

CITY OF HAYSVILLE

Agenda

October 11, 2011

CALL TO ORDER

ROLL CALL

INVOCATION BY: Pastor David Vetter, West Haysville Baptist Church

PLEDGE OF ALLEGIANCE

SPECIAL ORDER OF BUSINESS

PRESENTATION AND APPROVAL OF MINUTES

- A. Minutes of September 26, 2011

ITEM #1 CITIZENS TO BE HEARD

- A. Sandy Davis, ARC Community Manager, 1400 E. Kay Ave. Re: Revisit the Rezoning for Carports

ITEM #2 APPROVAL OF LICENSES AND BONDS

ITEM #3 INTRODUCTION OF ORDINANCES AND RESOLUTIONS

- A. AN ORDINANCE AUTHORIZING THE CITY OF HAYSVILLE, KANSAS TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES 2011 (SLEEP INN AND SUITES PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$3,000,000 FOR THE PURPOSES OF ACQUIRING, CONSTRUCTING, FURNISHING AND EQUIPPING A HOTEL FACILITY; AUTHORIZING EXECUTION OF A BOND AGREEMENT BY AND BETWEEN THE CITY, HAYSVILLE LAND INVESTMENT, LLC, AS TENANT AND ROSE HILL BANK, ROSE HILL, KANSAS, AS PAYING AGENT; AUTHORIZING THE CITY TO LEASE SUCH FACILITY TO HAYSVILLE LAND INVESTMENT, LLC AND AUTHORIZING EXECUTION OF A LEASE BETWEEN SAID CITY AND HAYSVILLE LAND INVESTMENT, LLC; AND AUTHORIZING THE EXECUTION OF ADDITIONAL DOCUMENTS NECESSARY OR DESIRABLE TO EFFECT THE TRANSACTION CONTEMPLATED HEREBY
- B. A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION BONDS, SERIES 2011, OF THE CITY OF HAYSVILLE, KANSAS

ITEM #4 NOTICES AND COMMUNICATIONS

- A. Governing Body Announcements
- B. New Business License, Little Caesars, 307 N. Main
- C. New Home Business License (Internet Sales), Sidepocket Comics, 560 Country Lakes
- D. New Business License, J & R Towing, 2300 Emmett
- E. New Business License, Tre'vo Nutritional Supplement Company, 1400 Jubilee

ITEM #5 OTHER BUSINESS

- A. Consideration of Approval to Order Materials for Meridian and Grand Signalization Project
- B. Consideration of Authorization to Purchase Hardware for RAS Pump

ITEM #6 OLD BUSINESS

- A. Authorization of Change Order for Slurry Seal
- B. Authorization of Change Order for Street Patching

ITEM #7 DEPARTMENT REPORTS

- A. City Clerk – Janie Cox
- B. Governmental Services – Carol Neugent
- C. Police – Jeff Whitfield
- D. Public Works – Randy Dorner
- E. Recreation – Georgie Carter

ITEM #8 APPOINTMENTS

ITEM #9 OFF AGENDA CITIZENS TO BE HEARD

ITEM #10 EXECUTIVE SESSION

- A. Executive Session for Attorney/Client Privilege and Non-Elected Personnel Not to Exceed 45 Minutes

ITEM #11 BILLS TO BE PAID

- A. Bills to be Paid for the First half of October

ITEM #12 CONSENT AGENDA

- A. Thank You Card from Beverly Rodgers

ITEM #13 COUNCIL ITEMS

- A. Council Action Request Update
- B. Council Concerns Update
- C. New Council Concerns

ITEM #14 ADJOURNMENT

The Regular Council Meeting was called to order by President of Council Mike Kanaga at 7:01 p.m. in the Haysville Municipal Building, 200 West Grand Avenue. Mayor Ken Hampton was absent.

President of Council Mike Kanaga advised he would be voting on agenda items.

Roll was taken by Recording Secretary Jessica Chilcote: Conrady here, Slocum here, Ewert here, Kanaga here, Kessler here, Rardin here, Konkel here and Pierce here.

Invocation was given by Pastor Steven Dezotell, First Church of the Nazarene.

President of Council Mike Kanaga led everyone present in the Pledge of Allegiance.

There was no Special Order of Business.

Under Presentation and Approval of Minutes, President of Council presented for approval The Minutes of September 12, 2011.

Motion by Ewert- Second by Rardin

Yes, I'd like to make a motion that we approve the minutes from September 12, 2011. Conrady abstain, Slocum abstain, Ewert yea, Kanaga yea, Kessler abstain, Rardin yea, Konkel yea, Pierce yea.

Motion declared carried

There were no citizens to be heard.

There were no Licenses or Bonds.

President of Council Mike Kanaga introduced AN ORDINANCE LEVYING SPECIAL ASSESSMENTS ON CERTAIN PROPERTY TO PAY THE COSTS OF INTERNAL IMPROVEMENTS IN THE CITY OF HAYSVILLE, KANSAS, AS HERETOFORE AUTHORIZED BY RESOLUTION NO. 10-06 OF THE CITY; AND PROVIDING FOR THE COLLECTION OF SUCH SPECIAL ASSESSMENT

Chuck Bouilly of George K. Baum & Company explained the Ordinance to Council. Bouilly advised Council first has to approve the final costs and assessment role of the project for Mead Drive and the second has to take action on the assessment ordinance.

Motion by Pierce- Second by Ewert

We move that we approve the final costs and the assessment roles and also approve a waiver of public hearing with regards to assessments for street improvements, Haysville Industrial Park, Second Addition before us here tonight.

Conrady yea, Slocum yea, Ewert yea, Kanaga yea, Kessler yea, Rardin yea, Konkel yea, Pierce yea.

Motion declared carried.

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Motion by Pierce- Second by Rardin

Mr. President and Council, I move that we approve AN ORDINANCE LEVYING SPECIAL ASSESSMENTS ON CERTAIN PROPERTY TO PAY THE COSTS OF INTERNAL IMPROVEMENTS IN THE CITY OF HAYSVILLE, KANSAS, AS HERETOFORE AUTHORIZED BY RESOLUTION NO. 10-06 OF THE CITY; AND PROVIDING FOR THE COLLECTION OF SUCH SPECIAL ASSESSMENT.

Conrady yea, Slocum yea, Ewert yea, Kanaga yea, Kessler yea, Rardin yea, Konkel yea, Pierce yea.

Motion declared carried.

President of Council Mike Kanaga introduced AN ORDINANCE CONCERNING THE AMENDMENT OF CHAPTER 11, ARTICLE 1, SECTION 102 OF THE CITY CODE OF HAYSVILLE, KANSAS, IN CONNECTION WITH REGULATING PUBLIC OFFENSES WITHIN THE CORPORATE LIMITS OF THE CITY OF HAYSVILLE, KANSAS; INCORPORATING BY REFERENCE THE "UNIFORM PUBLIC OFFENSE CODE FOR KANSAS CITIES," EDITION 2011 WITH CERTAIN CHANGES AND ADDITIONS; PROVIDING CERTAIN PENALTIES; AND REPEALING THE ADOPTION OF THE 2010 U.P.O.C., ALL WITHIN THE CITY OF HAYSVILLE, SEDGWICK COUNTY, KANSAS.

Chief of Police Jeff Whitfield advised the ordinance was the most current at this time and needed to be updated.

Motion by Slocum- Second by Ewert

If there is no further discussion, I would move that we approve AN ORDINANCE CONCERNING THE AMENDMENT OF CHAPTER 11, ARTICLE 1, SECTION 102 OF THE CITY CODE OF HAYSVILLE, KANSAS, IN CONNECTION WITH REGULATING PUBLIC OFFENSES WITHIN THE CORPORATE LIMITS OF THE CITY OF HAYSVILLE, KANSAS; INCORPORATING BY REFERENCE THE "UNIFORM PUBLIC OFFENSE CODE FOR KANSAS CITIES," EDITION 2011 WITH CERTAIN CHANGES AND ADDITIONS; PROVIDING CERTAIN PENALTIES; AND REPEALING THE ADOPTION OF THE 2010 U.P.O.C., ALL WITHIN THE CITY OF HAYSVILLE, SEDGWICK COUNTY, KANSAS.

Conrady yea, Slocum yea, Ewert yea, Kanaga yea, Kessler yea, Rardin yea, Konkel yea, Pierce yea.

Motion declared carried.

President of Council Mike Kanaga introduced AN ORDINANCE CONCERNING THE AMENDMENT OF CHAPTER 14, ARTICLE 1, SECTION 101 AND 102 OF THE CITY CODE OF HAYSVILLE, KANSAS, IN CONNECTION WITH REGULATING TRAFFIC WITHIN THE CORPORATE LIMITS OF THE CITY OF HAYSVILLE, KANSAS; INCORPORATING BY REFERENCE THE "STANDARD TRAFFIC FOR KANSAS CITIES," EDITION OF 2011, WITH CERTAIN CHANGES AND ADDITIONS; PRESCRIBING ADDITIONAL REGULATIONS; PROVIDING

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CERTAIN PENALTIES; AND REPEALLING THE ADOPTION OF THE 2010 STANDARD TRAFFIC ORDINANCE, ALL WITHIN THE CITY OF HAYSVILLE, SEDGWICK COUNTY, KANSAS.

Chief of Police Jeff Whitfield advised there were significant changes made to certain ordinances that needed to be put into effect on October 1st.

Motion by Rardin- Second by Ewert

Mr. Mayor, I make a motion that we adopt AN ORDINANCE CONCERNING THE AMENDMENT OF CHAPTER 14, ARTICLE 1, SECTION 101 AND 102 OF THE CITY CODE OF HAYSVILLE, KANSAS, IN CONNECTION WITH REGULATING TRAFFIC WITHIN THE CORPORATE LIMITS OF THE CITY OF HAYSVILLE, KANSAS; INCORPORATING BY REFERENCE THE "STANDARD TRAFFIC FOR KANSAS CITIES," EDITION OF 2011, WITH CERTAIN CHANGES AND ADDITIONS; PRESCRIBING ADDITIONAL REGULATIONS; PROVIDING CERTAIN PENALTIES; AND REPEALING THE ADOPTION OF THE 2010 STANDARD TRAFFIC ORDINANCE, ALL WITHIN THE CITY OF HAYSVILLE, SEDGWICK COUNTY, KANSAS.

Conrady yea, Slocum yea, Ewert yea, Kanaga yea, Kessler yea, Rardin yea, Konkel yea, Pierce yea.

Motion declared carried.

Under Notices and Communications, President of Council Mike Kanaga asked for Governing Body Announcements.

Councilperson Pat Ewert announced commodities would be handed out at the Senior Center on Wednesday, September 28th at 1:00 p.m.

President of Council Mike Kanaga announced a new business license for Blue Flag Express Shuttle Services, 333 W. 6th.

President of Council Mike Kanaga announced a new business license for Lil Leapers Daycare, 230 Summey.

Under Other Business, President of Council Mike Kanaga presented an Update on 911 Consolidation Including Job Description Revisions.

Police Chief Jeff Whitfield advised the 911 service will soon be used in Haysville and 529-5912 would be a new number for non-emergency calls and administration calls. Whitfield stated Dispatch would be restructured and revised to include new job descriptions.

Motion by Konkel- Second by Rardin

I move that we approve the job position descriptions as presented.

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Conrady yea, Slocum yea, Ewert yea, Kanaga yea, Kessler yea, Rardin yea, Konkel yea, Pierce yea.

Motion declared carried.

President of Council Mike Kanaga presented a Consideration of Capital Improvement Program Revision to Include Signalization of Meridian and Grand.

Director of Governmental Services Carol Neugent stated the signalization of Meridian and Grand was a big topic at the School Board/Council meeting. Neugent advised Sedgwick County had let the City know the intersection was now the City's to signalize as seen fit. Neugent advised Public Works Director Randy Dorner had received estimates for a totally signalized intersection, complete with crosswalk buttons and video detection. Neugent stated the project was estimated to cost \$125,000.00 and in order to go through with construction; another project would have to be moved out of the Capital Improvements Program. Neugent suggested two projects, including the Clinton Street project and the Sarah Lane sidewalk project. Neugent advised the project that got picked would be pulled out of the CIP but they would look at it again during budget. Councilperson Seth Konkel asked if there had been an increase in accidents at Meridian and Grand after the remodel was completed. Police Chief Jeff Whitfield advised there had not been a noticeable increase. Councilperson Keith Pierce asked if USD 261 would be a willing participant in this project. Neugent advised they could not legally participate in the project.

Motion by Rardin- Second by Slocum

Mr. Mayor, I make a motion that we approve the signalization of Grand and Meridian at a cost of \$125,000.00.

Conrady yea, Slocum yea, Ewert yea, Kanaga yea, Kessler yea, Rardin yea, Konkel yea, Pierce yea.

Motion declared carried.

Councilperson Keith Pierce stated the Clinton Street project had been a pet project of his for quite some time, but for the sake of safety and convenience he believed that was the one to push back. Councilperson Seth Konkel asked if bids would still go out and come back for approval. Director of Governmental Services Carol Neugent stated yes. Councilperson Derrick Slocum advised that waiting on the Clinton Street project would give the City enough money and possibly a bit more to finish the signalization project. Councilperson Bob Rardin asked if the Sarah Lane project was picked, would there still be enough money to cover the signalization. Neugent advised yes, there would be enough money in the CIP to cover the costs. Konkel asked where the Sarah Lane project would extend. Public Works Director Randy Dorner stated it would go from North Main on the north side of Sarah Lane up to Hungerford. Neugent advised the City has applied for funding from Safe Routes to Schools five times and were once again not successful in getting funding for the project. Pierce asked if the City could write tickets for children walking in the street. Neugent stated the City does not have a juvenile court, but they could be encouraged to use the sidewalk.

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Motion by Ewert- Second by Konkel

I would like to make a motion that we accept the Sarah Lane sidewalks and drop the Clinton/Castle project.

Conrady yea, Slocum yea, Ewert yea, Kanaga yea, Kessler yea, Rardin yea, Konkel yea, Pierce yea.

Motion declared carried.

President of Council Mike Kanaga presented a Consideration of Contract Revision for Kansas Paving.

Public Works Director Randy Dorner advised Kansas Paving had completed the base work and the bulb of Broadway Court had been poured in conventional concrete. Dorner stated there had been some concerns with the roller compacted concrete. Dorner advised Kansas Paving had asked to change the contract from roller compacted concrete to conventional poured concrete at no additional cost. Councilperson Bob Rardin asked if Kansas Paving was not comfortable with the roller compacted concrete. Dorner advised they had some concerns with the roller compacted. Councilperson Seth Konkel asked what their concerns were. Dorner stated they had concerns with the application the City had planned to use as a surface.

Motion by Kessler- Second by Slocum

I make a motion that we allow the change in the contract and allow them to pour in the conventional concrete at the same cost as they were going to do the compact method.

Conrady yea, Slocum yea, Ewert yea, Kanaga yea, Kessler yea, Rardin yea, Konkel nay, Pierce yea.

Motion declared carried.

President of Council Mike Kanaga presented a Consideration of Bids for Project No. 092211-A/Crack Fill Bid.

Public Works Director Randy Dorner advised the bids were for most of the concrete streets. Dorner stated they will grind out the tar and reseal the cracks. Dorner advised South Central Sealing had the low bid of \$39,990.50.

Motion by Konkel- Second by Kessler

If there's no questions, I move that we approve the contract with South Central Sealing for \$39,990.50.

Conrady yea, Slocum yea, Ewert yea, Kanaga yea, Kessler yea, Rardin yea, Konkel yea, Pierce yea.

Motion declared carried.

President of Council Mike Kanaga presented a Consideration of Bids for Project No. 0992211-B/Street Patching, Various Locations.

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Public Works Director Randy Dorner advised there were quite a few locations that needed some patch repairs. Dorner stated bids were based on square yards and APAC had the low bid of \$7,195.22.

Motion by Konkel- Second by Ewert

If there is no questions, I move that we approve various street patching for Project No. 092211-B in the amount of \$7,195.22 with APAC.

Conrady yea, Slocum yea, Ewert yea, Kanaga yea, Kessler yea, Rardin yea, Konkel yea, Pierce yea.

Motion declared carried.

Councilperson Mike Conrady asked if the City could get a better deal by grouping repairs together. Public Works Director Randy Dorner stated the City does them separately for diversity and there are some companies that only do one repair. Councilperson Keith Pierce asked if Willow Street had been overlooked on the repair list. Dorner advised Andale Paving should have some obligation to repair the patch near Apple Street. Dorner also advised some water repairs had been done after the list was made and he would be adding those streets to this list as well.

President of Council Mike Kanaga presented a Consideration of Bids for Project No. 0992211-C/Slurry Seal Bid.

Public Works Director Randy Dorner advised South Central Sealing is the only company that submitted a bid for the slurry seal at this time. Dorner stated the bid was for \$32,781.84.

Motion by Konkel- Second by Rardin

If there's no questions, I move that we accept the bid from South Central Sealing for \$32,781.84 for slurry seal.

Conrady yea, Slocum yea, Ewert yea, Kanaga yea, Kessler yea, Rardin yea, Konkel yea, Pierce yea.

Motion declared carried.

President of Council Mike Kanaga presented a Consideration of Bids for Project No. 092211-D/Scrub Seal.

Public Works Director Randy Dorner requested that Council reject the bid for scrub seal. Dorner stated the bids have doubled since the last time used. Dorner advised they would be bringing back a list to add to the slurry seal, and it may be a new contract or an amendment. Councilperson Bob Rardin asked what the difference was between slurry seal and scrub seal. Dorner stated scrub seal is a liquid that soaks into the cracks, that helps hold the road together, whereas slurry seal is tar based with chad in it and it puts a new surface on the road.

Motion by Konkel- Second by Ewert

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I move that we reject the bid as presented for Project No. 092211-D.

Conrady yea, Slocum yea, Ewert yea, Kanaga yea, Kessler yea, Rardin yea, Konkel yea, Pierce yea.

Motion declared carried.

President of Council Mike Kanaga presented a Consideration of Bids for Project No. 092211-E/Reclamite.

Public Works Director Randy Dorner stated reclamite is a liquid that goes onto pavement and helps keep the road from drying up. Dorner advised this helps with the maintenance of an overlay. Dorner stated the price had not gone up from the last time the City had used it. Dorner requested to use ProSeal for \$8,140.50.

Motion by Konkel- Second by Slocum

If there is no further questions, I move that we approve the bid from ProSeal in the amount of \$8,140.50 for reclamite.

Conrady yea, Slocum yea, Ewert yea, Kanaga yea, Kessler yea, Rardin yea, Konkel yea, Pierce yea.

Motion declared carried.

President of Council Mike Kanaga presented a Consideration of Bids for Project No. 092211-F/Chip Seal.

Public Works Director Randy Dorner advised they had not received any bids. Dorner stated they would add it to the list for next year.

There was no Old Business.

President of Council Mike Kanaga asked for Department Reports.

City Clerk Janie Cox announced Beverly Rodgers retirement reception would be on Friday, September 30th from 2-4 p.m. and will be in the Court Room. Cox stated the Homecoming Parade would also be on Friday, September 30th at 2 p.m.

Director of Governmental Services Carol Neugent stated she would have Multimedia Specialist Sean Conley talk about Facebook and Twitter and Comptroller Will Black talk about online bill payments. Multimedia Specialist Sean Conley advised the City now has a Twitter account and two Facebook pages. Conley advised there were links from the City's website. Comptroller Will Black stated the City has now started accepting court payments online. Black advised you can get to the link through the website. Black stated they are still working on utility online payments.

Chief of Police Jeff Whitfield reminded everyone to watch out for the kids during homecoming on Friday.

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Public Works Director Randy Dorner had nothing to report.

Recreation Director Georgie Carter stated they met with the Haysville Heat and they confirmed they will be back to Haysville next year. Carter also stated they would also be having a hunters safety class coming up at the Activity Center on October 21st and 22nd. Carter stated you must be 11 years old to become certified and is a free course. Carter advised you can register online at safehunters.com.

