonds maturing December 1, 2023, shall also be subject to mandatory redemption and payment on December 1, 2022, and on each December 1 thereafter, pursuant to the redemption schedule hereinafter set out, at the par value of the principal amount thereof, plus accrued interest thereon to date fixed for redemption and payment, without premium. The Issuer shall redeem the following principal amounts of the Term Bonds in each of the following years:

<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>
\$70,000	2022

(leaving \$75,000 to mature on December 1, 2023)

At its option, to be exercised on or before the 45th day next preceding any mandatory redemption date, the Issuer may: (1) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory redemption on said mandatory redemption date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory redemption date from any Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the Issuer under this Section for any Term Bonds subject to mandatory redemption on said mandatory redemption date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this Section) and canceled by the Paying Agent and not theretofore applied as a credit against any

redemption obligation under this subsection. Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Issuer to redeem Term Bonds on such mandatory redemption date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds 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 Issuer intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the Issuer will, on or before the 45th day next preceding each mandatory redemption date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with with respect to such mandatory redemption payment.

(b) Each of the Term Bonds maturing December 1, 2025, shall also be subject to mandatory redemption and payment on December 1, 2024, and on each December 1 thereafter, pursuant to the redemption schedule hereinafter set out, at the par value of the principal amount thereof, plus accrued interest thereon to date fixed for redemption and payment, without premium. The Issuer shall redeem the following principal amounts of the Term Bonds in each of the following years:

<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>
\$75,000	2024

(leaving \$80,000 to mature on December 1, 2025)

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

provisions of clauses (1), (2) or (3) above, the Issuer will, on or before the 45th day next preceding each mandatory redemption date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with with respect to such mandatory redemption payment.

(c) Each of the Term Bonds maturing December 1, 2027, shall also be subject to mandatory redemption and payment on December 1, 2026, and on each December 1 thereafter, pursuant to the redemption schedule hereinafter set out, at the par value of the principal amount thereof, plus accrued interest thereon to date fixed for redemption and payment, without premium. The Issuer shall redeem the following principal amounts of the Term Bonds in each of the following years:

<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>
\$80,000	2026

(leaving \$85,000 to mature on December 1, 2027)

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

(d) Each of the Term Bonds maturing December 1, 2029, shall also be subject to mandatory redemption and payment on December 1, 2028, and on each December 1 thereafter, pursuant to the redemption schedule hereinafter set out, at the par value of the principal amount thereof, plus accrued interest thereon to date fixed for redemption and payment, without premium. The Issuer shall redeem the following principal amounts of the Term Bonds in each of the following years:

<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>
\$90,000	2028

(leaving \$95,000 to mature on December 1, 2029)

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

(e) Each of the Term Bonds maturing December 1, 2031, shall also be subject to mandatory redemption and payment on December 1, 2030, and on each December 1 thereafter, pursuant to the redemption schedule hereinafter set out, at the par value of the principal amount thereof, plus accrued interest thereon to date fixed for redemption and payment, without premium. The Issuer shall redeem the following principal amounts of the Term Bonds in each of the following years:

**PRINCIPAL  
AMOUNT**

**YEAR**

\$100,000

2030

(leaving \$105,000 to mature on December 1, 2031)

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

**Section 302. Selection of Bonds to be Redeemed.**

(a) In the event the Issuer desires to call the Bonds for redemption prior to maturity, written notice of such intent shall be provided to the Bond Registrar in accordance with K.S.A. 10-129, as amended, not less than 45 days prior to the Redemption Date. The Bond Registrar shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Bond Registrar at least 45 days prior to the Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. If the Bonds are refunded more than 90 days in advance of such Redemption Date, any escrow agreement entered into by the Issuer 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 Issuer 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. [The foregoing provisions of this paragraph shall not apply in the case of any mandatory redemption of Term Bonds hereunder, and Term Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the Issuer and whether or not the Paying Agent holds moneys available and sufficient to effect the required redemption.]

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

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

**Section 303. Notice and Effect of Call for Redemption.** Unless waived by any Owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar as provided above and the Purchaser. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

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

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

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

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

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

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

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

(b) Each further notice of redemption shall be sent at least one (1) day before the mailing of notice to Owners by first class, registered or certified mail or overnight delivery, as determined by the Bond Registrar, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

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

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

#### **ARTICLE IV SECURITY FOR BONDS**

**Section 401. Security for the Bonds.** The Bonds shall be general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

**Section 402. Levy and Collection of Annual Tax.** The governing body of the Issuer shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by levying and collecting the necessary taxes and/or assessments upon all of the taxable tangible property within the Issuer in the manner provided by law.

**ARTICLE V**  
**ESTABLISHMENT OF FUNDS AND ACCOUNTS**  
**DEPOSIT AND APPLICATION OF BOND PROCEEDS AND OTHER MONEYS**

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

- (a) Project Fund for General Obligation Refunding Bonds, Series 2011;
- (b) Debt Service Account for General Obligation Refunding Bonds, Series 2011;
- (c) Rebate Fund for General Obligation Refunding Bonds, Series 2011; and
- (d) Costs of Issuance Account for General Obligation Refunding Bonds, Series 2011.

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

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

- (a) All accrued interest and premium received from the sale of the Bonds shall be deposited in the Debt Service Account.
- (b) The sum of \$67,215 shall be deposited in the Costs of Issuance Account.
- (c) The remaining balance of the proceeds derived from the sale of the Bonds, together with funds provided by the Issuer in accordance with subsection (d) hereof, shall be deposited in the Project Fund.

**Section 503. Application of Moneys in the Project Fund.** Moneys in the Project Fund shall be used for the sole purpose of paying the costs of the refunding of the Series 1992-B Bonds.

Upon completion of the Project, any surplus remaining in the Project Fund shall be deposited in the Debt Service Account.

**Section 504. Application of Moneys in Debt Service Account.** All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose

of paying the principal or Redemption Price of and interest on the Bonds as and when the same become due and the usual and customary fees and expenses of the Paying Agent. The Treasurer is authorized and directed to withdraw from the Debt Service Account sums sufficient to pay both principal or Redemption Price of and interest on the Bonds and the fees and expenses of the 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 Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the Issuer. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Bond Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Bonds entitled to payment from such moneys.

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

#### **Section 505. Application of Moneys in the Rebate Fund.**

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

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

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

**Section 506. Deposits and Investment of Moneys.** Moneys in each of the Funds and Accounts shall be deposited in a bank, savings and loan association or savings bank: (a) organized

under the laws of the State or the United States with main offices located in the county or counties in which the Issuer is located; or (b) under certain conditions of State law, organized under the laws of the United States or any other State thereof, with main offices located outside of the State, but with a branch located in the county or counties in which the Issuer is located. All such depositaries shall be members of the Federal Deposit Insurance Corporation. All such deposits shall be invested in Permitted Investments as set forth in this Article or shall be adequately secured as provided by the laws of the State. All moneys held in the Funds and Accounts shall be kept separate and apart from all other funds of the Issuer so that there shall be no commingling with any other funds of the Issuer.

Moneys held in any Fund or Account may be invested in accordance with this Bond Resolution and the Arbitrage Instructions in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account. The Value of any Fund or Account shall be determined as of the final Principal Payment Date of any Fiscal Year that the Bonds remain Outstanding.

**Section 507. Application of Moneys in the Costs of Issuance Account.** Moneys in the Costs of Issuance Account shall be used by and used to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of 30 days prior to the first Principal Payment Date or one year after the date of issuance of the Bonds, shall be transferred to the Improvement Fund until completion of the Improvements and thereafter to the Debt Service Account.

## **ARTICLE VI DEFAULT AND REMEDIES**

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

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

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

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

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

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

## **ARTICLE VII DEFEASANCE**

**Section 701. Defeasance.** When any or all of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Bond Resolution and the pledge of the Issuer's faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of 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 Issuer has elected to redeem such Bonds, and (2) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption in compliance with *Section 302(a)* of this Bond Resolution. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the Issuer, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Bond Resolution.

## ARTICLE VIII TAX COVENANTS

### **Section 801. General Covenants.**

(a) The Issuer covenants and agrees that (1) it will comply with all applicable provisions of the Code, including Code §§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 Issuer, and will not take or permit any other action, or fail to take any action, if any such use, action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds. The Issuer will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in

order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

(b) The Issuer 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 Issuer in any manner, or take or omit to take any action, that would cause the Bonds to be "arbitrage bonds" within the meaning of Code §148(a).

(c) The Issuer 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 (1) that would cause any Bond to be a "private activity bond" within the meaning of Code §141(a) or (2) to make or finance a loan to any Person other than the State or a political subdivision thereof.

#### **Section 802. Rebate Covenants.**

(a) The Issuer covenants and agrees that it will pay or provide for the payment from time to time all amounts required to be rebated to the United States pursuant to Code §148(f) and the Arbitrage Instructions. This covenant shall survive payment in full or defeasance of the Bonds. The Arbitrage Instructions may be amended or replaced if, in the opinion of Bond Counsel such amendment or replacement will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(b) The Issuer makes the following certifications in connection with the exception for small governmental units from the arbitrage rebate requirements under Code §148(f)(4)(D):

(1) the Issuer is a governmental unit under State law with general taxing powers;

(2) no Bond is a "private activity bond" as defined in Code §141;

(3) 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and

(4) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) to be issued by the Issuer during the current calendar year is not reasonably expected to exceed \$5,000,000. The Issuer understands that, for this purpose, (1) the Issuer and all entities which issue bonds on behalf of the Issuer are

treated as one issuer, and (2) all bonds issued by an entity subordinate to the Issuer are treated as issued by the Issuer.