There were no Appointments.

There was no Off Agenda Citizens To Be Heard.

President of Council Mike Kanaga presented an Executive Session to be tabled for next Council meeting.

Motion by Slocum- Second by Ewert

I move that we table the Executive Session for the next scheduled meeting, so that Mayor Hampton can be present.

Conrady yea, Slocum yea, Ewert yea, Kanaga yea, Kessler yea, Rardin yea, Konkel yea, Pierce yea.

Motion declared carried.

President of Council Mike Kanaga presented the Bills to be Paid for the Last Half of September.

Motion by Ewert- Second by Rardin

Yes, I would like to make a motion that we pay the last half of bills for September.

Conrady yea, Slocum yea, Ewert yea, Kanaga yea, Kessler yea, Rardin yea, Konkel yea, Pierce yea.

Motion declared carried.

There was nothing on the Consent Agenda.

Under Council Items President of Council Mike Kanaga asked for comments or new Council concerns.

There were no Council Action Request Updates.

Under Council Concerns, Councilperson Seth Konkel thanked everyone for the presentations tonight and the work that went into them.

Councilperson Keith Pierce advised he thought the striping on 71st Street looked horrible and asked if there was a problem with the equipment. Public Works Director Randy Dorner stated they did have some malfunctions with the paint gun. Pierce stated it may be a good idea to take drivers out somewhere for them to get practice.

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President of Council Mike Kanaga presented for approval Adjournment.

Motion by Pierce- Second by Rardin

Mr. President and Council, I move that we adjourn tonight's meeting.

Conrady yea, Slocum yea, Ewert yea, Kanaga yea, Kessler yea, Rardin yea, Konkel yea,
Pierce yea.

Motion declared carried.

The Regular Council Meeting adjourned at 7:50 p.m.

Janie Cox, City Clerk

ORDINANCE NO. _____

**OF THE
CITY OF HAYSVILLE, KANSAS**

**AUTHORIZING THE ISSUANCE OF
\$3,000,000 TAXABLE INDUSTRIAL REVENUE BONDS
SERIES 2011
(SLEEP INN AND SUITES PROJECT)**

(Published in *The Haysville Sun Times*, October 21, 2011)

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE CITY OF HAYSVILLE, KANSAS TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES 2011 (SLEEP INN AND SUITES PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$3,000,000 FOR THE PURPOSES OF ACQUIRING, CONSTRUCTING, FURNISHING AND EQUIPPING A HOTEL FACILITY; AUTHORIZING EXECUTION OF A BOND AGREEMENT BY AND BETWEEN THE CITY, HAYSVILLE LAND INVESTMENT, LLC, AS TENANT AND ROSE HILL BANK, ROSE HILL, KANSAS, AS PAYING AGENT; AUTHORIZING THE CITY TO LEASE SUCH FACILITY TO HAYSVILLE LAND INVESTMENT, LLC AND AUTHORIZING EXECUTION OF A LEASE BETWEEN SAID CITY AND HAYSVILLE LAND INVESTMENT, LLC; AND AUTHORIZING THE EXECUTION OF ADDITIONAL DOCUMENTS NECESSARY OR DESIRABLE TO EFFECT THE TRANSACTION CONTEMPLATED HEREBY.

THE GOVERNING BODY OF THE CITY OF HAYSVILLE, KANSAS HAS FOUND AND DETERMINED:

A. The City of Haysville, Kansas (the "Issuer") is authorized by the Kansas Economic Development Revenue Bond Act, as amended, as codified in K.S.A. 12-1740 *et seq.* (the "Act"), to acquire, construct, improve and equip certain facilities (as defined in the Act) for commercial, industrial and manufacturing purposes, to enter into leases and lease-purchase agreements with any person, firm or corporation for such facilities, and to issue revenue bonds for the purpose of paying the costs of such facilities.

B. The Issuer's governing body has determined that it is desirable in order to promote, stimulate and develop the general economic welfare and prosperity of the Issuer and the State of Kansas that the Issuer issue its Taxable Industrial Revenue Bonds, Series 2011 (Sleep Inn and Suites Project) dated as of their issue date in an aggregate principal amount not exceeding \$3,000,000 (the "Series 2011 Bonds"), for the purpose of paying the costs of acquiring, constructing, furnishing and equipping a certain hotel facility (the "Project"), as more fully described in the Bond Agreement and in the Lease authorized in this ordinance for lease to Haysville Land Investment, LLC (the "Tenant").

C. The Issuer's governing body finds that it is necessary and desirable in connection with the issuance of the Series 2011 Bonds to execute and deliver the following documents (collectively, the "Bond Documents"):

(i) a Bond Agreement (the "Bond Agreement"), between the Issuer, the Tenant and Rose Hill Bank, Rose Hill, Kansas, as Paying Agent (the "Paying Agent"), prescribing the terms and conditions of issuing and securing the Series 2011 Bonds;

(ii) a Lease (the "Lease"), with the Tenant, under which the Issuer will acquire, construct, furnish and equip the Project and lease it to the Tenant in consideration of Basic Rent and other payments; and

(iii) an Agreement for Payment in Lieu of Taxes (the "Agreement for Payment in Lieu of Taxes") with the Tenant, under which the Tenant will make certain payments in lieu of taxes for each year after issuance of the Bonds that the Project is exempt from ad valorem taxation.

D. The Issuer's governing body has found that under the provisions of K.S.A. 79-201a *Second*, the Project purchased or constructed with the proceeds of the Series 2011 Bonds is eligible for exemption from ad valorem property taxes for up to ten (10) years, commencing in the calendar year following the calendar year in which the Bonds are issued, if proper application is made. The Issuer's governing body has further found that the Project should be exempt from ad valorem property taxes for a period of six (6) years, subject to a payment in lieu of taxes for each year of the exemption, as more particularly described in the Agreement for Payment in Lieu of Taxes. Prior to making this determination, the governing body of the Issuer has conducted the public hearing and reviewed the analysis of costs and benefits of such exemption required by K.S.A. Supp. 12-1749d.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF HAYSVILLE, KANSAS:

Section 1. **Definition of Terms.** All terms and phrases not otherwise defined in this ordinance will have the meanings set forth in the Bond Agreement and the Lease.

Section 2. **Authority to Cause the Project to be Purchased and Constructed.** The Issuer is authorized to cause the Project to be acquired, constructed and equipped in the manner described in the Bond Agreement and the Lease.

Section 3. **Authorization of and Security for the Bonds.** The Issuer is authorized and directed to issue the Series 2011 Bonds, to be designated "City of Haysville, Kansas Taxable Industrial Revenue Bonds, Series 2011 (Sleep Inn and Suites Project)" in an aggregate principal amount not exceeding \$3,000,000. The Series 2011 Bonds will be in such principal amount, will bear interest at various stated rates and will mature, and will have such other redemption provisions, including premiums, will be in such forms and will be issued according to the provisions, covenants, agreements and other terms as are set forth in the Bond Agreement. The Series 2011 Bonds are being issued for the purpose of providing funds to pay the costs of acquiring, constructing, furnishing and equipping the Project. The Series 2011 Bonds will be special limited obligations of the Issuer payable solely from revenues generated from the Project and the Lease of the Project. The Series 2011 Bonds will not be general obligations of the Issuer, nor constitute a pledge of the faith and credit of the Issuer, and will not be payable in any manner by taxation.

Section 4. **Authorization of Bond Agreement.** The Issuer is authorized to enter into the Bond Agreement with the Bank and the Tenant in the form approved in this ordinance. The Issuer will issue and sell the Bonds and provide for payment of the Bonds and interest thereon from the

revenues derived by the Issuer under the Lease and other moneys as described in the Bond Agreement, all on the terms and conditions in the Bond Agreement.

Section 5. Authorization of Lease of the Project. The Issuer is authorized to enter into the Lease with the Tenant in the form approved in this ordinance. The Issuer will acquire, construct, furnish and equip the Project and lease it to the Tenant according to the provisions of the Lease.

Section 6. Execution of Bonds and Bond Documents. The Mayor of the Issuer or such person authorized by the Issuer to act for the Mayor in the Mayor's absence is hereby authorized and directed to execute the Series 2011 Bonds and deliver them to the Paying Agent for authentication on behalf of the Issuer in the manner provided by the Act and in the Bond Agreement. The Mayor or other authorized signatory is hereby authorized and directed to execute and deliver the Bond Documents on behalf of the Issuer in substantially the forms presented for review prior to passage of this ordinance, which forms are approved, with such corrections or amendments as the Mayor or other authorized signatory shall approve, as evidenced by his or her signature. The authorized signatory may also sign and deliver such other documents, or certificates as may be necessary or desirable to carry out the purposes and intent of this ordinance and the Bond Documents. The City Clerk or the Deputy City Clerk of the Issuer is hereby authorized and directed to attest the execution of the Series 2011 Bonds, the Bond Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out the intent of this ordinance under the Issuer's corporate seal.

Section 7. Tax Exemption; Payment in Lieu of Taxes. The Project will be exempt from ad valorem property taxes for (6) years, commencing in the calendar year after the calendar year in which the Series 2011 Bonds are issued, subject to the conditions set forth in the Agreement for Payment in Lieu of Taxes. The Tenant must prepare the application for exemption and submit it to the Issuer for its review. After its review, the Issuer will submit the application for exemption to the Sedgwick County Appraiser for review and transmittal to the State Court of Tax Appeals. The Issuer is authorized to enter into the Agreement for Payment in Lieu of Taxes in substantially the form presented for review prior to passage of this ordinance.

Section 8. Pledge of the Project and Net Lease Rentals. The Issuer hereby pledges the Project and the net earnings therefrom to the payment of the Series 2011 Bonds in accordance with K.S.A. 12-1744. The lien created by the pledge will be discharged when all of the Series 2011 Bonds are paid or deemed to have been paid under the Bond Agreement.

Section 9. Further Authority. The officials, officers, agents and employees of the Issuer are authorized and directed to take whatever action and execute whatever other documents or certificates as may be necessary or desirable to carry out the provisions of this ordinance and to carry out and perform the Issuer's duties with respect to the Series 2011 Bonds and the Bond Documents.

Section 10. Effective Date. This ordinance shall take effect after its passage by the governing body of the Issuer, signature by the Mayor and publication once in the Issuer's official newspaper.

PASSED by the governing body of the City of Haysville, Kansas this 10th day of October, 2011.

APPROVED AND SIGNED by the Mayor of the City of Haysville, Kansas this 10th day of October, 2011.

[SEAL]

Mayor

Attest:

City Clerk

CERTIFICATE OF COPY

I hereby certify that the attached copy is a true and correct copy of Ordinance No. _____ of the City of Haysville, Kansas duly passed by the governing body, signed by the Mayor and published in the official City newspaper on the respective dates stated in this ordinance, and that the signed original of such ordinance is on file in my office.

[SEAL]

City Clerk

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYSVILLE, KANSAS
HELD ON OCTOBER 10, 2011**

The governing body of the City of Haysville, Kansas, met in regular session at the usual meeting place in the City, at 7:00 p.m., the following members being present and participating, to-wit:

Absent:

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

* * * * *

(Other Proceedings)

Thereupon, there was presented an ordinance entitled:

AN ORDINANCE AUTHORIZING THE CITY OF HAYSVILLE, KANSAS TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES 2011 (SLEEP INN AND SUITES PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$3,000,000 FOR THE PURPOSES OF ACQUIRING, CONSTRUCTING, FURNISHING AND EQUIPPING A HOTEL FACILITY; AUTHORIZING EXECUTION OF A BOND AGREEMENT BY AND BETWEEN THE CITY, HAYSVILLE LAND INVESTMENT, LLC, AS TENANT AND ROSE HILL BANK, ROSE HILL, KANSAS, AS PAYING AGENT; AUTHORIZING THE CITY TO LEASE SUCH FACILITY TO HAYSVILLE LAND INVESTMENT, LLC AND AUTHORIZING EXECUTION OF A LEASE BETWEEN SAID CITY AND HAYSVILLE LAND INVESTMENT, LLC; AND AUTHORIZING THE EXECUTION OF ADDITIONAL DOCUMENTS NECESSARY OR DESIRABLE TO EFFECT THE TRANSACTION CONTEMPLATED HEREBY.

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

Aye: _____.

Nay: _____.

Thereupon, the Mayor declared said ordinance duly passed and the ordinance was then duly numbered Ordinance No. _____ and was signed by the Mayor and the signature attested by the City Clerk.

* * * * *

(Other Proceedings)

CERTIFICATE

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

[SEAL]

City Clerk

ASSIGNMENT OF LEASE AND SECURITY AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, That:

WHEREAS, the City of Haysville, Kansas, an incorporated city of the second class, duly organized and existing under the laws of the State of Kansas (the "Issuer"), has entered into a Lease between said City, as Issuer, and Haysville Land Investment, LLC, a Kansas general partnership, as Tenant (the "Lease"); and

WHEREAS, the Lease covers the property described in *Schedule I* attached hereto; and

WHEREAS, the Lease is for a term beginning as of [___], 2011, and expiring December 31, 2021; and

WHEREAS, the Issuer has issued its Taxable Industrial Revenue Bonds, Series 2011 (Sleep Inn and Suites Project) (the "Bonds"), payable from the revenue to be received by the Issuer under the Lease of the Project (as defined in the Bond Agreement) (the "Project"), and the Project and the revenue from it have been pledged by the Issuer to payment of the Bonds; and

WHEREAS, Rose Hill Bank, Rose Hill, Kansas, has been designated as fiscal and paying agent pursuant to the terms of a Bond Agreement dated as of the Issue Date of the Bonds (the "Bond Agreement") between the Issuer, Haysville Land Investment, LLC (the "Tenant") and the Bank, and under the Bond Agreement the Bank is authorized, empowered and directed to perform the duties of the Issuer as lessor under the Lease, including collection of rentals for disbursement to the owners of the Bonds as provided in the Bond Agreement, and to perform, insofar as it legally can, all acts otherwise required of the Issuer under the Lease;

NOW, THEREFORE, in consideration of the acceptance by the Bank of all of the duties of the Issuer under the Lease, the Issuer, by authority of its governing body, hereby assigns to the Bank all of its right, title and interest in the Lease for the purposes of (i) exercising the rights of the Issuer under the Lease to the extent that such rights may be lawfully assigned by the Issuer and excepting only such rights which, in the context in which they appear in the Lease, are capable of being exercised or performed only by the Issuer and (ii) performing and carrying out to the extent directed to do so in the Bond Agreement the duties and obligations of the Issuer thereunder, to such extent, and subject to such exception.

The Issuer further grants to the Bank a security interest in all accounts, contract rights and general intangibles held by the Bank under the Bond Agreement for the benefit of the owners from time to time of the Bonds, including, without limit, all moneys on deposit from time to time in the Project Fund and Bond Fund held by the Bank as depository for the Issuer under the Bond Agreement.

This instrument and the rights and obligations created hereby are for the benefit of the owners from time to time of the Bonds. This instrument shall be null and void upon full payment of the Bonds and the expiration of the duties of the Bank under the Bond Agreement.

EXECUTED by authority of the governing body of the Issuer this ____ day of _____, 2011.

CITY OF HAYSVILLE, KANSAS

[SEAL]

By: _____
Name: Ken Hampton
Title: Mayor

Attest:

Name: Janie Cox
Title: City Clerk

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS:
COUNTY OF SEDGWICK)

This instrument was acknowledged before me on _____, 2011 by Ken Hampton as Mayor and by Janie Cox as City Clerk of the City of Haysville, Kansas, a Kansas municipal corporation.

[SEAL]

Notary Public

My Appointment Expires:

Typed or Printed Name of Notary Public

ACKNOWLEDGMENT AND ACCEPTANCE OF BANK

I, the undersigned, a duly authorized, qualified and acting officer of Rose Hill Bank, hereby acknowledge and accept, on behalf of the assignee, the above and foregoing Assignment of Lease and Security Agreement by the City of Haysville, Kansas of all of its right, title and interest, as lessor, in and to a certain Lease dated as of the Issue Date of the Bonds, between the City of Haysville, Kansas, as Issuer, and Haysville Land Investment, LLC, as Tenant.

Rose Hill Bank
Rose Hill, Kansas

By: _____
Name: Eric T. Grooms
Title: Senior Vice President

GILMORE & BELL, P.C.
September 13, 2011

CITY OF HAYSVILLE, KANSAS

AS ISSUER

AND

HAYSVILLE LAND INVESTMENT, LLC

AS TENANT

LEASE

DATED AS OF THE ISSUE DATE OF THE BONDS

\$3,000,000
TAXABLE INDUSTRIAL REVENUE BONDS
SERIES 2011
(SLEEP INN AND SUITES PROJECT)

LEASE

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LEASE

THIS LEASE, made and entered into as of the Issue Date of the Bonds between the City of Haysville, Kansas (the "Issuer"), and Haysville Land Investment, LLC (the "Tenant").

WITNESSETH:

WHEREAS, the Issuer is a municipal corporation incorporated as a city of the second class, duly organized and existing under the laws of the State, with full lawful power and authority to enter into this Lease by and through its governing body; and

WHEREAS, the Issuer, in furtherance of the purposes and pursuant to the provisions of the laws of the State, particularly K.S.A. 12-1740 *et seq.*, as amended (the "Act"), and in order to provide for the economic development and welfare of the City of Haysville, Kansas and its environs and to provide employment opportunities for its citizens and to promote the economic stability of the State, has proposed and does hereby propose that it shall:

(a) Acquire the Project (as defined in the Bond Agreement);

(b) Lease the Project to the Tenant for the rentals and upon the terms and conditions hereinafter set forth; and

(c) Issue, for the purpose of paying Project Costs (as defined in the Bond Agreement), the Series 2011 Bonds under and pursuant to and subject to the provisions of the Act and the Bond Agreement (herein defined), said Bond Agreement being incorporated herein by reference and authorized by an ordinance of the governing body of the Issuer; and

WHEREAS, the Tenant, pursuant to the foregoing proposals of the Issuer, desires to lease the Project from the Issuer for the rentals and upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, Issuer and the Tenant do hereby covenant and agree as follows:

ARTICLE I

Section 1.1. **Definitions.** Capitalized terms not otherwise defined in this Lease shall have the meanings set forth in the Bond Agreement. In addition to the words, terms and phrases defined in the Bond Agreement and elsewhere in this Lease, the capitalized words, terms and phrases as used herein shall have the meanings set forth in the Glossary of Words and Terms attached as *Appendix C*, unless the context or use indicates another or different meaning or intent.

Section 1.2. **Representations and Covenants by the Tenant.** The Tenant makes the following covenants and representations as the basis for the undertakings on its part herein contained:

(a) *General Representation and Covenants.*

(i) The Tenant is a Kansas limited liability company, duly organized and existing under the laws of said state, and is duly authorized and qualified to do business in the State, with lawful power and authority to enter into this Lease, acting by and through its duly authorized officers.

(ii) Except as otherwise permitted herein, the Tenant shall (1) maintain and preserve its existence and organization as a limited liability company and its authority to do business in the State and to operate the Project; and (2) not initiate any proceedings of any kind whatsoever to dissolve or liquidate without (A) securing the prior written consent thereto of the Issuer and (B) making provision for the payment in full of the principal of and interest and redemption premium, if any, on the Bonds. If, at any time during the term of this Lease or the Indenture, the Tenant changes its state of organization, changes its form of organization, changes its name, or takes any other action which could affect the proper location for filing Uniform Commercial Code financing statements or continuation statements or which could render existing filings seriously misleading or invalid, the Tenant shall immediately provide written notice of such change to the Trustee, and thereafter promptly deliver to the Trustee such amendments and/or replacement financing statements, together with an Opinion of Counsel to the effect that such amendments and/or replacement financing statements have been properly filed so as to create a perfected security interest in the collateral securing the Indenture, and such additional information or documentation regarding such change as the Trustee may reasonably request.