**Section 803. Designation of Bonds as Qualified Tax-Exempt Obligations.** The Issuer hereby designates the Bonds as "qualified tax-exempt obligations" as such term is defined in Code §265(b)(3). In addition, the Issuer hereby represents that:

(a) the aggregate face amount of tax-exempt obligations (other than private activity bonds which are not "qualified 501(c)(3) bonds") which will be issued by the Issuer (and all subordinate entities thereof) during calendar year that the Bonds are issued is not reasonably expected to exceed \$10,000,000; and

(b) the Issuer (including all subordinate entities thereof) will not issue an aggregate principal amount of obligations designated by the Issuer to be "qualified tax-exempt obligations" during calendar year that the Bonds are issued, including the Bonds, in excess of \$10,000,000, without first obtaining an opinion of Bond Counsel that the designation of the Bonds as "qualified tax-exempt obligations" will not be adversely affected.

The Mayor is hereby authorized to take such other action as may be necessary to make effective the designation contained in this Section.

**Section 804. 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 Bond Resolution until the final maturity date of all Bond Outstanding.

## ARTICLE IX MISCELLANEOUS PROVISIONS

**Section 901. Annual Audit.** Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of its Funds and Accounts for the preceding Fiscal Year by an Independent Accountant.

Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the City Clerk.

As soon as possible after the completion of the annual audit, the governing body of the Issuer shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Bond Resolution, the Issuer shall promptly cure such deficiency.

**Section 902. Amendments.** The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of this Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk, but no such modification or alteration shall:

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

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

Without notice to or the consent of any Owners, the Issuer may amend or supplement this Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity herein, to grant to or confer upon the Owners any additional rights, remedies, power or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Improvements, to conform this Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Every amendment or modification of the provisions of the Bonds or of this Bond Resolution, to which the written consent of the Owners is given, as above provided, shall be expressed in a resolution adopted by the governing body of the Issuer amending or supplementing the provisions of this Bond Resolution and shall be deemed to be a part of this Bond Resolution. A certified copy of every such amendatory or supplemental resolution, if any, and a certified copy of this Bond Resolution shall always be kept on file in the office of the City Clerk, and shall be made available for inspection by the Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Bond Resolution, and upon payment of the reasonable cost of preparing the same, a certified copy of such amendatory or supplemental resolution or of this Bond Resolution will be sent by the City 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 City Clerk a copy of the resolution of the Issuer hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

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

**Section 903. Notices, Consents and Other Instruments by Owners.** Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Bond Resolution, and shall be conclusive in favor of the Issuer and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

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

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

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

**Section 904. Notices.** Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Bond Resolution shall be in writing and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail,

postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt; given to the Notice Representative at the Notice Address. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

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

**Section 905. Further Authority.** The officers and officials of the Issuer, including the Mayor and City Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Bond Resolution and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

**Section 906. Severability.** If any section or other part of this Bond Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Bond Resolution.

**Section 907. Governing Law.** This Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

**Section 908. Effective Date.** This Bond Resolution shall take effect and be in full force from and after its passage by the governing body of the Issuer.

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**ADOPTED** by the governing body of the Issuer on May \_\_\_\_, 2011.

(SEAL)

---

Dale Oglesby, Mayor

**ATTEST:**

---

Deborah Kitch, City Clerk

**EXHIBIT A**  
**(FORM OF BOND)**

**REGISTERED**  
**NUMBER** \_\_\_\_\_

**REGISTERED**  
**\$** \_\_\_\_\_

**UNITED STATES OF AMERICA**  
**STATE OF KANSAS**  
**COUNTY OF CHEROKEE**  
**CITY OF GALENA**  
**GENERAL OBLIGATION REFUNDING BOND**  
**SERIES 2011**

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

**Interest**  
**Rate:** \_\_\_\_%

**Maturity**  
**Date:** December 1, 20\_\_

**Dated**  
**Date:** May 24, 2011

**CUSIP:** \_\_\_\_\_

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**

**KNOW ALL PERSONS BY THESE PRESENTS:** That the City of Galena, in the County of Cherokee, State of Kansas (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Maturity Date shown above, unless called for redemption prior to said Maturity Date, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months), from the Dated Date shown above, or from the most recent date

to which interest has been paid or duly provided for, payable semiannually on June 1 and December 1 of each year, commencing December 1, 2011 (the "Interest Payment Dates"), until the Principal Amount has been paid.

**Method and Place of Payment.** The principal or redemption price of this Bond shall be paid at maturity or upon earlier redemption to the person in whose name this Bond is registered at the maturity or redemption date thereof, upon presentation and surrender of this Bond at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent" and "Bond Registrar"). The interest payable on this Bond or any Interest Payment Date shall be paid to the person in whose name this Bond is registered on the registration books maintained by the Bond Registrar at the close of business on the Record Date(s) for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding the Interest Payment Date. Such interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner or (b) in the case of an interest payment to any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account number to which such Registered Owner wishes to have such transfer directed. The principal or redemption price of and interest on the Bonds shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. Interest not punctually paid will be paid in the manner established in the within defined Bond Resolution.

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

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

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

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

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

**CITY OF GALENA, KANSAS**

(Facsimile Seal)

\_\_\_\_\_  
(facsimile)  
Mayor

ATTEST:

\_\_\_\_\_  
(facsimile)  
City Clerk

\*\*\*\*\*

**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This Bond is one of a series of General Obligation Refunding Bonds, Series 2011, of the City of Galena, Kansas, described in the within-mentioned Bond Resolution.

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

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

By \_\_\_\_\_

Registration Number 4434-011-052411-959

\*\*\*\*\*

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

**ADDITIONAL PROVISIONS**

**Authorization of Bonds.** This Bond is one of an authorized series of Bonds of the Issuer designated "General Obligation Refunding Bonds, Series 2011", aggregating the principal amount of \$1,495,000 (the "Bonds") issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Bonds and the Resolution of the Issuer prescribing the form and details of the Bonds (jointly the "Bond Resolution"). The Bonds are issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and laws of the State of Kansas, including K.S.A. 10-1201 *et seq.*, K.S.A. 10-427 and K.S.A. 10-427a, as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

**General Obligations.** The Bonds constitute general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are hereby pledged for the payment of the principal of and interest on this Bond and the issue of which it is a part as the same respectively become due.

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

**Optional Redemption.** At the option of the Issuer, Bonds or portions thereof maturing on December 1, 2019, and thereafter are subject to optional redemption beginning December 1, 2018, or thereafter in whole at any time, or in part as determined by the Issuer on any interest payment date in inverse order of maturity and by lot within a single maturity, at a price equal to 100% of the principal amount plus accrued interest to the Redemption Date.

**Sinking Fund Redemption.** (a) Each of the Term Bonds maturing December 1, 2023, shall also be subject to mandatory redemption and payment on December 1, 2022, and on each December 1 thereafter, pursuant to the redemption schedule hereinafter set out, at the par value of the principal amount thereof, plus accrued interest thereon to date fixed for redemption and payment, without premium. The Issuer shall redeem the following principal amounts of the Term Bonds in each of the following years:

**PRINCIPAL  
AMOUNT**

**YEAR**

\$70,000

2022

(leaving \$75,000 to mature on December 1, 2023)

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

(b) Each of the Term Bonds maturing December 1, 2025, shall also be subject to mandatory redemption and payment on December 1, 2024, and on each December 1 thereafter, pursuant to the redemption schedule hereinafter set out, at the par value of the principal amount thereof, plus accrued interest thereon to date fixed for redemption and payment, without premium. The Issuer shall redeem the following principal amounts of the Term Bonds in each of the following years:

**PRINCIPAL  
AMOUNT**

**YEAR**

\$75,000

2024

(leaving \$80,000 to mature on December 1, 2025)

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

(c) Each of the Term Bonds maturing December 1, 2027, shall also be subject to mandatory redemption and payment on December 1, 2026, and on each December 1 thereafter, pursuant to the redemption schedule hereinafter set out, at the par value of the principal amount thereof, plus accrued interest thereon to date fixed for redemption and payment, without premium. The Issuer shall redeem the following principal amounts of the Term Bonds in each of the following years:

<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>
\$80,000	2026

(leaving \$85,000 to mature on December 1, 2027)

At its option, to be exercised on or before the 45th day next preceding any mandatory redemption date, the Issuer may: (1) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory redemption on said mandatory redemption date, in any aggregate

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

(d) Each of the Term Bonds maturing December 1, 2029, shall also be subject to mandatory redemption and payment on December 1, 2028, and on each December 1 thereafter, pursuant to the redemption schedule hereinafter set out, at the par value of the principal amount thereof, plus accrued interest thereon to date fixed for redemption and payment, without premium. The Issuer shall redeem the following principal amounts of the Term Bonds in each of the following years:

<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>
\$90,000	2028
(leaving \$95,000 to mature on December 1, 2029)	

At its option, to be exercised on or before the 45th day next preceding any mandatory redemption date, the Issuer may: (1) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory redemption on said mandatory redemption date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory redemption date from any Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the Issuer under this Section for any Term Bonds subject

to mandatory redemption on said mandatory redemption date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this Section) and canceled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection. Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Issuer to redeem Term Bonds on such mandatory redemption date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds 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 Issuer intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the Issuer will, on or before the 45th day next preceding each mandatory redemption date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with with respect to such mandatory redemption payment.