(iii) Neither the execution and/or delivery of this Lease, the consummation of the transactions contemplated hereby or by the Bond Agreement, nor the fulfillment of or compliance with the terms and conditions of this Lease contravenes in any material respect any provisions of its articles of organization or operating agreement, or conflicts in any material respect with or results in a material breach of the terms, conditions or provisions of any mortgage, debt, agreement, Indenture or instrument to which the Tenant is a party or by which it is bound, or to which it or any of its properties is subject, or would constitute a material default (without regard to any required notice or the passage of any period of time) under any of the foregoing, or would result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of the Tenant under the terms of any mortgage, debt, agreement, indenture or instrument, or violates in any material respect any existing law, administrative regulation or court order or consent decree to which the Tenant is subject.

(iv) This Lease constitutes a legal, valid and binding obligation of the Tenant enforceable against the Tenant in accordance with its terms.

(v) The Tenant agrees to operate and will operate the Project, or cause the Project to be operated as a "facility," as that term is contemplated in the Act, from the date of the Issuer's acquisition of the Project to the end of the Term.

(vi) The Tenant has obtained or will obtain any and all permits, authorizations, licenses and franchises necessary to construct the Improvements to enable it to operate and utilize the Project for the purposes for which it was leased by the Tenant under this Lease.

(vii) The estimated total cost of the Improvements to be financed by the proceeds of the Series 2011 Bonds, plus interest on the Series 2011 Bonds during acquisition, construction and installation of the Improvements, and Costs of Issuance of the Series 2011 Bonds, will not be less than the original aggregate principal amount of the Series 2011 Bonds.

(viii) After reasonable inquiry and investigation, the Tenant is not aware of (A) any Hazardous Substances generated from or located on the Project; (B) any prior use of the Land which might reasonably involve Hazardous Substances; or (C) any investigations, complaints or inquiries of any kind, from any source, concerning Hazardous Substances with respect to the Project or properties adjoining the Project.

(ix) The Tenant will not use or permit the Project to be used by any other person or entity in any manner which would involve the generation, storage, disposal or transportation of Hazardous Substances, except in strict compliance with applicable Environmental Laws.

Section 1.3. **Representations and Covenants by the Issuer.** The Issuer makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) It is a municipal corporation duly incorporated and existing as a city of the second class under the constitution and laws of the State. Under the provisions of the Act and the Ordinance, the Issuer has the power to enter into and perform the transactions contemplated by this Lease and the Bond Agreement and to carry out its obligations hereunder and thereunder.

(b) It has not, in whole or in part, assigned, leased, hypothecated or otherwise created any other interest in, or disposed of, or caused or permitted any lien, claim or encumbrance to be placed against, the Project, except for this Lease, the assignment of this Lease to the Bank as the Issuer's fiscal and paying agent, any Permitted Encumbrances, any Impositions, and the pledge of the Project pursuant to the Ordinance, the Bond Agreement and the Assignment.

(c) Except as otherwise provided herein or in the Bond Agreement, it will not during the Term, in whole or in part, assign, lease, hypothecate or otherwise create any other interest in, or dispose of, or cause or permit any lien, claim or encumbrance to be placed against, the Project, except Permitted Encumbrances, this Lease, any Impositions and the pledge of the Project pursuant to the Ordinance and the Bond Agreement.

(d) It has pledged the Project and the net rentals therefrom generated under the Lease to payment of the Bonds in the manner prescribed by the Act, and has duly authorized the execution and delivery of this Lease and the Bond Agreement and the issuance, sale and delivery of the Series 2011 Bonds.

(e) It has notified or obtained the consent to and/or approval of the issuance of the Series 2011 Bonds by each municipal corporation and political subdivision the notification, consent or approval of which is required by the provisions of the Act.

ARTICLE II

Section 2.1. **Granting of Leasehold.** The Issuer by these presents hereby rents, leases and lets the Project unto the Tenant and the Tenant hereby rents, leases and hires the Project for the Term from the Issuer, for the rentals and upon and subject to the terms and conditions hereinafter set forth.

ARTICLE III

Section 3.1. **Basic Rent.** The Issuer reserves and the Tenant covenants and agrees to pay Basic Rent to the Bank as assignee of the Issuer, for the account of the Issuer, for deposit in the Bond Fund, on each Basic Rent Payment Date. Basic Rent shall be payable by check or draft of the Tenant due at the principal office of the Bank in immediately available funds on each Basic Rent Payment Date.

Section 3.2. **Additional Rent.** Within 30 days after receipt of written notice thereof, the Tenant shall pay any Additional Rent required to be paid pursuant to this Lease not already paid.

Section 3.3. **Rent Payable Without Abatement or Setoff.** The Tenant covenants and agrees with and for the express benefit of the Issuer and the Owner(s) of Bonds that all payments of Basic Rent and Additional Rent shall be made by the Tenant as the same become due, and that the Tenant shall perform all of its obligations, covenants and agreements hereunder without notice or demand and without abatement, deduction, setoff, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Improvements shall have been acquired, started or completed, or whether the Issuer's title to the Project or any part thereof is defective or non-existent, and notwithstanding any failure of consideration or commercial frustration of purpose, the eviction or constructive eviction of the Tenant or any subtenant, any Change of Circumstances, any change in the tax or other laws of the United States of America, the State, or any municipal corporation of either, any change in the Issuer's legal organization or status, or any default of the Issuer hereunder, and regardless of the invalidity of any action of the Issuer or any other event or condition whatsoever, and regardless of the invalidity of any portion of this Lease, and the Tenant hereby waives the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under this Lease or which releases or purports to release the Tenant therefrom. Nothing in this Lease shall be construed as a waiver by the Tenant of any rights or claims the Tenant may have against the Issuer under this Lease or otherwise, but any recovery upon such rights and claims shall be had from the Issuer separately, it being the intent of this Lease that the Tenant shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Lease (including the obligation to pay Basic Rent and Additional Rent) for the benefit of the Owner(s) of Bonds.

Section 3.4. **Prepayment of Basic Rent.** The Tenant may at any time prepay all or any part of the Basic Rent. Prepayments of Basic Rent will be applied to redemption of Bonds (other than mandatory sinking fund redemption), including payment of redemption premium, as directed in writing by the Tenant, to the extent that Bonds are subject to optional redemption at the time of prepayment. Otherwise, prepayments of Basic Rent will be deposited in the Bond Fund to be applied to purchase of Bonds, or to optional redemption of Bonds (including redemption premium and interest) at the earliest date on which Bonds are subject to optional redemption. Prepayments of Basic Rent which are not sufficient to redeem all Bonds Outstanding at the time of the prepayment will be applied to redeem the principal amounts of Bonds Outstanding in inverse order of maturity, unless otherwise directed by the Tenant.

Section 3.5. **Deposit of Rent by the Bank.** As assignee of the Issuer's rights hereunder, the Bank shall deposit, use and apply all payments of Basic Rent and Additional Rent in accordance with the provisions of this Lease and the Bond Agreement.

Section 3.6. **Acquisition of Bonds.** If the Tenant acquires any Outstanding Bonds, it may present the certificate(s) representing such part of the Bonds to the Bank for cancellation, and upon such cancellation, the Tenant's obligation to pay Basic Rent shall be reduced in the same manner as provided for prepayments by the Tenant of Basic Rent. In no event, however, shall the Tenant's obligation to pay Basic Rent be reduced in such a manner that the Bank shall not have on deposit in the Bond Fund, on the next succeeding Payment Date, immediately available funds sufficient to pay the maturing principal of, redemption premium, if any, and interest on Outstanding Bonds as and when the same shall become due and according to the terms of the Bonds.

ARTICLE IV

Section 4.1. **Disposition of Original Proceeds; Project Fund.** The Original Proceeds shall be paid over to the Bank for the account of the Issuer as the Bonds are issued. The Bank shall pay from such Original Proceeds into the Bond Fund the full amount of any accrued interest received upon such sale. The remainder of such proceeds shall be deposited by the Bank in the Project Fund to be used and applied as provided in this Lease and the Bond Agreement.

ARTICLE V

Section 5.1. **Acquisition of Land and Improvements.** The Tenant shall prior to or concurrently with the issuance of the Bonds, assign or cause to be conveyed to the Issuer by warranty deed, subject to Permitted Encumbrances, the Land as described in *Schedule I*, and by bill of sale such of the Improvements as are then completed, installed or in progress. The Tenant shall also concurrently with such conveyance make provisions for the discharge or subordination to the interests acquired by the Issuer of any liens or encumbrances incurred by it in connection with the construction, installation or development of the Improvements, other than Permitted Encumbrances. Concurrently with or prior to the issuance of the Bonds, the Tenant will furnish the Bank with an appraisal performed by an appraiser acceptable to the Owner(s) of Bonds, which will establish the fair market value of the Project as if the Improvements were completed. The appraisal will be based on the plans and specifications approved by the Bank. A preliminary

survey of the Land on which the Improvements will be located may be required by the Bank prior to commencement of construction of the Improvements.

Section 5.2. Project Contracts. Prior to the delivery of this Lease, the Tenant may have entered into a contract or contracts with respect to the acquisition and/or construction of the Improvements. Those contracts, and any such contracts entered into by the Tenant or the Issuer after delivery of this Lease, are hereinafter referred to as the "Project Contracts." Prior to the delivery hereof, certain work has been or may have been performed on the Improvements pursuant to said Project Contracts or otherwise. The Tenant hereby covenants with the Issuer to perform the Project Contracts for the benefit of the Issuer as holder of title to the Project as well as its own benefit as tenant under this Lease, and the Issuer hereby designates the Tenant as the Issuer's agent for the purpose of executing and performing the Project Contracts. After the execution hereof, the Tenant shall cause the Project Contracts to be fully performed by the contractor(s), subcontractor(s) and supplier(s) thereunder in accordance with the terms thereof, and the Tenant covenants to cause the Improvements to be acquired, constructed, installed and/or completed in accordance with the Project Contracts. The Tenant warrants that the construction and/or acquisition of the Improvements in accordance with said Project Contracts will result in the Project being suitable for use by the Tenant as a hotel facility. Any and all amounts received by the Issuer, the Bank or the Tenant from any of the contractors or other suppliers by way of breach of contract, refunds or adjustments shall become a part of and be deposited in the Project Fund. The Bank may, at its option, appoint an agent to review the Project Contracts, and make periodic inspections of the Improvements during construction to determine the satisfactory progress and completion of the work. The reasonable fees and expenses of such agent shall be paid by the Tenant as Additional Rent.

Section 5.3. Payment of Project Costs for Buildings and Improvements. The Issuer hereby agrees to pay for the acquisition or construction of the Improvements or any repairs or replacements to be made pursuant to *Article XVIII* of this Lease, but solely from Original Proceeds of the Bonds (or Net Proceeds, as applicable) as deposited in the Project Fund, and hereby authorizes and directs the Bank to pay for the same, but solely from the Project Fund, from time to time, after issuance of the Bonds while the Tenant is in compliance with the requirements of *Section 6.1* hereof, upon receipt by the Bank of a requisition certificate signed by the Authorized Tenant Representative in the form set forth as *Appendix A* hereto which is incorporated herein by reference. With regard to materials and/or labor furnished to the Project at the order of the Tenant without formal contract, or by subcontract with the Tenant acting as general contractor, which could form the basis of a statutory mechanic's or subcontractor's lien, the Bank may disburse payment therefor only upon receipt of releases or waivers of statutory mechanic's or subcontractor's liens by all vendors or subcontractors receiving payment or furnishing labor or materials as a subcontractor of the vendor or subcontractor receiving payment.

The sole obligation of the Issuer under this paragraph shall be to cause the Bank to make such disbursements upon receipt of such certificates and releases or waivers. The Bank may rely fully on any such certificates and shall not be required to make any investigation in connection therewith, except that the Bank shall investigate requests for reimbursements directly to the Tenant and shall require such supporting evidence as would be required by a reasonable and prudent fiduciary.

Section 5.4. Payment of Project Costs for Furniture, Furnishing and Equipment. The Issuer hereby agrees to pay for the purchase and acquisition of any furniture, furnishing and equipment constituting a part of the Improvements, but solely from the Project Fund, from time to time, upon receipt by the Bank of a certificate signed by the Authorized Tenant Representative in the form provided by *Appendix A* hereto which is incorporated herein by reference and accompanied by the following specific information:

- (a) Name of seller;
- (b) Name of the manufacturer;
- (c) A copy of the seller's invoice, purchase order or other like document evidencing the purchase by the Tenant of such furniture, furnishings and/or equipment;
- (d) Common descriptive name of furniture, furnishings or equipment;
- (e) Manufacturer's or seller's technical description of furniture, furnishings or equipment;
- (f) Capacity or similar designation;
- (g) Serial number, if any;
- (h) Model number, if any; and
- (i) A written statement by the Seller that the furniture, furnishings or equipment purchased is not subject to any liens or security interest, or, in the alternative, a bill of sale warranting title to be free of all liens, encumbrances or security interests.

The sole obligation of the Issuer under this Section shall be to cause the Bank to make such disbursements upon receipt of said certificates and proof of mechanic's or subcontractor's lien waiver or release, if the item is to become a fixture on the Land. The Bank may rely fully on any such certificate and supporting documentation and shall not be required to make any independent investigation in connection therewith. All furniture, furnishings, equipment and/or personal property acquired, in whole or in part, from funds deposited in the Project Fund pursuant to this Section will be considered a part of the Project. With respect to items of furniture, furnishing and equipment constituting a part of the Improvements, the Tenant shall maintain a running master list of such furniture, furnishing and equipment, and within 30 days after the Completion Date, the Tenant shall prepare an accurate detailed final list of furniture, furnishing and equipment constituting a part of the Improvements (but not installed as fixtures therein or thereon), which list shall be filed with the Bank, and shall constitute a part of this Lease by reference. All furniture, furnishing and equipment constituting a part of the Improvements shall be appropriately identified by separate schedule or other means acceptable to the Bank.

Section 5.5. Completion of Project. The Tenant warrants that the Project, when completed, will be occupied and used by the Tenant for its lawful business purposes. The Tenant

covenants and agrees to proceed diligently to complete or acquire the Improvements. Upon completion of the Improvements, the Tenant shall cause the Authorized Tenant Representative to deliver a Certificate of Completion, in the form substantially as attached hereto as *Appendix B*, to the Bank. In the event funds remain on hand in the Project Fund on the date the Certificate of Completion is furnished to the Bank, such remaining funds shall be transferred by the Bank to the Bond Fund on the receipt of the Certificate of Completion and shall be applied in accordance with the provisions of the Bonds and the Bond Agreement.

Section 5.6. Deficiency of Project Fund. If Bond Proceeds in the Project Fund are insufficient to pay fully all Project Costs (including reimbursements to the Tenant for Project Costs advanced by the Tenant prior to issuance of the Bonds) and to fully complete the Improvements, lien free (except for Permitted Encumbrances), the Tenant covenants to pay the full amount of any such deficiency by making payments directly to the contractors and to the suppliers of materials, furniture, furnishings, equipment, property and services as the same become due, and the Tenant shall save the Issuer and the Bank whole and harmless from any obligation to pay such deficiency.

Section 5.7. Right of Entry by the Issuer and the Bank. The duly authorized agents of the Issuer and/or the Bank shall have the right (but shall not be required) at any reasonable time and upon reasonable notice to the Tenant prior to the completion of the Improvements to have access to the Project or any part thereof for the purpose of inspecting the acquisition, installation or construction thereof.

Section 5.8. Furniture, Furnishings and Equipment Purchased by the Tenant. If no part of the purchase price of an item of furniture, furnishings, equipment or personal property is paid from Original Proceeds deposited in the Project Fund pursuant to the terms of this Lease, then such item of furniture, furnishings, equipment or personal property will not be considered a part of the Project.

Section 5.9. Project Property of the Issuer. All Improvements, all work and materials on Improvements as such work progresses, any Project Additions, anything under this Lease which becomes, is deemed to be, or constitutes a part of the Project, and the Project as fully completed, repaired, rebuilt, rearranged, restored or replaced by the Tenant under the provisions of this Lease, except as otherwise specifically provided herein, shall immediately when erected or installed become the absolute property of the Issuer. Any Improvements which become a part of the real estate as fixtures shall remain separate from the Tenant's property unless and until purchased by the Tenant from the Issuer as provided in this Lease.

Section 5.10. Kansas Retailers' Sales Tax.

The parties have entered into this Lease in contemplation that, under the existing provisions of K.S.A. 79-3606, subsections (b) and (d) and other applicable laws, sales of tangible personal property or services purchased in connection with construction of the Improvements are entitled to exemption from the tax imposed by the Kansas Retailers' Sales Tax Act. The parties agree that the Issuer shall, upon the request of and with the Tenant's assistance, promptly obtain from the State and furnish to the contractors and suppliers a project exemption certificate for the construction of the Improvements. The Tenant covenants that said exemption certificate shall be used only in connection with the purchase of tangible personal property or services becoming a part of the

Project. The Issuer shall not be responsible for any failure on the part of the State to issue such project exemption certificate.

ARTICLE VI

Section 6.1. **Insurance as a Condition to Disbursement.** As a condition precedent to payment of Costs of Issuance or disbursement of other Project Costs (other than Costs of Issuance) from the Project Fund pursuant to *Article V* hereunder, the following policies of insurance shall be in full force and effect:

(a) General accident and public liability insurance covering the Tenant's operations in or upon the Project (including coverage for losses arising from the ownership, maintenance, use or operation of any automobile, truck or other vehicle in or upon the Project) under which the Tenant shall be insured and the Issuer and the Bank shall be additional insureds or mortgagees, as their interests in the Project appear, in an amount not less than the then maximum liability of a governmental entity for claims arising out of a single occurrence as provided by the Kansas tort claims act or other similar future law (currently \$500,000 per occurrence); which policy shall provide that such insurance may not be canceled by the issuer thereof without at least 30 days' advance written notice to the Issuer, the Tenant and the Bank, such insurance to be maintained throughout the Term of this Lease;

(b) Statutory workers' compensation insurance;

(c) With regard to new buildings and improvements constituting a part of the Improvements, insurance insuring the Improvements while under construction against fire, lightning and all other risks covered by the broadest form extended coverage endorsement then and from time to time thereafter in use in the State to the Full Insurable Value of such Improvements. Such insurance coverage shall name the Tenant as insured and the Issuer and the Bank as additional insureds or mortgagees and loss payees, as their respective interests appear, and all Net Proceeds received under such policy or policies by the Issuer or the Tenant shall be paid over to the Bank and be applied as set forth in *Article XVIII* hereof; and

Section 6.2. **Insurance After Completion.** The Tenant shall and covenants and agrees that it will, prior to or simultaneously with the expiration of the insurance provided for in the preceding section and throughout the Term at its sole cost and expense, keep the Improvements continuously insured against loss or damage by fire, lightning and all other risks covered by the broadest form extended coverage insurance endorsement then in use in the State in an amount equal to the Full Insurable Value thereof in such insurance company or companies as it may select and shall at all times maintain general accident and public liability insurance required pursuant to *Section 6.1(a)*, all of which policies shall name the Tenant, the Issuer, and the Bank as insureds or mortgagees, as their interests appear.

Section 6.3. **General Insurance Provisions.**

(a) Within 30 days of renewal dates of expiring policies, certificates of the insurance provided for in this Article shall be delivered by the Tenant to the Bank. All policies of such insurance and all renewals thereof shall name the Tenant as insured and the Issuer and the

Bank as insureds or mortgagees and loss payees as their respective interests may appear, shall contain a provision that such insurance may not be canceled or amended by the issuer thereof without at least 30 days' written notice to the Issuer, the Tenant and the Bank and shall be payable to the Issuer, the Tenant and the Bank as their respective interests appear. The Issuer and the Tenant each hereby agree to do anything necessary, be it the endorsement of checks or otherwise, to cause any payment of insurance proceeds to be made to the Bank, as long as such payment is required by this Lease to be made to the Bank. Any charges made by the Bank for its services in connection with insurance payments shall be paid by the Tenant.

(b) Each policy of insurance hereinabove referred to shall be issued by a nationally recognized responsible insurance company authorized under the laws of the State to assume the risks covered therein, except that the Tenant may be self-insured as to any required insurance coverages under a program of self-insurance approved by the State Commissioner of Insurance or other applicable State regulatory authority.