(e) Each of the Term Bonds maturing December 1, 2031, shall also be subject to mandatory redemption and payment on December 1, 2030, and on each December 1 thereafter, pursuant to the redemption schedule hereinafter set out, at the par value of the principal amount thereof, plus accrued interest thereon to date fixed for redemption and payment, without premium. The Issuer shall redeem the following principal amounts of the Term Bonds in each of the following years:

<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>
\$100,000	2030
(leaving \$105,000 to mature on December 1, 2031)	

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

Issuer to redeem Term Bonds on such mandatory redemption date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds 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 Issuer intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the Issuer will, on or before the 45th day next preceding each mandatory redemption date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with with respect to such mandatory redemption payment.

***Selection of Bonds to be Redeemed.***

(a) In the event the Issuer desires to call the Bonds for redemption prior to maturity, written notice of such intent shall be provided to the Bond Registrar in accordance with K.S.A. 10-129, as amended, not less than 45 days prior to the Redemption Date. The Bond Registrar shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Bond Registrar at least 45 days prior to the Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. If the Bonds are refunded more than 90 days in advance of such Redemption Date, any escrow agreement entered into by the Issuer 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 Issuer 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. [The foregoing provisions of this paragraph shall not apply in the case of any mandatory redemption of Term Bonds hereunder, and Term Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the Issuer and whether or not the Paying Agent holds moneys available and sufficient to effect the required redemption.]

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

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

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

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

\*\*\*\*\*

### LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Cosgrove, Webb & Oman, Bond Counsel, which was dated and issued as of the date of original issuance and delivery of such Bonds:

**COSGROVE, WEBB & OMAN**  
Attorneys at Law  
534 S. Kansas Avenue, Suite 1100  
Topeka, Kansas 66603

(PRINTED LEGAL OPINION)

\*\*\*\*\*

**BOND ASSIGNMENT**

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

\_\_\_\_\_

(Name and Address)

\_\_\_\_\_

(Social Security or Taxpayer Identification No.)

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

Dated \_\_\_\_\_

\_\_\_\_\_

Name

\_\_\_\_\_

Social Security or Taxpayer Identifying No.

\_\_\_\_\_

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

Signature guaranty:

By \_\_\_\_\_

\*\*\*\*\*

**CERTIFICATE OF CITY CLERK**

STATE OF KANSAS            )  
  ) SS.  
COUNTY OF CHEROKEE )

The undersigned, City Clerk of Galena, Kansas, does hereby certify that the within Bond has been duly registered in my office according to law as of May 24, 2011.

WITNESS my hand and official seal.

\_\_\_\_\_  
(facsimile)

City Clerk

(Facsimile Seal)

\*\*\*\*\*

**CERTIFICATE OF STATE TREASURER**

OFFICE OF THE TREASURER, STATE OF KANSAS

I, RON ESTES, Treasurer of the State of Kansas, do hereby certify that a 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 on \_\_\_\_\_.

WITNESS my hand and official seal.

RON ESTES  
TREASURER OF THE STATE OF KANSAS

(Facsimile Seal)

By \_\_\_\_\_ (facsimile)

State Treasurer

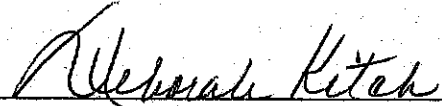
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ADOPTED by the governing body of the Issuer on May 2nd, 2011.

(SEAL)

  
\_\_\_\_\_  
Dale Oglesby, Mayor

ATTEST:

  
\_\_\_\_\_  
Deborah Kitch, City Clerk

**RESOLUTION NO. 11-13**

**A RESOLUTION AUTHORIZING THE IMPROVEMENT OR REIMPROVEMENT OF A MAIN TRAFFICWAY WITHIN THE CITY OF GALENA, KANSAS; AND PROVIDING FOR THE PAYMENT OF THE COSTS THEREOF.**

WHEREAS, K.S.A. 12-687 provides that the governing body of any city shall have the power to improve or reimprove or cause to be improved or reimproved, any main trafficway or trafficway connection designated and established under the provisions of K.S.A. 12-685 *et seq.* (the "Act"), and such improvement or reimprovement may include grading, regrading, curbing, recurbing, guttering, reguttering, paving, repaving, macadamizing, remacadamizing, constructing, reconstructing, opening, widening, extending, rounding corners, straightening, relocating, building any necessary bridges and approaches thereto, viaducts, overpasses, underpasses, culverts and drainage, trafficway illumination, traffic control devices, pedestrian ways, or other improvements or any two or more of such improvements or reimprovements and the acquisition of right-of-way by purchase or condemnation when necessary for any of such purposes; and

WHEREAS, the Act provides that all costs of improvements or reimprovements authorized thereunder, including acquisition of right-of-way, engineering costs, and all other costs properly attributable to such projects, shall be paid by the city at large and may be funded, among others, by the issuance of general obligation bonds; and

WHEREAS, the governing body of the City of Galena, Kansas (the "City"), has heretofore by Ordinance No. 11-03 designated Main Street within the City as a main trafficway, as provided by and under the authority of the Act; and

WHEREAS, said governing body hereby finds and determines that it is necessary to improve or reimprove said main trafficway, and to provide for the payment of the costs thereof, all as provided by and under the authority of the Act.

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

**Section 1. Project Authorization.** It is hereby deemed and declared to be necessary to improve or reimprove Main Street (the "Project") under the authority of the Act, in accordance with plans and specifications therefor prepared or approved by the City Engineer.

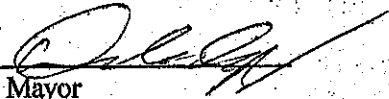
**Section 2. Financing Authority.** The estimated costs of the Project, including construction, engineering fees, acquisition of right-of-way and easements, contingencies and administrative expenses is \$680,000. A portion of the costs of the Project, interest on interim financing and associated financing costs shall be payable from the proceeds of general obligation bonds of the City issued under authority of the Act (the "Bonds") in an amount not to exceed \$340,000, with the balance of said estimated costs to be paid from a Community Development Block Grant.

**Section 3. Reimbursement.** The Bonds may be issued to reimburse expenditures made on or after the date which is 60 days before the date of this Resolution, pursuant to Treasury Regulation §1.150-2.


**Section 4. Effective Date.** This Resolution shall take effect and be in full force from and after its adoption by the governing body of the City.

ADOPTED AND APPROVED by the governing body of the City of Galena, Kansas, on May 2, 2011.

(Seal)

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
Clerk

**CERTIFICATE**

I, hereby certify that the above and foregoing is a true and correct copy of the Resolution No. 11-13 of the City of Galena, Kansas adopted by the governing body on May 2, 2011 as the same appears of record in my office.

DATED: May 2, 2011.

  
\_\_\_\_\_  
Clerk



# City of Galena



211 W. 7th • Galena, Kansas 66739  
Phone (620) 783-5265 • Fax (620) 783-5111  
*The Oldest Mining Town in Southeast Kansas*  
1877

## ADA 21st ANNIVERSARY PROCLAMATION

WHEREAS, Galena citizens with disabilities play a critical role in forging and shaping the identity of our community, impacting us all through personal experience or through the experience of a family member, neighbor, coworker, or friend, and,

WHEREAS, we are strengthened as a community by striving to ensure that every member of our community has equal access to employment, education, recreation, cultural activities, and civic life; and,

WHEREAS, the economic empowerment made possible through expanded employment opportunities for people with disabilities contributes to the development of strong families, a robust local economy, and a healthier community for us all; and,

WHEREAS, citizens with disabilities are a major component of the diversity in Galena, and contributes to a richer experience and more vibrant community for Galena residents; and,

WHEREAS, we continue in our daily work to further expand opportunities for citizens with disabilities by eliminating the barriers and false perceptions that present obstacles to full participation; and

WHEREAS, the 21st Anniversary of the passage of the Americans with Disabilities Act is an opportunity to recognize the contributions and accomplishments of citizens with disabilities and to underscore our community's commitment to the full inclusion of all;

Now, Therefore, I Dale Oglesby, Mayor of the City of Galena, Kansas on behalf of its citizens do hereby recognize and celebrate the progress that has been made under the

### **Americans with Disabilities Act**

by recommitting Galena to its principles of equality and inclusion and by reaffirming our determination to attain a community that affords independence, justice, and dignity for all.