(c) Certificates of insurance evidencing the insurance coverages herein required shall be filed with the Bank continuously during the term of this Lease.

(d) Each policy of insurance hereinabove referred to may be subject to a reasonable deductible or self-insured retention.

(e) Each policy of insurance required herein may be provided through blanket policies maintained by the Tenant.

(f) Anything in this Lease to the contrary notwithstanding, the Tenant shall be liable to the Issuer and the Bank pursuant to the provisions of this Lease or otherwise, as to any loss or damage which may have been occasioned by the negligence of the Tenant, its agents, licensees, contractors, invitees or employees.

Section 6.4. **Evidence of Title.** The Tenant shall furnish evidence of title in the form of a policy of owner's title insurance, insuring the Issuer's fee simple title to the Land, as of the date and time immediately prior to conveyance to the Issuer, subject to Permitted Encumbrances. Such title insurance policy shall contain no exceptions, other than the title insurance company's standard printed exceptions, Permitted Encumbrances, and the encumbrance created by this Lease. The Issuer and the Tenant agree that any and all proceeds therefrom during the Basic Term (a) if received before the completion of the building Improvements shall be paid into and become a part of the Project Fund, (b) if received thereafter but before the Bonds and interest thereon have been paid in full, shall be paid into and become a part of the Bond Fund, and (c) if received after the Bonds, redemption premium, if any, and interest thereon have been paid in full, shall belong and be paid to the Tenant.

ARTICLE VII

Section 7.1. **Impositions.** The Tenant shall, during the Term of this Lease, bear, pay and discharge, before the delinquency thereof, any and all Impositions. In the event any Impositions may be lawfully paid in installments, the Tenant shall be required to pay only such installments

thereof as become due and payable during the term of this Lease as and when the same become due and payable.

Section 7.2. Receipted Statements. Unless the Tenant exercises its right to contest any Impositions in accordance with *Section 7.3* hereof, the Tenant shall, within 30 days after the last day for payment without penalty or interest of an Imposition which the Tenant is required to bear, pay and discharge pursuant to the terms hereof, deliver to the Bank a copy of the statement issued therefor duly receipted to show the payment thereof.

Section 7.3. Contest of Impositions. The Tenant shall have the right, in its own or the Issuer's name or both, to contest the validity or amount of any Imposition by appropriate legal proceedings instituted before the Imposition complained of becomes delinquent if, and provided, the Tenant (i) before instituting any such contest, shall give the Issuer and the Bank written notice of its intention to do so and, if requested in writing by the Issuer or the Bank, shall deposit with the Bank a surety bond of a surety company acceptable to the Issuer as surety, in favor of the Issuer and the Bank, as their interests may appear, or cash, in a sum of at least the amount of the Imposition so contested, assuring the payment of such contested Impositions together with all interest and penalties to accrue thereon and court costs, (ii) diligently prosecutes any such contest and at all times effectively stays or prevents any official or judicial sale therefor, under execution or otherwise, and (iii) promptly pays any final judgment enforcing the Imposition so contested and thereafter promptly procures record release or satisfaction thereof. The Tenant shall indemnify and hold the Issuer whole and harmless from any costs and expenses the Issuer may incur related to any such contest.

Section 7.4. Ad Valorem Taxes. The parties acknowledge that under the existing provisions of K.S.A. 79-201a, as amended, the property acquired, constructed or purchased with the proceeds of the Bonds (except such property used for certain retail uses) is eligible to receive exemption from *ad valorem* taxation for a period up to 10 calendar years after the calendar year in which the Bonds are issued, provided the Issuer has complied with certain notice, hearing and procedural requirements established by law, and proper application has been made. The Issuer represents that such notice, hearing and procedural requirements will have been complied with at the Issue Date. Subject to the provisions of *Section 7.5* of this Lease, and to the provisions of the Agreement for Payment in Lieu of Taxes referred to therein, the Issuer will, at the Tenant's request, with information furnished by Tenant and the Bank, make all necessary filings regarding the application for 100% *ad valorem* tax exemption for the full 6-year period in the calendar year following the calendar year in which the Bonds were issued, and will renew said application from time to time and take any other action as may be necessary to maintain such *ad valorem* tax exemption in full force and effect, in accordance with K.S.A. 79-201a, 79-210 *et seq.* and the requirements of the State Court of Tax Appeals. If it becomes necessary to litigate the issue of availability or applicability of the *ad valorem* tax exemption, the Issuer will cooperate fully with Tenant in pursuing such litigation, but all litigation costs and reasonable attorney fees must be paid by Tenant, either directly or as Additional Rent.

Section 7.5. Payment in Lieu of Taxes. The Tenant agrees to pay to the Issuer payments in lieu of taxes on the Project for each year that the Project is exempt from *ad valorem* taxes and to pay as an Imposition hereunder taxes for any year in which the Project did not, or does not qualify, in accordance with the separate Agreement for Payment in Lieu of Taxes delivered concurrently with this Lease.

ARTICLE VIII

Section 8.1. Use of Project. Subject to the provisions of this Lease, the Tenant shall have the right to use the Project for any and all purposes allowed by law and contemplated by the constitution of the State and the Act. The Tenant shall comply in all material respects with all statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Project or to any adjoining public ways, as to the manner of use or the condition of the Project or of adjoining public ways. The Tenant shall comply with the mandatory requirements, rules and regulations of all insurers under the policies required to be carried under the provisions of this Lease. The Tenant shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the Tenant to comply with the provisions of this Article.

Section 8.2. Environmental Provisions.

(a) The Tenant hereby covenants that it will not cause or permit any Hazardous Substances (as defined herein) to be placed, held, located or disposed of, on, under or at the Land or the Project, other than in the ordinary course of business and in compliance with all applicable Environmental Laws.

(b) In furtherance and not in limitation of any indemnity elsewhere provided to the Issuer hereunder and in the Bond Agreement, the Tenant hereby agrees to indemnify and hold harmless the Issuer, the Bank and the Owner(s) of Bond(s) from time to time from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment, costs of investigation, consultants, testing, sampling, cleanup, or defense, and claims of any and every kind paid, incurred or suffered, with respect to, or as a direct or indirect result of, the actual or alleged presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the Land or the Project of any Hazardous Substance (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under any federal, state or local Environmental Law or so-called "Superfund" or "Super lien" law, or any other applicable Environmental Law, rule, regulation, order or decree regulating, relating to or imposing liability, including strict liability, or standard of conduct concerning, any Hazardous Substance) regardless of whether or not caused by or within the control of the Tenant.

(c) If the Tenant receives any notice of (1) the happening of any event involving the use, other than in the ordinary course of business and in compliance with all applicable Environmental Laws, spill, release, leak, seepage, discharge or cleanup of any Hazardous Substance on the Land or the Project or in connection with the Tenant's operations thereon or (2) any complaint, order, citation or notice with regard to air emissions, water discharges or any other environmental, health or safety matter affecting the Tenant (an "Environmental Complaint") from any person (including, without limitation, the United States Environmental Protection Agency (the "EPA"), and the Kansas Department of Health and Environment ("KDHE")) then the Tenant shall immediately notify the Issuer and the Bank in writing. With respect to any such notice that relates to a condition or conditions on the Project site, the Tenant shall promptly initiate action to

remediate the conditions cited in the notice, and shall diligently pursue such remediation at its expense to the satisfaction of the city authority.

(d) If the Tenant fails to initiate action to remediate as required in subsection (c) of this section, or otherwise fails to discharge its obligations under this Section 8.2, the Issuer shall have the right, but not the obligation, and without limitation of the Issuer's other rights under this Lease, to enter the Project or to take such actions as it may deem necessary or advisable to inspect, clean up, remove, resolve or minimize the impact of, or to otherwise deal with, any Hazardous Substance or Environmental Complaint following receipt of any notice asserting the existence on the Project of any Hazardous Substance or an Environmental Complaint pertaining to the Project or any part thereof which, if true, could result in an order, suit or other action against the Tenant and/or which, in the reasonable judgment of the Issuer, could jeopardize its interests under this Lease. All reasonable costs and expenses incurred by the Issuer in the exercise of any such rights shall be payable by the Tenant as Additional Rent on demand, and if not so paid, shall bear interest until paid at the average rate of interest on the Bonds plus 200 basis points.

(e) If an Event of Default shall have occurred, at the request of the Issuer or the Bank, the Tenant shall periodically perform (at the Tenant's expense) an environmental audit and, if reasonably deemed necessary by the Issuer or the Bank, an Environmental Assessment, (each of which must be reasonably satisfactory to the Issuer and the Bank) of the Project, or the hazardous waste management practices and/or hazardous waste disposal sites used by the Tenant with respect to the Project. Said audit and/or Environmental Assessment shall be conducted by an environmental consultant satisfactory to the Issuer and the Bank. Should the Tenant fail to perform any environmental audit or risk assessment within 30 days of the written request of the Issuer or the Bank, either shall have the right, but not the obligation, to retain an environmental consultant to perform any such environmental audit or risk assessment. All costs and expenses incurred by the Issuer or the Bank in the exercise of such rights shall be payable by the Tenant as Additional Rent on demand, and if not so paid, shall bear interest until paid at the average rate of interest on the Bonds plus 200 basis points.

(f) The Tenant shall not install nor permit to be installed in the Project friable asbestos or any substance containing asbestos and deemed hazardous by Environmental Law applicable to the Project and respecting such material, and with respect to any such material currently present in the Project, shall promptly either (1) remove any material which such applicable regulations deem hazardous and require to be removed or (2) otherwise comply with such applicable Environmental Law, at the Tenant's expense. If the Tenant shall fail to so remove or otherwise comply, the Issuer may declare an Event of Default and/or do whatever is necessary to eliminate said substances from the Project or otherwise comply with the applicable Environmental Law or order, and the costs thereof shall be payable by the Tenant on demand, and if not so paid, shall bear interest until paid at the average rate of interest on the Bonds plus 200 basis points. The Tenant shall defend, indemnify, and save the Issuer, the Bank and the Owner(s) of Bond(s) harmless from all costs and expenses (including consequential damages) asserted or proven against the Tenant, or incurred to comply with such regulations.

(g) The provisions of this *Section 8.2* shall survive the termination of this Lease or exercise of the Tenant's option to purchase the Project, except with respect to obligations which arise solely and exclusively as a result of the use, spill, release, leak, seepage or discharge of

Hazardous Substances on the Land or the Project after the Project is no longer occupied by the Tenant.

ARTICLE IX

Section 9.1. **Sublease by the Tenant.** The Tenant may sublease the Project to a single party or entity, with the prior written consent of the Issuer. In the event of any such subleasing, the Tenant shall remain fully liable for the performance of its duties and obligations hereunder, and no such subleasing and no dealings or transactions between the Issuer or the Bank and any such subtenant shall relieve the Tenant of any of its duties and obligations hereunder.

Any such sublease shall be subject and subordinate in all respects to the provisions of this Lease.

Section 9.2. **Assignment by the Tenant.** The Tenant may assign, mortgage, sell or otherwise transfer its interest in this Lease only with the prior written consent of the Bank as assignee of the Issuer. In the event of any such assignment, the Tenant shall remain fully liable for the performance of its duties and obligations hereunder, except to the extent hereinafter provided, and no such assignment and no dealings or transactions between the Issuer or the Bank and any such assignee shall relieve the Tenant of any of its duties and obligations hereunder, except as may be otherwise provided in the following Section.

Section 9.3. **Release of the Tenant.** If, in connection with an assignment by the Tenant of its interest in this Lease, (a) the Issuer and the Owners of at least seventy-five percent (75%) in aggregate principal amount of the Outstanding Bonds (including any Additional Bonds) shall file with the Bank and the Original Purchaser their prior written consent to such assignment, and (b) the proposed assignee shall expressly assume and agree to perform all of the obligations of the Tenant under this Lease; then the Tenant shall be fully released from all obligations accruing hereunder after the date of such assignment.

Section 9.4. **Mergers and Consolidations.** Notwithstanding the provisions of Sections 9.2 and 9.3 above, if the Tenant shall assign or transfer, by operation of law or otherwise, its interests in this Lease in connection with a transaction involving the merger or consolidation of the Tenant with or into, or a sale, lease or other disposition of all or substantially all of the property of the Tenant as an entirety to another person, association, corporation or other entity, and (a) the Issuer shall file with the Bank its prior written consent to such assignment, transfer or merger, (b) the proposed assignee, transferee or surviving corporation shall expressly assume and agree to perform all of the obligations of the Tenant under this Lease with regard to the Bonds, and (c) the Tenant shall furnish the Bank and the Issuer with evidence in the form of financial statements accompanied by a proforma balance sheet prepared by an independent certified public accountant of recognized standing showing that the net worth of such proposed assignee, transferee or surviving entity immediately following such assignment, transfer or merger will be at least equal to the net worth of the Tenant as shown by the most recent financial statements of the Tenant furnished to the Bank pursuant to this Lease; then and in such event the Tenant shall be fully released from all obligations accruing hereunder after the date of such assignment, transfer or merger.

Section 9.5. **Covenant Against Other Assignments.** The Tenant will not assign or in any manner transfer its interests under this Lease, nor will it suffer or permit any assignment thereof by operation of law, except in accordance with the limitations, conditions and requirements herein set forth.

ARTICLE X

Section 10.1. **Repairs and Maintenance.** The Tenant covenants and agrees that it will, during the Term of this Lease, at its own expense, keep and maintain the Project and all parts thereof in good condition and repair, including but not limited to the furnishing of all parts, mechanisms and devices required to keep the furniture, furnishings, equipment and personal property constituting a part of the Project in good mechanical and working order.

Section 10.2. **Removal, Disposition and Substitution of Furniture, Furnishings or Equipment.** The Tenant shall have the right, provided the Tenant is not in Default, to remove and sell or otherwise dispose of any furniture, furnishings or equipment which constitutes a part of the Project and which is no longer used by the Tenant or, in the opinion of the Tenant, is no longer useful to the Tenant in its operations (whether by reason of changed processes, changed techniques, obsolescence, depreciation or otherwise), subject, however, to the following conditions:

(a) With respect only to such items of furniture, furnishings or equipment that originally cost \$10,000 or more, to the following:

(1) Prior to any such removal, the Tenant shall deliver to the Bank a certificate signed by the Authorized Tenant Representative (A) containing a complete description, including the make, model and serial numbers, if any, of any furniture, furnishing and equipment constituting a part of the Project which it proposes to remove, (B) stating the reason for such removal, (C) stating what disposition, if any, of the furniture, furnishings or equipment is to be made by the Tenant after such removal and the names of the party or parties to whom such disposition is to be made and any consideration to be received by the Tenant therefor, if any, and (D) setting forth the original cost and the current fair market value of such furniture, furnishing and equipment.

(2) Prior to any such removal, the Tenant shall pay the current fair market value of such furniture, furnishings or equipment as set forth in said certificate to the Bank, provided, however, that in no event shall the amount paid be less than the consideration to be received by the Tenant upon the disposition thereof and the Bank shall deposit such amount in the Bond Fund. Any money deposited in the Bond Fund pursuant to this Section shall be used to redeem Outstanding Bonds at their earliest optional redemption date.

(3) The Tenant may remove any furniture, furnishings or equipment constituting a part of the Project without first complying with the provisions of subparagraph (2) above if the Tenant promptly replaces any such furniture, furnishings or equipment so removed with furniture, furnishings or equipment of the same or a different kind but which is capable of performing the same function, efficiently, as the furniture, furnishings or equipment so removed. The furniture, furnishings or equipment so acquired by the Tenant to replace

such furniture, furnishings or equipment thereafter shall be deemed a part of the Project. Within 30 days after any such replacement by the Tenant, the Tenant shall deliver to the Bank a certificate of the Authorized Tenant Representative setting forth a complete description, including make, model and serial numbers, if any, of the furniture, furnishings or equipment which the Tenant has acquired to replace the furniture, furnishings or equipment so removed by the Tenant, the cost thereof and that said furniture, furnishing and equipment have been installed.

(b) With respect to such items of furniture, furnishings or equipment that originally cost less than \$10,000, the Tenant may obtain release of any such items without any payment to the Bank upon delivery of a certificate setting forth the facts provided for in subparagraph (a)(1) above. In no event shall the Tenant pursuant to the preceding sentence remove an aggregate amount of furniture, furnishings or equipment having an aggregate original cost of more than \$250,000 without making payment for it.

All furniture, furnishings or equipment constituting a part of the Project and removed by the Tenant in compliance with this Section shall become the absolute property of the Tenant and may be sold or otherwise disposed of by the Tenant without otherwise accounting to the Issuer. In all cases, the Tenant shall pay all the costs and expenses of any such removal and shall immediately repair at its expense all damage caused thereby. The Tenant's rights under this Section to remove furniture, furnishings or equipment constituting a part of the Project is intended only to permit the Tenant to maintain an efficient operation by the removal of such furniture, furnishing and equipment no longer suitable to the Tenant's use for any of the reasons set forth in this Section and such right is not to be construed to permit a removal under any other circumstances and shall not be construed to permit the wholesale removal of such furniture, furnishings or equipment by the Tenant.

ARTICLE XI

Section 11.1. **Alteration of Project.** The Tenant shall have and is hereby given the right, at its sole cost and expense, to make such additions, changes and alterations in and to any part of the Project as the Tenant from time to time may deem necessary or advisable, provided however, the Tenant shall not make any major addition, change or alteration which will adversely affect the intended use or structural strength or value of any part of the Improvements. All additions, changes and alterations made by the Tenant pursuant to the authority of this Article shall (a) be made in a workmanlike manner and in strict compliance with all laws and ordinances applicable thereto, (b) when commenced, be prosecuted to completion with due diligence, and (c) when completed, shall be deemed a part of the Project; provided, however, that additions of furniture, furnishings, equipment and/or personal property of the Tenant, not purchased or acquired from proceeds of the Bonds and not constituting a part of the Project shall remain the separate property of the Tenant and may be removed by the Tenant prior to or as provided in *Section 22.1* hereof.

ARTICLE XII

Section 12.1. **Additional Improvements.** The Tenant shall have and is hereby given the right, at its sole cost and expense, to construct on the Land or within areas occupied by the

Improvements, or in airspace above the Project, such additional buildings and improvements as the Tenant from time to time may deem necessary or advisable. All additional buildings and improvements constructed by the Tenant pursuant to the authority of this Article shall, during the Term, remain the property of the Tenant and may be added to, altered or razed and removed by the Tenant at any time during the Term hereof. The Tenant covenants and agrees (a) to make all repairs and restorations, if any, required to be made to the Project because of the construction of, addition to, alteration or removal of, said additional buildings or improvements, (b) to keep and maintain said additional buildings and improvements in good condition and repair, ordinary wear and tear excepted, (c) to promptly and with due diligence either raze and remove from the Land, in a good, workmanlike manner, or repair, replace or restore such of said additional buildings or improvements as may from time to time be damaged by fire or other casualty, and (d) that all additional buildings and improvements constructed by the Tenant pursuant to this Article which remain in place after the termination of this Lease for any cause other than the purchase of the Project pursuant to *Article XVII* hereof shall, upon and in the event of such termination, become the separate and absolute property of the Issuer.

ARTICLE XIII

Section 13.1. **Securing of Permits and Authorizations.** The Tenant shall not do or permit others under its control to do any work in or in connection with the Project or related to any repair, rebuilding, restoration, replacement, alteration of or addition to the Project, or any part thereof, unless all requisite municipal and other governmental permits and authorizations shall have first been procured and paid for. All such work shall be done in a good and workmanlike manner and in compliance with all applicable building, zoning and other laws, ordinances, governmental regulations and requirements and in accordance with the requirements, rules and regulations of all insurers under the policies required to be carried under the provisions of this Lease.