Passed this 18<sup>th</sup> day of July, 2011

Deborah Kitch, City Clerk

  
Dale Oglesby, Mayor

RESOLUTION NO: 11-14

WHEREAS, the Kansas Byways Committee (KSBC) , consisting of representatives from The Kansas Department of Transportation, Kansas Wildlife & Parks and Tourism the Kansas State Historical Society, has developed guidelines and policies regarding the désignation of Kansas Scenic & Historical Byways: and

WHEREAS, a local advocate group, composed of community leaders, civic group representatives, residents and other interested parties have submitted an application to KSBC to develop a corridor management plan that includes specific strategies and techniques to preserve, enhance and promote a historic byway, and

Whereas, the KSBC has evaluated this route, reviewed the corridor management plan and recommends that the Kansas Route 66 Historic Byway includes the route describes as follows, to wit:

Beginning at the Kansas – Missouri State line (Intersections of Stateline Road and KS66); this is the beginning of Galena’s Historical District; continue west to the intersection of Front Street and Main Street. Turn left and continue South on Main Street to the intersection of 7th and Main Streets. Turn Right and Continue west on 7th Street (KS 66) to Riverton, KS. At the intersection of SE 70th and KS66 continue west to the Round- a- bout. Take the Beasley Road (KS 66) exit at the round- a- bout and continue west. As you pass the Rainbow Bridge the road veers to the left (south) and turns in to SE 50th (KS 66). Continue South in to Baxter Springs, KS. In Baxter Springs, KS the Road will fork, veer to the left (South east) on 3rd Street (KS 66) and continue to the intersection of 3rd Street and HWY 69 (Military Avenue) KS 66). Turn right on Military Avenue and continue South through Baxter Springs, KS. At the intersections of Military Avenue and Roberts Road (KS66) turn left continue south veering right onto W 30th Street (KS 66) then continue to the intersections of W 30th Street and Military Avenue (KS 66). Turn left on Military Avenue (KS 66) and continue south to the Oklahoma – Kansas State Line.

NOW, THEREFORE, IT IS RESOLVEDBY THE CITY OF GALENA OF CHEROKEE COUNTY THE SAID ROUTE IS HEREBY DESIGNATED: the KANSAS ROUTE 66 HISTORIC BYWAY.

IT IS FURTHER RESOLVED, The City shall prohibit the erection of any sign, display or device along any portion of the historic byway which is on the interstate System, National Highway System, or Federal Aid Primary System except signs in conformance with K>S>A>68-2233 (a) (b) (c).

IT IS FURTHER RESOLVED that this Resolution shall be forwarded to the KSBC as part of the corridor management plan to preserve this historic route.

Resolve and adopted this 1 day of Aug 2011.

Mayor

City Clerk

**RESOLUTION NO. 11-15**

**RESOLUTION DETERMINING THE INTENT OF THE CITY OF GALENA, KANSAS, TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS IN THE AMOUNT NOT TO EXCEED \$10,000,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING AND EQUIPPING A COMMERCIAL FACILITY FOR THE BENEFIT OF GALENA MOB PARTNERS, LLC AND ITS SUCCESSORS AND ASSIGNS**

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**WHEREAS**, the City of Galena, Kansas (the "City"), desires to promote, stimulate and develop the general welfare and economic prosperity of the City and its inhabitants and thereby to further promote, stimulate and develop the general welfare and economic prosperity of the State of Kansas; and

**WHEREAS**, the City is authorized and empowered under the provisions of K.S.A. 12-1740 to 12-1749d, inclusive (the "Act"), to issue industrial revenue bonds to pay the cost of certain facilities (as defined in the Act) for the purposes set forth in the Act, and to lease such facilities to private persons, firms or corporations; and

**WHEREAS**, Galena MOB Partners, LLC, a Kansas limited liability company and its successors or assigns (the "Company") has submitted to the City an Application for the Issuance of Industrial Revenue Bonds (the "Application") requesting that the City finance the cost of acquiring, constructing and equipping a commercial facility, consisting of an office building as more fully described in the Application (the "Project") through the issuance of its taxable industrial revenue bonds in the principal amount not to exceed \$10,000,000 in one or more series (the "Bonds"), and to lease the Project to the Company in accordance with the Act; and

**WHEREAS**, it is hereby found and determined to be advisable and in the interest and for the welfare of the City and its inhabitants that the City finance the costs of the Project by the issuance of the Bonds under the Act, the principal amount of the Bonds not to exceed \$10,000,000, the Bonds to be payable solely out of rentals, revenues and receipts derived from the lease of the Project by the City to the Company.

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

**Section 1. Approval of Project.** The Governing Body of the City hereby finds and determines that the acquiring, constructing and equipping of the Project will promote the general welfare and economic prosperity of the City of Galena, Kansas, and the issuance of the Bonds to pay the costs of the Project will be in furtherance of the public purposes set forth in the Act. The Project shall be located on an approximately 7.4 acre site generally located at Four States Drive in the Four States Professional Park between Stateline Road and K-66 Highway in the City of Galena, Kansas, as further described in the Application.