Section 13.2. **Mechanic's Liens.** The Tenant shall not do or suffer anything to be done whereby the Project, or any part thereof, is encumbered by any mechanic's or other similar lien. Should any mechanic's or other similar lien ever be filed against the Project, or any part thereof, the Tenant shall discharge the same of record within 30 days after the date of filing. Notice is hereby given that the Issuer does not authorize or consent to and shall not be liable for any labor or materials furnished to the Tenant or anyone claiming by, through or under the Tenant upon credit, and that no mechanic's or similar liens for any such labor, services or materials shall attach to or affect the reversionary or other estate of the Issuer in and to the Project, or any part thereof.

Section 13.3. **Contest of Liens.** The Tenant, notwithstanding the above, shall have the right to contest any such mechanic's or other similar lien if within said 30-day period stated above it (a) notifies the Issuer and the Bank in writing of its intention so to do, and if requested by the Bank or the Issuer, deposits with the Bank a surety bond issued by a surety company acceptable to the Issuer as surety, in favor of the Issuer, or cash, in the amount of the lien claim so contested, indemnifying and protecting the Issuer from and against any liability, loss, damage, cost and expense of whatever kind or nature growing out of or in any way connected with said asserted lien and the contest thereof, (b) diligently prosecutes such contest, at all times effectively staying or preventing any official or judicial sale of the Project or any part thereof or interest therein, under execution or otherwise, and (c) promptly pays or otherwise satisfies any final judgment adjudging

or enforcing such contested lien claim and thereafter promptly procures record release or satisfaction thereof.

Section 13.4. **Utilities.** All utilities and utility services used by the Tenant in, on or about the Project shall be contracted for by the Tenant in the Tenant's own name and the Tenant shall, at its sole cost and expense, procure any and all permits, licenses or authorizations necessary in connection therewith.

ARTICLE XIV

Section 14.1. **Indemnity.** The Tenant agrees, whether or not the transactions contemplated by this Lease, the Bonds or the Bond Agreement are consummated, to indemnify and hold harmless the Issuer and its officers, directors, officials, employees and agents, including the Bank as assignee of the Issuer's rights under this Lease, and the Original Purchaser and each of its officers, directors, employees and agents (any or all of the foregoing referred to hereafter as "Indemnified Persons"), from and against all claims, actions, suits, proceedings, expenses, judgments, damages, penalties, fines, assessments, liabilities, charges or other costs (including, without limitation, all attorneys' fees and expenses incurred in connection with enforcing this Lease or collecting any sums due hereunder and any claim or proceeding or any investigations undertaken hereunder) relating to, resulting from, or in connection with (a) any cause in connection with the Project, including, without limitation, the acquisition, design, construction, installation, equipping, operating, maintenance or use thereof; (b) any act or omission of the Tenant or any of its agents contractors, servants, employees or licenses in connection with the use or operation of the Project; (c) any cause in connection with the issuance and sale of the Bonds, (d) a misrepresentation or breach of warranty by the Tenant hereunder or under any of the documents executed by the Tenant in connection with this Lease, or (e) any violation by the Tenant of any of its covenants hereunder or under any of the other documents executed by the Tenant in connection with the Bonds or this Lease. This indemnity is effective only with respect to any loss incurred by any Indemnified Person not due to willful misconduct, gross negligence, or bad faith on part of such Indemnified Person. In case any action or proceeding shall be brought against one or more Indemnified Person and with respect to which such Indemnified Person may seek indemnity as provided herein, such Indemnified Person shall promptly notify the Tenant in writing and the Tenant shall promptly assume the defense thereof, including the employment of counsel reasonable satisfactory to such Indemnified Person or Indemnified Persons, the payment of all expenses and the right to negotiate and consent to settlement; but the failure to notify the Tenant as provided shall not relieve Tenant from any liability of duty under this Section, so long as Tenant is given reasonable opportunity to defend such claim.

ARTICLE XV

Section 15.1. **Access to Project.** The Issuer, for itself and its duly authorized representatives and agents, including the Bank, reserves the right to enter the Project at all reasonable times during usual business hours throughout the Term, upon reasonable notice, for the purpose of (a) examining and inspecting the same, (b) performing such work made necessary by reason of the Tenant's default under any of the provisions of this Lease, and (c) after an Event of Default, for the purpose of exhibiting the Project to prospective purchasers, lessees or mortgagees.

The Issuer may, during the progress of said work mentioned in (b) above, keep and store on the Project all necessary materials, supplies and equipment and shall not be liable for inconvenience, annoyances, disturbances, loss of business or other damage suffered by reason of the performance of any such work or the storage of such materials, supplies and equipment.

ARTICLE XVI

Section 16.1. **Option to Extend Basic Term.** The Tenant shall have and is hereby given the right and option to extend the Basic Term of this Lease for the Additional Term provided that (a) the Tenant shall give the Issuer written notice of its intention to exercise the option at least 30 days prior to the expiration of the Basic Term and (b) the Tenant is not in Default hereunder at the time it gives the Issuer such notice or at the time the Additional Term commences. In the event the Tenant exercises such option, the terms, covenants, conditions and provisions set forth in this Lease shall be in full force and effect and binding upon the Issuer and the Tenant during the Additional Term except that the Basic Rent during any extended term herein provided for shall be the sum of \$100.00 per year, payable in advance on the first Business Day of such Additional Term.

ARTICLE XVII

Section 17.1. **Option to Purchase Project.** Subject to the provisions of this Article, the Tenant shall have the right and option to purchase the Project at any time during the Term hereof and for 120 days thereafter. The Tenant shall exercise its option by giving the Issuer written notice of the Tenant's election to exercise its option and specifying the date, time and place of closing, which date (the "Purchase Date") shall neither be earlier than 30 days nor later than 180 days after the notice is given. The Tenant may not, however, exercise such option if the Tenant is in Default hereunder on the Purchase Date unless all Defaults are cured upon payment of the purchase price specified in *Section 17.2*.

Section 17.2. **Quality of Title and Purchase Price.** If said notice of election to purchase is given, the Issuer shall sell and convey all of its interests in the Project to the Tenant on the Purchase Date free and clear of all liens and encumbrances except (a) Permitted Encumbrances, (b) those to which title was subject on the date of conveyance to the Issuer of the Land, or to which title became subject with the Tenant's written consent, or which resulted from any failure of the Tenant to perform any of its covenants or obligations under this Lease, (c) taxes and assessments, general and special, if any, and (d) the rights of any party having condemned or who is attempting to condemn title to, or the use for a limited period of, all or any part of the Project, for a price determined as follows (which the Tenant agrees to pay in cash at the time of delivery of the Issuer's deed or other instrument or instruments of transfer of the Project to the Tenant as hereinafter provided):

(1) The full amount which is required to provide the Issuer and the Bank with funds sufficient, in accordance with the provisions of the Bond Agreement, to pay at maturity or to redeem and pay in full (A) the principal of all of the Outstanding Bonds, (B) all interest due thereon to date of maturity or redemption, whichever first occurs, and (C) all costs, expenses and premiums incident to the redemption and payment of said Bonds in full, plus

(2) \$100.00.

Nothing in this Article shall release or discharge the Tenant from its duty or obligation under this Lease to make any payment of Basic Rent or Additional Rent which, in accordance with the terms of this Lease, becomes due and payable prior to the Purchase Date, or its duty and obligation to fully perform and observe all covenants and conditions herein stated to be performed and observed by the Tenant prior to the Purchase Date.

Section 17.3. Closing of Purchase. On the Purchase Date the Issuer shall deliver to the Tenant its special warranty deed and/or other appropriate instrument or instruments of conveyance or assignment, properly executed and conveying the Project to the Tenant free and clear of all liens and encumbrances except as set forth in the preceding section above, or conveying such other title to the Project as may be acceptable to the Tenant, and the Tenant shall pay the full purchase price for the Project as follows: (a) the amount specified in clause (1) of *Section 17.2* shall be paid to the Bank for deposit in the Bond Fund to be used to pay or redeem Bonds and the interest thereon as provided in the Bond Agreement, and (b) the amount specified in clause (2) of said *Section 17.2* shall be paid to the Issuer; provided, however, nothing herein shall require the Issuer to deliver its appropriate instrument or instruments of assignment or conveyance to the Tenant until after all duties and obligations of the Tenant under this Lease to the date of such delivery have been fully performed and satisfied or adequate provision made for such performance and satisfaction. Upon the delivery to the Tenant of the Issuer's appropriate instrument or instruments of assignment or conveyance, payment of the purchase price by the Tenant and legal defeasance of the Bonds, this Lease shall *ipso facto* terminate, subject to the provisions of *Section 20.2* hereof.

Section 17.4. Effect of Failure to Complete Purchase. If, for any reason, the purchase of the Project by the Tenant pursuant to valid notice of election to purchase is not effected on the Purchase Date, this Lease shall be and remain in full force and effect according to its terms the same as though no notice of election to purchase had been given, except that if such purchase is not effected on the Purchase Date because the Issuer does not have or is unable to convey to the Tenant such title to the Project as the Tenant is required to accept, the Issuer shall use its best efforts to cure any such defect in its title to the Project. In the event the Issuer is unable to cure such defect in its title to the Project, or if the Issuer's failure to close would be a breach of its obligations hereunder, the Tenant shall have the right to cancel this Lease forthwith if, but only if, the principal of and interest on the Bonds and all costs incident to the redemption and payment of the Bonds have been paid in full. The Tenant shall also have the right to exercise any legal or equitable remedies, in its own name or in the name of the Issuer, to obtain acceptable title to the Project.

Section 17.5. Application of Condemnation Awards if the Tenant Purchases Project. The right of the Tenant to exercise its option to purchase the Project under the provisions of this Article shall remain unimpaired notwithstanding any condemnation of title to, or the use for a limited period of, all or any part of the Project. If the Tenant shall exercise its said option and pay the purchase price as provided in this Article, all of the condemnation awards received by the Issuer after the payment of said purchase price, less all attorneys' fees and other expenses and costs incurred by the Issuer as the owner of the Project in connection with such condemnation, shall belong and be paid to the Tenant.

ARTICLE XVIII

Section 18.1. **Damage and Destruction.**

(a) If, during the Term, any Improvements are damaged or destroyed, in whole or in part, by fire or other casualty, the Tenant shall promptly notify the Issuer and the Bank in writing as to the nature and extent of such damage or loss and whether it is practicable and desirable to rebuild, repair, restore or replace such damage or loss.

(b) If the Tenant shall determine that such rebuilding, repairing, restoring or replacing is practicable and desirable, the Tenant shall forthwith proceed with and complete with reasonable dispatch such rebuilding, repairing, restoring or replacing. In such case, any Net Proceeds of property and/or casualty insurance required by this Lease and received with respect to any such damage or loss to the Improvements shall be paid to the Bank and shall be deposited in the Project Fund and shall be used and applied for the purpose of paying the cost of such rebuilding, repairing, restoring or replacing such damage or loss. Any amount remaining in the Project Fund after such rebuilding, repairing, restoring or replacing shall be paid to the Tenant.

(c) If the Tenant shall reasonably determine that rebuilding, repairing, restoring or replacing the Improvements is not practicable and desirable, any Net Proceeds of property and/or casualty insurance required by this Lease and received with respect to any such damage or loss to the Project shall be paid into the Bond Fund. Such moneys shall be used to redeem Bonds at their earliest optional redemption date. The Tenant agrees that it shall be reasonable in exercising its judgment pursuant to this subsection (c).

(d) The Tenant shall not, by reason of its inability to use all or any part of the Improvements during any period in which the Improvements are damaged or destroyed, or are being repaired, rebuilt, restored or replaced nor by reason of the payment of the costs of such rebuilding, repairing, restoring or replacing, be entitled to any reimbursement or any abatement or diminution of the Basic Rent or Additional Rent payable by the Tenant under this Lease nor of any other obligations of the Tenant under this Lease except as expressly provided in this Section.

Section 18.2. **Condemnation.**

(a) If, during the Term title to, or the temporary use of, all or any part of the Project shall be condemned by any authority exercising the power of eminent domain (other than the Issuer), the Tenant shall, within 30 days after the date of entry of a final order in any eminent domain proceedings granting condemnation, notify the Issuer and the Bank in writing as to the nature and extent of such condemnation and whether it is practicable and desirable to acquire substitute land or construct substitute Improvements.

(b) If the Tenant shall determine that such substitution is practicable and desirable, the Tenant shall forthwith proceed with and complete with reasonable dispatch the acquisition or construction of such substitute Land or Improvements. In such case, any Net Proceeds received from any award or awards with respect to the Project or any part thereof made in such condemnation or eminent domain proceedings shall be paid to the Bank for the account of the Tenant and shall be deposited in the Project Fund and shall be used and applied for the purpose of

paying the cost of such substitution. Any amount remaining in the Project Fund after such acquisition or construction shall be paid to Tenant.

(c) If the Tenant shall reasonably determine that it is not practicable and desirable to acquire or construct substitute Improvements, any Net Proceeds of condemnation awards received by the Tenant shall be paid into the Bond Fund. Such moneys shall be used to redeem Bonds at their earliest optional redemption date. The Tenant agrees that it shall be reasonable in exercising its judgment pursuant to this subsection.

(d) The Tenant shall not, by reason of its inability to use all or any part of the Improvements during any such period of restoration or acquisition nor by reason of the payment of the costs of such restoration or acquisition, be entitled to any reimbursement or any abatement or diminution of the Basic Rent or Additional Rent nor of any other obligations hereunder payable by the Tenant under this Lease.

(e) The Issuer shall cooperate fully with the Tenant in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project or any part thereof so long as the Issuer is not the condemning authority. In no event will the Issuer voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Tenant and the Bank.

Section 18.3. Effect of Tenant's Defaults. Anything in this Article to the contrary notwithstanding, the Issuer and the Bank shall have the right at any time and from time to time to withhold payment of all or any part of the Net Proceeds from the Project Fund attributable to damage, destruction or condemnation of the Project to the Tenant or any third party if an Event of Default has occurred and is continuing, or the Issuer or the Bank has given notice to the Tenant of any Default which, with the passage of time, will become an Event of Default. In the event the Tenant shall cure any Defaults specified herein, the Bank shall make payments from the Net Proceeds to the Tenant in accordance with the provisions of this Article. However, if this Lease is terminated or the Issuer or the Bank otherwise re-enters and takes possession of the Project without terminating this Lease, the Bank shall pay all the Net Proceeds held by it into the Bond Fund and all rights of the Tenant in and to such Net Proceeds shall cease.

ARTICLE XIX

Section 19.1. Change of Circumstances. If at any time during the Basic Term, a Change of Circumstances occurs, then the Tenant shall have the option to purchase the Project pursuant to *Article XVII* or the option to terminate this Lease by giving the Issuer notice of such termination within 90 days after the Tenant has actual knowledge of the event giving rise to such option. Such termination shall become effective when all of the Bonds Outstanding are paid or payment is provided for in the manner described in *Section 3(f)* of the Bond Agreement.

ARTICLE XX

Section 20.1. **Remedies on Default.** Whenever any Event of Default shall have happened and be continuing, the Bank (acting on behalf of the Issuer, as assignee of the Issuer's rights hereunder) may take any legal action, including but not limited to, one or more of the following remedial actions:

(a) By written notice to the Tenant upon acceleration of maturity of the Bonds as provided in the Bond Agreement, the Bank acting on behalf of the Issuer may declare the aggregate amount of all unpaid Basic Rent or Additional Rent then or thereafter required to be paid under this Lease by the Tenant to be immediately due and payable as liquidated damages from the Tenant, whereupon the same shall become immediately due and payable by the Tenant.

(b) The Bank acting on behalf of the Issuer may give the Tenant written notice of intention to terminate this Lease on a date specified therein, which date shall not be earlier than 30 days after such notice is given and, if all Defaults have not then been cured on the date so specified, the Tenant's rights to possession of the Project shall cease, and this Lease shall thereupon terminate. The Bank acting on behalf of the Issuer may thereafter re-enter and take possession of the Project and pursue all its available remedies, including sale of the Project and judgment against the Tenant for possession of the Project and/or all Basic Rent and Additional Rent then owing, including costs and attorney fees.

(c) Without terminating the Term hereof, or this Lease, the Bank acting on behalf of the Issuer may conduct inspections or an Environmental Assessment of the Project, and re-enter the Project or take possession thereof pursuant to legal proceedings or any notice provided for by law and this Lease. The Issuer or the Bank acting on behalf of the Issuer may refuse to re-enter or take possession of the Project if it has reasonable cause for such refusal. "Reasonable cause" shall include the presence on the Project of conditions which are in violation of any Environmental Law or the existence or threat of a remedial action against the Tenant under any Environmental Law resulting from conditions on the Project.

(d) Having elected to re-enter or take possession of the Project pursuant to subsection 20.1(c), the Bank acting on behalf of the Issuer may relet the Project, or parts thereof, for such term or terms and at such rental and upon such other terms and conditions as are deemed advisable, with the right to make alterations and repairs to the Project, and no such re-entry or taking of possession of the Project shall be construed as an election to terminate this Lease, and no such re-entry or taking of possession shall relieve the Tenant of its obligation to pay Basic Rent or Additional Rent (at the time or times provided herein), or of any of its other obligations under this Lease, all of which shall survive such re-entry or taking of possession. The Tenant shall continue to pay the Basic Rent and Additional Rent provided for in this Lease until the end of the Term, whether or not the Project shall have been relet, less the net proceeds, if any, of reletting the Project.

(e) Having elected to reenter or take possession of the Project pursuant to subsection 20.1(c), the Bank acting on behalf of the Issuer may (subject, however, to any restrictions against termination of this Lease in the Bond Agreement), by notice to the Tenant given at any time thereafter while the Tenant is in Default in the payment of Basic Rent or Additional Rent or in the performance of any other obligation under this Lease, elect to terminate

this Lease in accordance with subsection 20.1(b) and thereafter proceed to exercise any remedies lawfully available.

(f) If, in accordance with any of the foregoing provisions of this Article, the Issuer shall have the right to elect to re-enter and take possession of the Project, the Issuer or the Bank acting on behalf of the Issuer, may enter and expel the Tenant and those claiming through or under the Tenant and remove the property and effects of both or either by all lawful means without being guilty of any manner of trespass and without prejudice to any remedies for arrears of Basic Rent or Additional Rent or preceding breach of contract by the Tenant.

(g) Net proceeds of any reletting or sale of the Project shall be deposited in the Bond Fund for application to pay the Bonds and interest thereon. "Net proceeds" shall mean the receipts obtained from reletting or sale after deducting all expenses incurred in connection with such reletting or sale, including without limitation, all repossession costs, brokerage commissions, legal fees and expenses, expenses of employees, alteration costs and expenses of preparation of the Project for reletting or sale.

(h) The Issuer or the Bank acting on behalf of the Issuer may recover from the Tenant any attorney fees or other expense incurred in exercising any of its remedies under this Lease.

Section 20.2. Survival of Obligations. The Tenant covenants and agrees with the Issuer and the Owner(s) of Bonds that until all Bonds and the interest thereon and redemption premium, if any, are paid in full or provision is made for the payment thereof, its obligations under this Lease shall survive the cancellation and termination of this Lease for any cause and/or sale of the Project, and that the Tenant shall be obligated to pay Basic Rent and Additional Rent (reduced by any net income the Issuer or the Bank may receive from the Project after such termination) and perform all other obligations provided for in this Lease, all at the time or times provided in this Lease. Notwithstanding any provision of this Lease or the Bond Agreement, the Tenant's obligations under *Sections 8.2 and 14.1* hereof shall survive any termination, release or assignment of this Lease or the Bond Agreement and payment or provision for payment of the Bonds.

Section 20.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute, subject to the provisions of the Bond Agreement. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice required herein.

ARTICLE XXI

Section 21.1. Performance of the Tenant's Obligations by the Issuer. If the Tenant shall fail to keep or perform any of its obligations as provided in this Lease, then the Issuer may (but shall not be obligated to do so) upon the continuance of such failure on the Tenant's part for 90

days after notice of such failure is given the Tenant by the Issuer or the Bank and without waiving or releasing the Tenant from any obligation hereunder, as an additional but not exclusive remedy, make any such payment or perform any such obligation, and the Tenant shall reimburse the Issuer for all sums so paid by the Issuer and all necessary or incidental costs and expenses incurred by the Issuer in performing such obligations through payment of Additional Rent. If such Additional Rent is not so paid by the Tenant within 10 days of demand, the Issuer shall have the same rights and remedies provided for in *Article XX* in the case of Default by the Tenant in the payment of Basic Rent.

ARTICLE XXII

Section 22.1. **Surrender of Possession.** Upon accrual of the Issuer's right of reentry as the result of the Tenant's Default hereunder or upon the cancellation or termination of this Lease by lapse of time or otherwise (other than as a result of the Tenant's purchase of the Project), the Tenant shall peacefully surrender possession of the Project to the Bank, as assignee of the Issuer in good condition and repair, ordinary wear and tear excepted; provided, however, the Tenant shall have the right, prior to or within 30 business days after the termination of this Lease, to remove from on or about the Project the buildings, improvements, furniture, furnishings, equipment, personal property, furniture and trade fixtures which the Tenant owns under the provisions of this Lease and are not a part of the Project. All repairs to and restorations of the Project required to be made because of such removal shall be made by and at the sole cost and expense of the Tenant. All buildings, improvements, furniture, furnishings, equipment, personal property, and trade fixtures owned by the Tenant and which are not so removed from on or about the Project prior to or within 30 business days after such termination of this Lease shall become the separate and absolute property of the Issuer.

ARTICLE XXIII

Section 23.1. **Notices.** All notices required or desired to be given hereunder shall be in writing and shall be delivered in person to the Notice Representative or mailed by restricted mail to the Notice Address. All notices given by restricted mail as aforesaid shall be deemed duly given as of the date three days after they are so mailed. When mailed notices are given, the party giving notice will use reasonable diligence to contact the party being notified by telephone, electronic mail or facsimile on or before the date such notice is mailed.

ARTICLE XXIV

Section 24.1. **Triple-Net Lease.** The parties hereto agree (a) that this Lease is intended to be a triple-net lease, (b) that the payments of Basic Rent and Additional Rent are designed to provide the Issuer and the Bank with funds adequate in amount to pay all principal of and interest on all Bonds as the same become due and payable and to pay and discharge all of the other duties and requirements set forth herein, and (c) that to the extent that the payments of Basic Rent and Additional Rent are not adequate to provide the Issuer and the Bank with funds sufficient for the purposes aforesaid, the Tenant shall be obligated to pay, and it does hereby covenant and agree to

pay, upon demand therefor, as Additional Rent, such further sums of money as may from time to time be required for such purposes.

Section 24.2. **Funds Held by the Bank After Payment of Bonds.** If, after the principal of and interest on all Bonds and all costs incident to the payment of Bonds have been paid in full, the Bank holds unexpended funds received in accordance with the terms hereof, such unexpended funds shall, except as otherwise provided in this Lease and the Bond Agreement and after payment therefrom to the Issuer of any sums of money then due and owing by the Tenant under the terms of this Lease, be the absolute property of and be paid over forthwith to the Tenant.

ARTICLE XXV

Section 25.1. **Rights and Remedies.** The rights and remedies reserved by the Issuer and the Tenant hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. The Issuer and the Tenant shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Lease, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity.

Section 25.2. **Waiver of Breach.** No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the nondefaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such Default or Defaults which were in existence at the time such payment or payments or performance were accepted by it.

Section 25.3. **The Issuer Shall Not Unreasonably Withhold Consents and Approvals.** Wherever in this Lease it is provided that the Issuer shall, may or must give its approval or consent, or execute supplemental agreements, exhibits or schedules, the Issuer shall not unreasonably or arbitrarily withhold or refuse to give such approvals or consents or refuse to execute such supplemental agreements, exhibits or schedules.

ARTICLE XXVI

Section 26.1. **The Issuer May Not Sell.** The Issuer covenants that unless an Event of Default under this Lease has occurred and is continuing, and the remaining Term of this Lease has been terminated, it will not, without the Tenant's written consent, unless required by law, sell or otherwise part with or encumber its fee title interest in the Project at any time during the Term of this Lease.

Section 26.2. **Quiet Enjoyment and Possession.** The Tenant shall enjoy peaceable and quiet possession of the Project as long as no Event of Default has occurred and is continuing.

Section 26.3. **Issuer's Obligations Limited.** Except as otherwise expressly provided in this Lease, no recourse upon any obligation or agreement contained in this Lease or in any Bond or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise under any circumstances, under or independent of the Bond Agreement, shall be had against the Issuer and its officers, employees and agents.

Notwithstanding anything in this Lease to the contrary, it is expressly understood and agreed by the parties hereto that (a) the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Tenant, a Owner(s) of Bonds or the Bank as to the existence of any fact or state of affairs required to be noticed by the Issuer hereunder; (b) the Issuer shall not be under any obligation to perform any record-keeping or to provide any legal services, it being understood that such services shall be performed or provided either by the Tenant, the Bank or the Owner(s) of Bonds; and (c) that none of the provisions of this Lease shall require the Issuer to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless it shall have first been adequately indemnified to its satisfaction against the costs, expenses and liability which may be incurred by such action.

Notwithstanding anything in this Lease to the contrary, any obligation the Issuer may incur under this Lease or under any instrument or document executed by the Issuer in connection with this Lease that entails the expenditure of any money by the Issuer shall be only a limited obligation of the Issuer payable solely from the revenues derived by the Issuer under the Lease and shall not be, under any circumstances, a general obligation of the Issuer.

ARTICLE XXVII

Section 27.1. **Investment Tax Credit; Depreciation.** The Tenant shall be entitled to claim the full benefit of (1) any investment credit against federal or state income tax allowable with respect to expenditures of the character contemplated hereby under any federal or state income tax laws now or from time to time hereafter in effect, and (2) any deduction for depreciation with respect to the Project from federal or state income taxes. The Issuer agrees that it will upon the Tenant's request execute all such elections, returns or other documents which may be reasonably necessary or required to more fully assure the availability of such benefits to the Tenant.

ARTICLE XXVIII

Section 28.1. **Amendments.** This Lease may be amended, changed or modified in writing in the following manner:

(a) With respect to an amendment, change or modification which reduces the Basic Rent or Additional Rent, or any amendment which reduces the percentage of Owner(s) of Bonds whose consent is required for any such amendment, change or modification, by an agreement in writing executed by the Issuer and the Tenant and consented to in writing by the Bank and by Owner(s) of Bonds owning at least 90% of the aggregate principal amount of the Bonds then Outstanding;

(b) With respect to any other amendment, change or modification which will materially adversely affect the security or rights of the Owner(s) of Bonds, by an agreement in writing executed by the Issuer and the Tenant and consented to in writing by the Bank and by Owner(s) of Bonds owning at least 66-2/3% of the aggregate principal amount of the Bonds then Outstanding; and

(c) With respect to all other amendments, changes, or modifications, by an agreement in writing executed by the Issuer and the Tenant.

At least 30 days prior to the execution of any agreement pursuant to (c) above, the Issuer and the Tenant shall furnish the Bank and the Original Purchaser of the Bonds with a copy of the amendment, change or modification proposed to be made.

Section 28.2. Granting of Easements. If no Event of Default under this Lease shall have happened and be continuing, the Tenant may, at any time or times, (a) grant easements, licenses and other rights or privileges in the nature of easements with respect to any property included in the Project, free from any rights of the Issuer or the Owner(s) of Bonds, or (b) release existing easements, licenses, rights-of-way and other rights or privileges, all with or without consideration and upon such terms and conditions as the Tenant shall determine, and the Issuer agrees, to the extent that it may legally do so, that it will execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege or any such agreement or other arrangement, upon receipt by the Issuer of: (1) a copy of the instrument of grant or release or of the agreement or other arrangement, (2) a written application signed by the Authorized Tenant Representative requesting such instrument, and (3) a certificate executed by the Tenant stating (A) that such grant or release is not detrimental to the proper conduct of the business of the Tenant, and (B) that such grant or release will not impair the effective use or interfere with the efficient and economical operation of the Project and will not materially adversely affect the security of the Owner(s) of Bonds. Any consideration received by the Tenant for the grant or release must be paid to the Bank to be deposited in the Bond Fund and used to redeem Bonds at the earliest practicable date, at their principal amount, plus accrued interest, without premium. If the instrument of grant shall so provide, any such easement or right and the rights of such other parties thereunder shall be superior to the rights of the Issuer and the Owner(s) of Bonds and shall not be affected by any termination of this Lease or default on the part of the Tenant hereunder. If no Event of Default shall have happened and be continuing, any payments or other consideration received by the Tenant for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of the Tenant, but, in the event of the termination of this Lease because of an Event of Default, all rights then existing of the Tenant with respect to or under such grant shall inure to the benefit of and be exercisable by the Issuer.

Section 28.3. Security Interests. (a) The Issuer and the Tenant agree to execute and deliver all instruments (including financing statements and statements of continuation thereof) necessary for perfection of and continuance of the security interest of the Issuer in and to the Project. The Tenant hereby authorizes the Issuer to file or cause to be filed all such instruments required to be so filed and the Bank to continue or cause to be continued the filings or liens of such instruments for so long as the Bonds shall be Outstanding.

(b) Under the Bond Agreement, the Issuer will, as additional security for the Bonds assign, transfer, pledge and grant a security interest in its rights under this Lease to the Bank. The Issuer hereby authorizes the Bank to file financing statements or any other instruments necessary to perfect its security interest. The Bank is hereby given the right to enforce, either jointly with the Issuer or separately, the performance of the obligations of the Tenant, and the Tenant hereby consents to the same and agrees that the Bank may enforce such rights as provided in the Bond Agreement and the Tenant will make payments required hereunder directly to the Bank.

(c) The Tenant will, as additional security for its obligations under this Lease, enter into an Assignment of Rents and Leases to the Bank.

Section 28.4. Construction and Enforcement. This Lease shall be construed and enforced in accordance with the laws of the State. Wherever in this Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

Section 28.5. Invalidity of Provisions of Lease. If, for any reason, any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

Section 28.6. Covenants Binding on Successors and Assigns. The covenants, agreements and conditions herein contained shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 28.7. Section Headings. The section headings hereof are for the convenience of reference only and shall not be treated as a part of this Lease or as affecting the true meaning of the provisions hereof. The reference to section numbers herein or in the Bond Agreement shall be deemed to refer to the numbers preceding each section.

Section 28.8. Execution of Counterparts. This Lease may be executed simultaneously in multiple counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the Issuer has caused this Lease to be signed by an authorized official, such signature to be attested by an authorized officer, and its official seal to be applied, as of the date first above written.

CITY OF HAYSVILLE, KANSAS

By: _____
Mayor

[SEAL]

ATTEST:

By: _____
City Clerk

"ISSUER"

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS:
COUNTY OF SEDGWICK)

This instrument was acknowledged before me on the ____ day of _____, 2011, by Ken Hampton, Mayor, and Janie Cox, City Clerk, of the City of Haysville, Kansas, a municipal corporation.

[SEAL]

Notary Public

My Appointment Expires:

IN WITNESS WHEREOF, the Tenant has caused this Lease to be signed by an authorized officer, as of the date first above written.

HAYSVILLE LAND INVESTMENT, LLC

By: _____
Title:

"TENANT"

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS:
COUNTY OF SEDGWICK)

This instrument was acknowledged before me on the ___ day of _____, 2011, by Hasmukhbhai Patel, [_____] of Haysville Land Investment, LLC, a Kansas limited liability company.

[SEAL]

Notary Public

My Appointment Expires:

APPENDIX A

FORM OF REQUISITION FOR PAYMENT OF PROJECT COSTS

CITY OF HAYSVILLE, KANSAS

Project Fund

(Sleep Inn and Suites Project)

Payment Order No. _____

Rose Hill Bank
Rose Hill, Kansas
Attn: Commercial Loan Department

You are hereby authorized and directed by the undersigned, the Authorized Tenant Representative, acting on behalf of Haysville Land Investment, LLC (the "Tenant") to disburse funds held by you as fiscal and paying agent in the above mentioned Project Fund for the purposes and in the amounts set forth in the Payment Schedules attached hereto and incorporated herein by reference (the "Payment Schedules").

I hereby certify that the amounts requested in the attached Payment Schedules have either been advanced by the Tenant or are justly due to contractors, subcontractors, suppliers, vendors, materialmen, engineers, architects or other persons named in the Payment Schedules who have performed necessary and appropriate work in connection with any installation of furniture, furnishings, equipment or personal property, or have furnished necessary and appropriate materials in the construction or acquisition of land, buildings and improvements constituting a part of the Project. I further certify that the fair value of such work or materials, furniture, furnishing and equipment, is not exceeded by the amount requested, and such cost is one which may be capitalized for federal income tax purposes.

I further certify that, except for the amounts set forth in the Payment Schedules, there are no outstanding debts now due and payable for labor, wages, materials, supplies or services in connection with the construction of said buildings and improvements or the purchase and/or installation of furniture, furnishings, equipment and personal property which, if unpaid, might become the basis of a vendor's, mechanic's, laborer's or materialmen's statutory or other similar lien upon the Land, the Project or any part thereof.

I further certify that no part of the amounts set forth in the Payment Schedules have been the basis for any previous withdrawal of any moneys from the said Project Fund.

I further certify that each of the representations and covenants on the part of the Tenant contained in the Lease dated as of Issue Date of the Bonds by and between the City of Haysville, Kansas, as the Issuer, and the Tenant are now true and correct in all material respects and are now being materially complied with.

I further certify that the amounts set forth in the Payment Schedules constitute Project Costs, as said term is defined in the Lease, and that all insurance policies which are required to be in force as a condition precedent to disbursement of funds from the Project Fund pursuant to the provisions of *Section 6.1* of the Lease are in full force and effect.

DATED _____, 20__.

Authorized Tenant Representative

EXHIBIT A - Payment Order No. _____

**PAYMENT SCHEDULE
FOR BUILDINGS, IMPROVEMENTS AND
MISCELLANEOUS PROJECT COSTS**

I hereby request payment of the amounts specified below to the payees whose names and addresses are stated below, and I certify that the description of the purchase or nature of each payment is reasonable, accurate and complete:

PAYMENT SCHEDULE

<u>Payee Name</u>	<u>Payee Address</u>	<u>Purpose or Nature of Payment</u>	<u>A</u>
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Initials

EXHIBIT B - Payment Order No. _____

**PAYMENT SCHEDULE
FOR FURNITURE, FURNISHINGS AND EQUIPMENT**

I hereby request payment of the amounts specified below to the payees whose names and addresses are stated below. I certify that the description of the purchase or nature of each payment is reasonable, accurate and complete. I further certify that the items described are free and clear of any liens or security interests. I have attached to this schedule a copy of the purchase order or seller's invoice for each item, and, to the extent any payment is a reimbursement to the Tenant, a copy of the check tendered in payment for such item.

PAYMENT SCHEDULE

<u>Payee Name</u>	<u>Description of Furniture, Furnishings</u>	<u>Amount</u>
	(include name and address of seller, manufacturer, descriptive name, technical description, capacity, serial number of model number as appropriate)	

Initials

APPENDIX C

GLOSSARY OF WORDS AND TERMS

"Additional Rent" means all fees, charges, costs and expenses of the Bank or the Issuer (including reasonable attorney's fees) payable under the Bond Agreement, all Impositions, all Default Administration Costs (as defined herein), all other payments of whatever nature payable or to become payable pursuant to the Bond Agreement or which the Tenant has agreed to pay or assume under the provisions of this Lease and any and all expenses (including reasonable attorney's fees) incurred by the Issuer or the Bank in connection with the issuance of the Bonds or the administration or enforcement of any rights under this Lease or the Bond Agreement. The fees, charges, costs and expenses of the Bank shall include all costs incurred in connection with the issuance, transfer, exchange, registration, redemption or payment of the Bonds and the administration or enforcement of any rights or obligations under this Lease, the Bond Agreement except (a) the reasonable fees and expenses in connection with the replacement of a Bond or Bonds mutilated, stolen, lost or destroyed or (b) any tax or other government charge imposed on the Bank in relation to the transfer, exchange, registration, redemption or payment of the Bonds. The fees, charges, costs and expenses of the Issuer shall include, but not be limited to, any and all costs incurred by the Issuer in connection with the administration or enforcement of any rights, duties, or obligations under this Lease, the exercise or pursuit of any remedy upon an Event of Default, the amendment of this Lease, the granting of consents, easements or similar actions or any other action required of or available to the Issuer under the terms of this Lease.

"Additional Term" shall mean that term commencing on the last day of the Basic Term and terminating 5 years thereafter.

"Authorized Tenant Representative" means Hasmukhbhai Patel, [____], of the Tenant, or such other person as is designated to act on behalf of the Tenant as evidenced by written certificate furnished to the Bank, containing the specimen signature of such person and signed on behalf of the Tenant by its [____]. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized Tenant Representative.

"Bankruptcy Code" means Title 11 of the United States Code, as amended.

"Basic Rent" means the monthly pro rata amount which, when added to Basic Rent Credits, will be sufficient to pay, on each Payment Date, all principal of, redemption premium, if any, and interest on all Outstanding Bonds (as defined in the Bond Agreement) which is due and payable on such Payment Date. If for any reason on any Payment Date the Bank does not have on deposit in the Bond Fund sufficient moneys to pay all principal and interest due on the Bonds on such Payment Date, then the Tenant shall pay, as Basic Rent, on such Payment Date, the amount of such deficiency.

"Basic Rent Credits" means all funds on deposit in the Bond Fund and available for the payment of principal of, redemption premium, if any, and interest on the Bonds on any Basic Rent Payment Date.

"Basic Rent Payment Date" means December 31, 2012 and December 31 of each year thereafter until the principal of, redemption premium, if any, and interest on all Outstanding Bonds have been fully paid or provision made for their payment in accordance with the provisions of the Bond Agreement.

"Basic Term" means that term commencing as of the delivery of this Lease and ending on December 31, 2021, subject to prior termination as specified in this Lease, but ending, in any event, when all of the principal of, redemption premium, if any, and interest on all Outstanding Bonds shall have been paid in full or provision made for their payment in accordance with the provisions of the Bond Agreement.

"Bond Agreement" means the Bond Agreement delivered concurrently with this Lease, as from time to time amended and supplemented by Supplemental Bond Agreements in accordance with the provisions of *Section 8* of the Bond Agreement.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601, et seq.

"Certificate of Completion" means a written certificate signed by the Authorized Tenant Representative stating that (1) the Improvements have been substantially completed in accordance with the plans and specifications prepared or approved by the Issuer or the Tenant, as the case may be; (2) the Improvements have been substantially completed in a good and workmanlike manner; (3) no mechanic's or materialmen's liens have been filed, nor is there any basis for the filing of such liens, with respect to the Project; (4) all Improvements constituting a part of the Project are located or installed upon the Land; and (5) if required by ordinances duly adopted by the Issuer or by applicable building codes, that an appropriate certificate of occupancy has been issued with respect to the Improvements. A form of Certificate of Completion is attached as *Appendix B*.

"Completion Date" means the date on which the Improvements are certified as substantially completed in accordance with *Section 5.4* of this Lease.

"Default" means any event or condition the occurrence of which, with the lapse of time or the giving of notice or both, may constitute an Event of Default.

"Default Administration Costs" means the reasonable fees, charges, costs, advances and expenses of the Owner(s) of Bonds incurred in anticipation of an Event of Default, or after the occurrence of an Event of Default, including, but not limited to, counsel fees, litigation costs and expenses, the expenses of maintaining and preserving the Project and the expenses of re-letting or selling the Project.

"Environmental Assessment" means an environmental assessment with respect to the Project conducted by an independent consultant satisfactory to the Issuer and the Bank which reflects the results of such inspections, records reviews, soil tests, groundwater tests and other tests requested, which assessment and results shall be satisfactory in scope, form and substance to the Issuer and the Bank.