**Section 2. Intent to Issue Bonds.** The Governing Body of the City hereby determines and declares the intent of the City to acquire, construct and equip the Project out of the proceeds of the Bonds of the City in the principal amount not to exceed \$10,000,000, to be issued pursuant to the Act.

**Section 3. Provision for the Bonds.** Subject to the conditions of this Resolution, the City will (i) issue the Bonds to pay the costs of acquiring, constructing and equipping the Project, with such maturities, interest rates, redemption terms and other provisions as may be determined by ordinance of the City; (ii) provide for the lease (with an option to purchase) of the Project to the Company; and (iii) to effect the foregoing, adopt such resolutions and ordinances and authorize the execution and delivery of such instruments and the taking of such action as may be necessary or advisable for the authorization and issuance of the Bonds by the City and take or cause to be taken such other action as may be required to implement the aforesaid.

**Section 4. Conditions to Issuance.** The issuance of the Bonds and the execution and delivery of any documents related to the Bonds are subject to: (i) obtaining any necessary governmental approvals; (ii) agreement by the City, the Company and the purchaser of the Bonds upon (a) mutually acceptable terms for the Bonds and for the sale and delivery thereof, and (b) mutually acceptable terms and conditions of any documents related to the issuance of the Bonds and the Project; (iii) the Company's compliance with the City's policies relating to the issuance of industrial revenue; and (iv) the adoption of an Ordinance authorizing the issuance of the Bonds.

**Section 5. Sale of the Bonds.** The sale of the Bonds shall be the responsibility of the Company; provided, however, arrangements for the sale of the Bonds shall be acceptable to the City.

**Section 6. Limited Obligations of the City.** The Bonds and the interest thereon shall be special, limited obligations of the City payable solely out of the amounts derived by the City under a Lease Agreement with respect to the Bonds and as provided herein and are secured by a transfer, pledge and assignment of and a grant of a security interest in the trust estate to the bond trustee for the Bonds and in favor of the owners of the Bonds, all as provided in the Bond Indenture. The Bonds shall not constitute a general obligation of the City, the State or of any other political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the City, the State or of any other political subdivision thereof and shall not be payable in any manner by taxation, but shall be payable solely from the funds provided for as provided in the Bond Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the City, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

**Section 7. Required Disclosure.** Any disclosure document prepared in connection with the placement or offering of any the Bonds shall contain substantially the following disclaimer:

NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT, OTHER THAN WITH RESPECT TO INFORMATION CONCERNING THE CITY CONTAINED UNDER THE CAPTIONS "THE CITY" AND "LITIGATION - THE CITY" HEREIN, HAS BEEN SUPPLIED OR VERIFIED BY THE CITY, AND THE CITY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

**Section 8. Authorization to Proceed.** The Company is hereby authorized to proceed with the acquiring, constructing and equipping of the Project, including the necessary planning and engineering for the Project and entering into of contracts and purchase orders in connection therewith, and to advance such funds as may be necessary to accomplish such purposes, and, to the extent permitted by law and upon compliance with the other requirements of this Resolution, the City will reimburse the Company for all expenditures paid or incurred therefor out of the proceeds of the Bonds.

**Section 9. No Reliance on Resolution.** Kansas law provides that the City may only issue the Bonds by adoption of an Ordinance and compliance with other state law requirements. The City has not yet adopted an Ordinance for the Bonds. This Resolution only evidences the intent of the current Governing Body to issue the Bonds for the Project. The Company should not construe the adoption of this Resolution as a promise or guarantee that the Ordinance for the Bonds will be issued or that the Project will be approved.

**Section 10. Benefit of Resolution.** This Resolution will inure to the benefit of the City and the Company. The Company may, with the prior written consent of the City, assign all or a portion of its interest in this Resolution to another entity, and such assignee will be entitled to the benefits of the portion of this Resolution assigned and the proceedings related hereto.

**Section 11. Further Action.** Counsel to the City and Gilmore & Bell, P.C., Bond Counsel for the City, together with the officers and employees of the City, are hereby authorized to work with the purchaser of the Bonds, the Company, their respective counsel and others, to prepare for submission to and final action by the City all documents necessary to effect the authorization, issuance and sale of the bonds and other actions contemplated hereunder.

**Section 12. Effective Date.** This Resolution shall take effect and be in full force immediately after its adoption by the Governing Body of the City.

**ADOPTED** this 19th day of December, 2011.

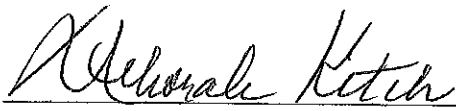
**CITY OF GALENA, KANSAS**

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

Mayor

[SEAL]

ATTEST:

  
\_\_\_\_\_  
City Clerk