"Environmental Law" means CERCLA, SARA, and any other federal, state or local environmental statute, regulation or ordinance presently in effect or coming into effect during the Term of this Lease.

"Event of Bankruptcy" means an event whereby the Tenant shall: (i) admit in writing its inability to pay its debts as they become due; or (ii) file a petition in bankruptcy or for reorganization or for the adoption of an arrangement under the Bankruptcy Code as now or in the future amended, or file a pleading asking for such relief; or (iii) make an assignment for the benefit of creditors; or (iv) consent to the appointment of a Bank or receiver for all or a major portion of its property; or (v) be finally adjudicated as bankrupt or insolvent under any federal or state law; or (vi) suffer the entry of a final and nonappealable court order under any federal or state law appointing a receiver or Bank for all or a major part of its property or ordering the winding-up or liquidation of its affairs, or approving a petition filed against it under the Bankruptcy Code, which order, if the Tenant has not consented thereto, shall not be vacated, denied, set aside or stayed within 60 days after the day of entry; or (vii) suffer a writ or warrant of attachment or any similar process to be issued by any court against all or any substantial portion of its property, and such writ or warrant of attachment or any similar process is not contested, stayed, or is not released within 60 days after the final entry, or levy or after any contest is finally adjudicated or any stay is vacated or set aside.

"Event of Default" means any one of the following events:

(a) Failure of the Tenant to make any payment of Basic Rent within five business days of the time and in the amounts required hereunder; or

(b) Failure of the Tenant to make any payment of Additional Rent at the times and in the amounts required hereunder, or failure to observe or perform any other covenant, agreement, obligation or provision of this Lease on the Tenant's part to be observed or performed, and the same is not remedied within thirty (30) days after the Issuer or the Bank has given the Tenant written notice specifying such failure (or such longer period as shall be reasonably required to correct such default; provided that (i) the Tenant has commenced such correction within said 30-day period, and (ii) the Tenant diligently prosecutes such correction to completion); or

(c) An Event of Bankruptcy; or

(d) Abandonment of the Project by the Tenant.

"Full Insurable Value" means full actual replacement cost less physical depreciation.

"Hazardous Substances" shall mean "hazardous substances" as defined in CERCLA.

"Impositions" means all taxes and assessments, general and special, which may be lawfully taxed, charged, levied, assessed or imposed upon or against or payable for or in respect of the Project or any part thereof, or any improvements at any time thereon or the Tenant's interest therein, including any new lawful taxes and assessments not of the kind enumerated above to the

extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and further including all water and sewer charges, assessments and other governmental charges and impositions whatsoever, foreseen or unforeseen, which, if not paid when due, would encumber the Issuer's title to the Project.

"Improvements" shall have the meaning defined in the Bond Agreement.

"Land" means the real property (or interests therein) described in *Schedule I*.

"Lease" means this Lease between the Issuer and the Tenant, as from time to time supplemented and amended in accordance with the provisions hereof and of the Bond Agreement.

"Net Proceeds" means, when used with respect to any insurance or condemnation award with respect to the Project, the proceeds from the insurance or condemnation award remaining after the payment of all expenses (including the Tenant's attorneys' fees and any extraordinary expenses of the Bank occasioned by such casualty or condemnation) incurred in the collection of such proceeds.

The term **"Notice Address"** shall mean:

(1) With respect to the Tenant:

Haysville Land Investment, LLC
837 S. Oliver
Derby, Kansas 67218
Attn: [_____]

(2) With respect to the Issuer:

City of Haysville
200 W. Grand, P.O. Boxd 404
Haysville, Kansas 67060-0404
Attn: City Clerk

(3) With respect to the Bank:

Rose Hill Bank
P.O. Box 68
Rose Hill, Kansas 67133
Attn: Commercial Loan Department

"Original Proceeds" means all sale proceeds, including accrued interest, from sale of the Series 2011 Bonds to the Bank and any investment earnings credited to the Project Fund prior to the Completion Date.

"Permitted Encumbrances" means any mortgages, liens or other encumbrances specifically described in *Schedule I*; easements and rights-of-way of record at the time of conveyance of the Land to the Issuer, and any other title exceptions not affecting marketability or the usefulness of the Project to the Tenant.

"Project Contracts" means a contract or contracts with respect to the acquisition and/or construction of the Improvements entered into by the Tenant or the Issuer.

"Project" shall have the meaning defined in the Bond Agreement.

"Project Costs" shall have the meaning defined in the Bond Agreement.

"SARA" means the Superfund Amendments and Reauthorization Act of 1986, as now in effect and as hereafter amended.

"State" means the State of Kansas.

"Term" means, collectively, the Basic Term and any Additional Term of the Lease.

SCHEDULE I

DESCRIPTION OF PROPERTY

The following property acquired by the City of Haysville, Kansas (the "Issuer") in connection with the issuance by the City of its Taxable Industrial Revenue Bonds, Series 2011 (Sleep Inn and Suites Project) (the "Series 2011 Bonds"):

- (a) The following described real estate in Sedgwick County, Kansas:

said real property constituting the "Land" as referred to in the Lease entered into by the Issuer concurrently with the issuance of the Series 2011 Bonds (the "Lease"), subject to the following ("Permitted Encumbrances"):

(b) All buildings, building additions, improvements, machinery and equipment constructed, located or installed on the Land, all or any portion of the costs of which were paid from the proceeds of the Issuer's Series 2011 Bonds, and which constitute "Improvements" referred to in the Lease, together with any substitutions or replacements therefor, the property described in paragraphs (a) and (b) of this *Schedule I* together constituting the "Project" as referred to in the Lease.

BOND AGREEMENT

between

CITY OF HAYSVILLE, KANSAS

and

**ROSE HILL BANK,
ROSE HILL, KANSAS**

and

HAYSVILLE LAND INVESTMENT, LLC

Dated as of the Issue Date of the Bonds

**City of Haysville, Kansas
Not Exceeding \$3,000,000
Taxable Industrial Revenue Bonds
(Sleep Inn and Suites Project)
Series 2011**

BOND AGREEMENT

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BOND AGREEMENT

THIS BOND AGREEMENT, dated as of the Issue Date of the Bonds, between the City of Haysville, Kansas, an incorporated city of the second class duly organized under the laws of the State of Kansas (the "Issuer"), Rose Hill Bank, a banking corporation or association organized under the laws of the United States of America or one of the states thereof (the "Bank"), having a commercial banking office in Rose Hill, Kansas, as depository, fiscal and paying agent, and Haysville Land Investment, LLC, a limited liability company, as purchaser of the Bonds and the tenant (the "Tenant").

The Issuer, the Bank and the Tenant hereby agree as follows:

Section 1. **Definitions.**

As used in this Bond Agreement and the Lease, the following terms have the following meanings:

"Act" means K.S.A. 12-1740 *et seq.*, as amended.

"Assignment" means the Assignment of Lease and Security Agreement, dated as of the date hereof, from the Issuer to the Bank.

"Authorized Tenant Representative" means the person designated to act on behalf of the Tenant as provided in *Section 10* of this Bond Agreement.

"Bank" means Rose Hill Bank as fiscal and paying agent.

"Bond Agreement" means this Bond Agreement as from time to time amended and supplemented.

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

"Bond Fund" means the Bond Fund created by *Section 4* hereof.

"Bonds" means the Issuer's Taxable Industrial Revenue Bonds (Sleep Inn and Suites Project), Series 2011 in an aggregate original principal amount not exceeding \$3,000,000 issued pursuant to this Bond Agreement.

"Change of Circumstances" means the occurrence of any of the following events:

(a) title to, or the temporary use of, all or any substantial part of the Land or the Project shall be condemned by any authority exercising the power of eminent domain;

(b) title to such portion of the Land is found to be deficient or nonexistent to the extent that the Project is untenable or the efficient utilization of the Project by the Tenant is substantially impaired;

(c) substantially all of the Improvements are damaged or destroyed by fire or other casualty; or

(d) as a result of: (i) changes in the constitution of the State; or (ii) any legislative or administrative action by the State or any political subdivision thereof, or by the United States; or (iii) any action instituted in any court, the Lease shall become void or unenforceable, or impossible of performance without

unreasonable delay, or in any other way by reason of such changes of circumstances, unreasonable burdens or excessive liabilities are imposed upon Issuer or Tenant.

"Completion Date" means the date the Project is completed as certified in accordance with *Section 5.5* of the Lease.

"Costs of Issuance" means any and all expenses of whatever nature incurred in connection with the issuance and sale of Bonds, including, but not limited to, underwriting fees and expenses, underwriting discount, initial fees of the Bank, appraisal fees, administrative fees or expenses of the Issuer, bond and other printing expenses and legal fees and expenses of Bond Counsel, Issuer's counsel, Bank counsel and counsel for the Tenant.

"Event of Default" means, with respect to this Bond Agreement, an "Event of Default" as defined in *Section 6* hereof and, with respect to the Lease, an "Event of Default" as defined in *Appendix C* thereto.

"Government Securities" means direct obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Improvements" means all real property improvements and personal property purchased in whole or in part with the proceeds of the Bonds and any additional Improvements as contemplated by *Article XII* of the Lease.

"Interest Payment Date" means any date on which any interest is payable on any Bonds.

"Issue Date" means the date on which the initial Bond certificates representing the Bonds are authenticated by the Bank and delivered in exchange for payment of all or part of their purchase price.

"Issuer" means the City of Haysville, Kansas, an incorporated city of the second class duly organized under the laws of the State of Kansas, and its successors and assigns.

"Lease" means the Lease, dated as of the Issue Date of the Bonds, between the Issuer and the Tenant, as from time to time amended or supplemented.

"Net Proceeds" means the gross proceeds from the insurance (including without limitation title insurance) or condemnation award with respect to which that term is used remaining after the payment of all expenses (including without limitation attorneys' fees and any expenses of the Issuer, the Tenant, the Bank or any other owner of the Bonds) incurred in the collection of such gross proceeds.

"Outstanding" means, as of a particular date, all Bonds issued, authenticated and delivered under this Bond Agreement, except:

(a) Bonds canceled by the Bank or delivered to the Bank as fiscal and paying agent for cancellation pursuant to this Bond Agreement;

(b) Bonds for the payment or redemption of which moneys or investments have been deposited in trust and irrevocably pledged to such payment or redemption; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Bond Agreement.

"Permitted Encumbrances" means Permitted Encumbrances as defined in the Lease.

"Permitted Investments" means any of the following securities, which are permitted for investment of funds held by the depository pursuant to this Bond Agreement:

(a) Government Securities;

(b) obligations of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, National Bank for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Association;

(c) savings or other depository accounts or certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Bank and its affiliates), provided that such deposits shall be either of a bank, trust company or national banking association continuously and fully insured by the Federal Deposit Insurance Corporation, or continuously and fully insured by a guarantee deposit bond issued by an acceptable insurance carrier which carrier would include Kansas Bankers Surety of Topeka, Kansas which shall have an insured amount (exclusive of accrued interest) at all times at least equal to the principal amount of such deposits and shall be lodged with the Bank, as custodian, by the bank, trust company or national banking association accepting such deposit or issuing such certificate of deposit, and the bank, trust company or national banking association issuing each such certificate of deposit required to be so secured shall furnish the Bank an undertaking satisfactory to it that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount equal to the principal amount of each such certificate of deposit and the Bank shall be entitled to rely on each such undertaking;

(d) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Bank) or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities described in clauses (a) or (b) above, and

(e) investments in shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in clauses (a), (b) or (c) above or repurchase agreement related thereto.

"Project" means the Project described in *Schedule I* hereto and any additions, modifications, improvements, replacements, repairs, renewals, reconstruction or restoration thereof, therefor or thereto made pursuant to *Section 11.1 or 12.1* of the Lease.

"Project Costs" means (a) all costs and expenses incurred in or necessary or incident to the purchase, construction and installation of the Improvements; (b) interest accruing on the Bonds prior to the Completion Date; (c) expenses incurred by the Tenant for preliminary plans, surveys, soil borings and other items necessary to the commencement of construction; (d) the cost of any insurance or construction bonds related to the Project prior to the Completion Date; (e) the cost of the title evidence required by *Section 6.4* of the Lease; and (f) Costs of Issuance.

"Project Fund" means the Project Fund created by *Section 4* hereof.

"Tenant" means Haysville Land Investment, LLC, and its successors or assigns and any surviving, resulting or succeeding business entity, as provided in *Sections 9.2 and 9.4* of the Lease.

Section 2. Owner's Representations. The owner of the Bonds represents that: (a) it is purchasing the Bonds solely for its own account for investment purposes only, and not with a view to, or in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof (subject to the understanding that disposition of its property will remain at all times within its control); (b) it has had access to, and has examined to the extent it deems necessary (1) information concerning the Project and the Bonds, (2) copies of the Ordinance, this Bond Agreement and the Lease relating to the authorization of and security for payment of the Bonds, and (3) financial statements and other data of the Tenant which it considers sufficient to enable it to form a decision concerning such purchase; (c) it has had all questions answered by appropriate officers and employees of the Tenant, and it has received all information necessary for it to evaluate the merits and risks of purchasing the Bonds; (d) it has sufficient knowledge and experience in business and financial matters in general, and investments such as the Bonds in particular, to enable it to evaluate the risks involved in an investment in the Bonds, and it confirms that its investment in the Bonds constitute an investment that is suitable for and consistent with its investment program and that it is able to bear the economic risk of an investment in the Bonds, including a complete loss of such investment; (e) it understands that the Bonds have not been registered under the Securities Act of 1933, as amended (the "1933 Act") or the securities laws of any state and will be sold to it in reliance upon certain exemptions from registration and in reliance upon its representations and warranties set forth herein; (f) it will only offer, sell, pledge, transfer or exchange any of the Bonds it purchases (1) in accordance with an available exemption from the registration requirements of Section 4 of the 1933 Act, (2) in accordance with any applicable state securities law and (3) in accordance with the provisions of the Bonds and this Bond Agreement; and (4) it acknowledges and understands that the Issuer, Bond Counsel, Tenant's Counsel, and the Tenant are each relying and will continue to rely on the representations made herein.

Section 3. The Bonds. The Bonds are described as follows:

(a) *Principal Amount; Purchase Price; Form of Bonds; Source of Repayments.* The Bonds shall be issued by the Issuer in an aggregate principal amount not exceeding \$3,000,000 and shall be purchased by the owner of the Bonds at their par principal amount for the purpose of providing funds to pay, or reimburse the Tenant for payment of, Project Costs. They shall be in substantially the form attached hereto as *Exhibit A*. The Bonds shall be in the original principal amount of the amount advanced to the Project Fund by the owner of the Bonds on the Issue Date, and each amount subsequently advanced to the Project Fund at the request of the Tenant made by presenting to the Bank a completed requisition for payment of Project Costs in the form attached as *Appendix A* to the Lease, but not exceeding an aggregate principal amount of \$3,000,000. Pending advancement by the owner of the Bonds of the entire authorized principal amount of Bonds, or receipt from the Tenant of a Certificate of Completion, whichever comes first, the Bank shall retain custody of all Bond certificates. The Bank, acting as fiscal and paying agent for the Issuer, shall endorse the Schedule of Principal Amount Advanced attached to the Bond certificate to reflect an increase in principal amount Outstanding each time the owner of the Bonds advances money to the Project Fund to pay Project Costs as requested by the Tenant. Each such endorsement reflecting an increase in Outstanding principal amount shall constitute the Bank's authentication of the issuance of Bonds reflected by such endorsement. The Issuer hereby irrevocably authorizes the Bank to so endorse each Bond certificate; however, failure by the Bank to effect any such endorsement or any error in such endorsement shall not limit the Issuer's obligations under the Bond certificate with respect to principal amounts which are in fact Outstanding. The Bank shall, upon request, send written confirmation to the Tenant of the amount of Bonds Outstanding on any date. The Bank agrees that immediately upon the making of any endorsement on the Schedule of Principal Amounts Advanced attached to the Bond certificate, the Bank will immediately certify such endorsement by execution of a Certificate of Issuance in substantially the form set forth as *Exhibit B* hereto, and forward the Certificate of Issuance to Gilmore & Bell, P.C., 100 North Main, Suite 800, Wichita, Kansas 67202. All Bonds must be issued, if at all, by the Completion Date. The Bonds shall be payable as set forth in *Exhibit A* and shall be dated, bear interest, and be subject to redemption and transfer as set forth in such form. All of the terms and provisions of the Bonds as set forth in *Exhibit A* are incorporated into this Bond Agreement by reference. The Bonds and the interest and redemption premium,

if any, thereon will not be a general obligation of the Issuer, but shall be payable solely out of the revenues derived by the Issuer pursuant to the Lease (except to the extent payable from proceeds of sale or re-letting of the Project). Payment of principal, redemption premium, if any, and interest on the Bonds is secured by a pledge of the Project and the net rentals therefrom pursuant to the Ordinance.

(b) *Execution and Authentication of Bonds.* The Bonds shall be executed as specified in *Exhibit A*. If any officer of the Issuer whose signature appears on the Bonds shall cease to be such officer before delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until delivery. The Bonds may be executed by such persons as shall be the proper officers to sign the Bonds at the actual time of execution of the Bonds although at the date of such Bonds such person may not have been such officer. The Bonds shall have endorsed thereon a Certificate of Authentication which shall be manually executed by the Bank as fiscal and paying agent for the Issuer upon the initial delivery of the certificate. No Bonds shall be entitled to any security or benefit under this Bond Agreement or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed. The Certificate of Authentication on any Bond certificate shall be deemed to have been duly executed when signed by any authorized officer or employee of the Bank.

(c) *Appointment of Fiscal and Paying Agent; Transfer of Bonds; Annual Report to Issuer.* The Bank is hereby appointed by the Issuer as the Issuer's fiscal and paying agent. Ownership of the Bonds may be transferred as set forth in the form of the Bonds attached hereto as *Exhibit A*. If ownership of any Bonds is transferred, the assigned Bond certificates shall be reissued to the transferee by the Bank as fiscal and paying agent for the Issuer, and shall be authenticated as of the payment date immediately preceding the effective date of the transfer. The Bank shall annually within 90 days after the end of each calendar year report to the Issuer the principal balance outstanding on the Bonds as of the preceding December 31, and the amount of principal and interest paid on the Bonds during that year, in order to enable the Issuer to timely report such information to the State of Kansas as required by law.

(d) *Negative Covenant Regarding Issuance of Additional Bonds.* The Issuer will not issue any other obligations payable out of the revenues derived by the Issuer pursuant to the Lease or secured by an assignment, security interest in or other lien upon any of the rights of the Issuer in the Project and under the Lease without the written consent of all owners of the Bonds.

(e) *Security for Bonds.* The Issuer has by ordinance pledged the Project and the net revenues generated by the Issuer under the Lease as security for payment of the principal of, redemption premium, if any, and interest on the Bonds.

(f) *Provision for Payment of Bonds.* Bonds shall be deemed to be paid when payment of the principal, redemption premium, if any, and interest to the due date thereof (whether by reason of maturity or earlier redemption, or otherwise), either (i) has actually been made in accordance with the terms thereof, or (ii) has been provided for by depositing with a bank or trust company, including the Bank, if eligible, in trust and irrevocably set aside exclusively for such payment (1) cash sufficient to make such payment or (2) non-callable Government Securities maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payments when due. Bonds shall also be deemed paid if the Bond certificate(s) are surrendered to the Bank as paying agent, accompanied by a written communication from the registered owner waiving payment and directing that they be cancelled without actual payment. At such time as a Bond shall be deemed to be paid as provided in this paragraph, it shall no longer be secured by the pledge of the Project or the revenues generated under the Lease or entitled to benefit from this Bond Agreement, except for the purpose of receiving payment from such moneys or Government Securities.

Section 4. **Project Fund, Bond Fund and Other Funds.** The following funds and accounts shall be established:

(a) *Project Fund.* There is hereby established with the Bank, as depository, a separate special fund designated "City of Haysville, Kansas Project Fund (Sleep Inn and Suites Project)" which shall be held, invested and disbursed by the Bank, as depository, as hereinafter provided in this Section and *Article V* of the Lease. All moneys that will remain on deposit in the Project Fund for over 10 days shall be invested in Permitted Investments as directed in writing by the Tenant (or in the absence of Tenant's written direction, in Permitted Investments described in paragraph (c) of the definition). The proceeds of the Bonds as advanced and any investment earnings accruing thereof shall be deposited in the Project Fund. The Bank shall disburse moneys in the Project Fund to pay Project Costs in accordance with the provisions of *Article V* of the Lease. If any moneys remain in the Project Fund on the Completion Date, they shall be deposited in the Bond Fund and used as provided in *Exhibit A*.

(b) *Bond Fund.* There is also hereby established with the Bank, as paying agent, a separate special fund designated "City of Haysville, Kansas Bond Fund (Sleep Inn and Suites Project)", which shall be held, invested in Permitted Investments and disbursed by the Bank, as paying agent, as hereinafter provided in this Section and in *Section 3.1* of the Lease. All payments of Basic Rent received by the Bank, as paying agent and assignee of the Issuer's interest in the Lease, shall be deposited in the Bond Fund. On each date on which interest or principal is payable on the Bonds as provided therein, the Bank shall withdraw moneys from the Bond Fund sufficient to make such payments on the Bonds, and shall transmit such moneys by check or draft mailed to each owner of the Bonds at the address as shown on the Bank's records. All moneys on deposit or to be deposited in the Bond Fund from time to time shall be deemed pledged exclusively to payment of principal and interest on the Bonds, and the Issuer hereby grants to all owners of the Bonds a security interest in the Bond Fund and the moneys on deposit or to be deposited therein from time to time to secure payment of the Bonds. If after the Bonds have been fully paid and discharged moneys remain on deposit in the Bond Fund, such moneys shall be returned to the Tenant.

(c) *Additional Special Funds.* Any Net Proceeds of insurance, condemnation awards or other moneys paid to the Bank, as depository or as paying agent, under this Agreement or the Lease shall be deposited in one or more special funds held by the Bank, as depository or as paying agent, and applied, with accrued interest, to the purposes specified in the Lease for which such moneys were deposited. The Bank agrees to pay to the Issuer, upon receipt, any Additional Rent due to the Issuer under the Lease and paid to the Bank under this Section.

(d) *Investment Fees and Expenses.* The Bank may charge the Tenant, the Bond Fund, the Project Fund, or any other special fund from which an investment is made, for any fees and expenses incurred in making such investment and the Bank, as depository or as fiscal and paying agent, may make any investment pursuant to this Section through its money management or short-term investment department.

(e) *Tenant as Sole Owner of the Bonds.* If the Tenant is the sole owner of the Bonds, payments of Basic Rent made by the Tenant under the Lease which coincide with payments of principal and interest on the Bonds may be received directly by the Tenant as owner of the Bonds without being deposited in the Bond Fund. Such payments shall be credited against the Tenant's obligation to make payments of Basic Rent under the Lease, and against the Issuer's obligation to make payments of principal and interest on the Bonds. If the Bonds are at any time held by more than one owner of the Bonds, then payments of Basic Rent shall be received and disbursed in accordance with the provisions of subsection (b) of this section.

Section 5. **The Bank.** The Bank's duties as a depository and as fiscal and paying agent shall be subject to the following provisions:

(a) *Limitations on Duty of Care.* The Bank is not under any duty to give the property held in the Bond Fund, the Project Fund or any special fund any greater degree of care than it gives its own similar property and is not liable or responsible for any action or omission to act by it under this Section except for its own negligence or willful misconduct.

(b) *Reliance.* The Bank may act in reliance upon any instrument or signature reasonably believed by it to be genuine and authorized.

(c) *No Representation.* The Bank makes no representation as to the validity, genuineness or collectibility of any security held in the Bond Fund, the Project Fund or any other special fund.

(d) *Liability Limitation.* The Bank is not bound by any agreement or contract not signed by it, other than as assignee of the Issuer under the Lease. Its only duties or responsibilities as depository are to deal with the Bond Fund, the Project Fund and any other special fund in accordance with this Bond Agreement.

(e) *Agents; Attorneys-Reliance.* The Bank may execute or perform any of its powers or duties either directly or through agents, attorneys or receivers and is not responsible for any misconduct or negligence on the part of any agent, attorney or receiver chosen by it with due care, and the Bank is entitled to act upon and may conclusively rely upon the opinion or advice of counsel, who may be counsel to the Issuer, the Tenant or the Bank, concerning all matters and duties related hereto, and may in all cases pay such reasonable compensation to all such agents, attorneys and receivers as are employed in connection herewith. The Bank is not responsible for any loss or damage resulting from any action or nonaction taken or omitted to be taken in good faith reliance upon such opinion or advice of counsel.

(f) *Recitals, Filings, Investment Losses.* The Bank shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of authentication of the Bank as fiscal and paying agent endorsed on the Bonds), or for the recording, rerecording, filing or refiling of any security agreement or instrument in connection herewith, or for insuring the Project or collecting any insurance moneys, or for the validity of execution by any party of this Bond Agreement, any supplement or amendment hereto, any other instrument related hereto, or for the sufficiency of security for the Bonds. The Bank shall not be responsible for any loss suffered in connection with any investment of funds made in accordance with *Section 4* hereof.

(g) *Bond Ownership; Use.* The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights which it would have if it were not serving as depository, fiscal and paying agent hereunder.

(h) *Consents or Requests Binding on Future Owners.* Any action taken by the Bank upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or upon transfer or in place thereof.

(i) *Proof of Certain Facts.* As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper, or proceeding, or whenever in the administration of its functions hereunder or related hereto the Bank shall deem it advisable that a matter be proved or established prior to taking, suffering or omitting any action, the Bank shall be entitled to rely upon a certificate signed by the Authorized Tenant Representative or a representative of the Issuer as sufficient evidence of the facts therein contained, and prior to the occurrence of an Event of Default of which the

Bank has been notified as provided in Subsection (k) of this Section or of which by said subsection it is deemed to have notice, the Bank shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(j) *Further Liability Limitation.* The permissive right of the Bank to do things enumerated shall not be construed as a duty, and the Bank shall not be answerable for other than its negligence or willful misconduct.

(k) *Notice.* The Bank shall not be required to take notice or be deemed to have notice of any default or Event of Default except failure by the Tenant to timely deliver Basic Rent for deposit to the Bond Fund, unless the Bank shall be specifically notified in writing of such default or Event of Default by the Issuer or by the owners of at least 25% of the aggregate principal amount of all Bonds Outstanding.

(l) *No Bond or Surety.* The Bank shall not be required to give any bond or surety with respect to the execution of its duties and powers or otherwise in respect to the Bonds or the Project.

(m) *Required Proof of Entitlement.* The Bank shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Bond Agreement or related instruments, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof deemed desirable by the Bank to establish the right to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Bank.

(n) *Indemnity Prior to Action.* Notwithstanding anything otherwise provided in this Bond Agreement or other instrument related hereto, before taking any action (other than the application of available moneys in the Bond Fund to payments on the Bonds) the Bank may require that satisfactory indemnity be provided to it for the reimbursement of all fees, costs and expenses (including, without limitation attorney's fees and expenses) to which it may be put and to protect it against all liability which it may incur in or by reason of such action, including, without limitation, liability in connection with environmental contamination and the cleanup thereof, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(o) *Bank Action Authorized.* Notwithstanding any other provision in this Bond Agreement or other instrument related hereto, the rights, privileges and immunities provided to the Bank by this *Section 5* and any other provision of this Bond Agreement or any related instrument intended to provide authority to act, right to payment of fees and expenses, protection, immunity and indemnification of the Bank shall be interpreted to include any action of the Bank whether it is deemed to be in its capacity as depositary, fiscal and paying agent, assignee of Issuer pursuant to the Assignment or other related capacity. The provisions of this *Section 5* shall be applicable to the Bank with respect to any function which it performs with respect to the Bonds.

(p) *Limitation on Directed Action.* The Bank may elect not to proceed in accordance with the directions of the owners of the Bonds without incurring any liability to them if, in the opinion of the Bank, such direction would result in environmental or other liability to the Bank, in its individual capacity, for which the Bank has not received indemnity pursuant to this Section, and the Bank may rely conclusively upon an opinion of counsel in determining whether any action directed may result in such liability.

(q) *Environmental Hazards.* The Bank may inform the owners of the Bonds of environmental hazards that the Bank has reason to believe exist, and the Bank has the right to take no further action with respect to the Project if the Bank, in its individual capacity, determines that any such action could

materially and adversely subject the Bank to environmental or other liability for which the Bank has not received indemnity satisfactory to it.

(r) *Reasonable Fees and Expenses.* The Bank shall be entitled to payment of and/or reimbursement for reasonable fees and expenses for its ordinary services and all advances, agent and counsel fees and other ordinary expenses reasonably and necessary made or incurred by the Bank in connection with such ordinary services and, in the event that it should become necessary that the Bank perform extraordinary services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith. Pursuant to *Section 3.2* of the Lease, the Tenant has agreed to pay the reasonable fees, charges and expenses of the Bank. Upon the occurrence of an Event of Default and during its continuance, the Bank shall have a first lien, with right of payment prior to payment of principal or interest on the Bonds, upon all moneys in its possession under any of the provisions hereof for the foregoing reasonable fees, advances, costs and expenses incurred.

(s) *Resignation; Successor.* The Bank may resign from its duties as depository, fiscal and paying agent hereunder, or under any other related instrument, upon giving 60 days' advance written notice to Issuer and Tenant. Such resignation shall become effective at the end of such 60 days or upon the earlier appointment of a successor by the owners of a majority in principal amount of the Bonds outstanding, provided, however, that, in the case of a vacancy, the Issuer may appoint a temporary successor to serve until a permanent successor shall be appointed by the owners of the Bonds as above provided. If no successor shall have been appointed and have accepted such appointment within said 60-day period, the Bank or any owner of the Bonds may petition any court of competent jurisdiction for the appointment of a successor. The Bank shall deliver assets held hereunder to the successor appointed and accepting such appointment pursuant to this subsections, and thereupon the obligations and duties of the Bank hereunder shall cease and terminate.

(t) *Bank's Enforcement Obligation.* Notwithstanding anything in this Bond Agreement to the contrary, the Bank, as assignee of the Issuer's interest under the Lease, in its name or in the name of the Issuer, shall enforce all rights of the Issuer and all obligations of the Tenant under and pursuant to the Lease, whether or not the Issuer is in default under this Bond Agreement.

Section 6. Events of Default and Remedies.

(a) *Definition of Events of Default.* An "Event of Default" under this Bond Agreement shall mean any one or more of the following events:

(1) *Payment Default.* Default in the payment when due of any installment of principal of or any interest or premium on any Bond or default in any payment of any amount payable to the Bank, as depository or as paying agent under this Bond Agreement and expiration of any applicable right to cure;

(2) *Non-Payment Default.* A breach or failure of performance by the Tenant or the Issuer of any provision of this Bond Agreement (other than as referred to in (1) above) that is not remedied within 30 days after the Tenant or the Issuer, as the case may be, has received written notice thereof from the Bank or any owner of the Bonds;

(3) *Breach of Material Representation or Warranty.* Any material representation or warranty of the Issuer or the Tenant contained herein, in the Lease or in any certificate or other instrument or document delivered hereunder or thereunder or in connection with the financing of the Project shall prove to have been false or incorrect or breached in any material respect on the date on which it is made;

(4) *Lease Default.* The occurrence of an "Event of Default" under the Lease.

(b) *Default Remedies.* Upon the occurrence of an Event of Default under this Bond Agreement and upon written notice to the Issuer and the Tenant, the Bank may:

(1) *Acceleration of Maturity.* Declare the unpaid principal of any Bonds to be, and the same, together with the accrued interest thereon, shall forthwith become due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived; provided that upon the occurrence of any Event of Default as mentioned in (c) or (d) of the definition of "Event of Default" in the Lease, the unpaid principal of the Bonds, together with the accrued interest thereon, shall forthwith become due and payable without any further act or action on the part of any owner of the Bonds.

(2) *Legal Action to Enforce Bonds and Lease.* As assignee of the Issuer's interests under the Lease, commence legal action against the Tenant to obtain (A) a judgment against the Tenant for all sums owing under the Lease; and/or (B) judgment against the Tenant for possession and sale of the Project, with the proceeds of any sale applied to pay the Bonds and interest and any other sums owing by the Tenant under the Lease as provided in the Lease and this Bond Agreement.

(3) *Recovery of Attorney Fees.* Recover attorney fees and related costs incurred in pursuing any remedies under the Bonds, this Bond Agreement, the Lease, any document creating a pledge or security agreement securing the Tenant's obligations, or available at law, in equity or by statute.

(4) *Exercise of Remedies Under the Lease.* As assignee of the Issuer's interests under the Lease, undertake any of the remedies on default specified in *Article XX* of the Lease. Any net proceeds of any action under this Section shall be applied as provided in the Lease and this Bond Agreement.

(c) *Action by Owner(s) of the Bonds.* Any owner(s) of the Bonds may also pursue any other remedy available to it at law or in equity or by statute or contemplated by the Bonds, this Bond Agreement, the Lease, or the Assignment.

(d) *Remedies Cumulative.* No such remedy is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to any other remedy now or hereafter existing at law or in equity or by statute.

(e) *Waivers of Default.* No delay or omission to exercise any right or power accruing upon any Event of Default under this Bond Agreement shall impair any such right or power or be a waiver thereof or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient. The owners of the Bonds may waive any Event of Default under this Bond Agreement and the breach of any requirement contained in this Bond Agreement or the Bonds, but such waiver must be in writing. Any such waiver shall be limited to such particular Event of Default or breach.

Section 7. Notices. Except as otherwise expressly provided, all notices, certificates or other communications hereunder or under the Assignment, or the Lease shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, addressed as follows:

- (i) If to the Issuer: City of Haysville
200 W. Grand, P.O. Box 404
Haysville, Kansas 67060-0404
Attention: City Clerk
- (ii) If to the Bank: Rose Hill Bank
P.O. Box 68
Rose Hill, Kansas 67133
Attention: Commercial Loan Department
- (iii) If to the Tenant: Haysville Land Investment, LLC
837 S. Oliver
Derby, Kansas 67218

(iv) If to any owner(s) of the Bonds other than the Bank, at its address as it appears on the records kept by the Bank as fiscal and paying agent for the Bonds.

Section 8. **Amendments.** The Bonds, this Bond Agreement, the Lease (except to the extent otherwise provided in the Lease) and the Assignment may not be amended or terminated unless such amendment is executed or consented to in writing by the Issuer, the Bank, the Tenant and owners of the Bonds owning at least 51% of the principal amount of all Bonds Outstanding. It shall not be necessary to note any such amendment on any Bond unless the amendment is to the Bond itself.

Section 9. **Issuer Not Liable.** Neither this Bond Agreement, the Lease nor the Bond shall constitute, give rise to, nor impose a pecuniary liability upon, or a charge upon the general credit of, the Issuer. The Bonds shall not constitute an indebtedness of the Issuer for any constitutional or statutory purpose, and shall not be payable in any manner from taxation.

Section 10. **Miscellaneous Provisions.**

(a) *Severability.* The invalidity or unenforceability of any one or more of the provisions of this Bond Agreement shall not affect the validity or enforceability of the remaining provisions hereof.

(b) *Authorized Tenant Representative.* Except as otherwise specified, any action to be taken by the Tenant under this Bond Agreement or the Lease may be taken by any person designated to act on behalf of the Tenant as Authorized Tenant Representative by a written certificate furnished to the Issuer and the Bank and signed by the President or any Vice President of the Tenant.

(c) *Execution and Counterparts.* This Bond Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

(d) *Section Headings.* The table of contents and section headings in this Bond Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions hereof.

(e) *Governing Law.* This Bond Agreement shall be governed by, and construed in accordance with, the laws of the State of Kansas.

(f) *Binding Effect.* This Bond Agreement shall inure to the benefit of and shall be binding upon the parties hereto and any subsequent owners of the Bonds and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Bond Agreement to be duly executed by their duly authorized officials or officers.

CITY OF HAYSVILLE, KANSAS

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

HAYSVILLE LAND INVESTMENT, LLC

By: _____

Name: Hasmukhbhai Patel

Title: [_____]

ROSE HILL BANK,

Rose Hill, Kansas

By: _____

Name: Eric T. Grooms

Title: Senior Vice President

SCHEDULE I

DESCRIPTION OF PROPERTY

The following property acquired by the City of Haysville, Kansas (the "Issuer") in connection with the issuance by the City of its Taxable Industrial Revenue Bonds, Series 2011 (Sleep Inn and Suites Project) (the "Series 2011 Bonds"):

- (a) The following described real estate in Sedgwick County, Kansas:

said real property constituting the "Land" as referred to in the Lease entered into by the Issuer concurrently with the issuance of the Series 2011 Bonds (the "Lease"), subject to the following ("Permitted Encumbrances"):

(b) All buildings, building additions, improvements, machinery and equipment constructed, located or installed on the Land, all or any portion of the costs of which were paid from the proceeds of the Issuer's Series 2011 Bonds, and which constitute "Improvements" referred to in the Lease, together with any substitutions or replacements therefor, the property described in paragraphs (a) and (b) of this *Schedule I* together constituting the "Project" as referred to in the Lease.

EXHIBIT A

No. R-__

\$ _____

UNITED STATES OF AMERICA
STATE OF KANSAS

CITY OF HAYSVILLE, KANSAS

TAXABLE INDUSTRIAL REVENUE BOND
(SLEEP INN AND SUITES PROJECT)
Series 2011

The City of Haysville, Kansas (the "Issuer"), hereby promises to pay, solely out of the sources hereinafter specified, _____, the registered owner hereof, or registered assigns (an "Owner"), the principal sum of

_____ DOLLARS

or such lesser principal sum as is actually advanced hereunder pursuant to the Lease to pay Project Costs (both hereinafter defined), plus interest on the unpaid balance hereof accruing from the date of advance until paid, in lawful money of the United States of America, at the rates and payable as follows:

- a. From the Issue Date of this Bond to the Final Maturity Date (herein defined), interest shall be paid in arrears at the Fixed Rate (herein defined) annually, commencing on the First Payment Date and continuing on each Payment Date thereafter until the Final Maturity Date.
- b. One final payment in the amount of the entire unpaid principal balance hereunder (including all accrued and unpaid interest) shall be paid on the Final Maturity Date.

A "Business Day" shall mean a day on which the Bank is open for business at its commercial bank office in Rose Hill, Kansas.

The "Final Maturity Date" shall be December 31, 2021.

The "First Payment Date" shall mean December 31, 2012.

The "Fixed Rate" shall mean _____% per annum, computed on the basis of 360 days per year.

The "Issue Date" shall mean the date endorsed by the fiscal and paying agent on the Certificate of Authentication on this Bond.

The "Payment Date" shall be each anniversary of the First Payment Date.

Payments of principal of and redemption premium, if any, and interest on this Bond shall be made in immediately available funds no later than 11:00 A.M., Central time, on the Payment Date, at the Bank's commercial banking office in Rose Hill, Kansas or such other place as the Bank may from time to time designate in writing, in lawful money of the United States of America. If the principal of or interest on this

Bond falls due on a day other than a Business Day, then such due date shall be extended to the next succeeding full Business Day. If payment is made by check, the check must be delivered to the Bank at least 3 Business Days prior to the Payment Date.

If there is a default in the payment of any item or installment when due, the item or installment so in default shall continue as an obligation hereunder until the same shall be fully paid, and such item or installment shall be payable upon demand with interest thereon.

This Bond is issued pursuant to an Ordinance of the governing body of the Issuer and a Bond Agreement dated as of the Issue Date of this Bond (the "Bond Agreement"), between the Issuer, the Bank, the owner of the Bonds and Haysville Land Investment, LLC (the "Tenant"), for the purpose of providing funds for the acquisition of a hotel facility located in the City of Haysville, Kansas, including buildings, fixtures, improvements, furnishings, machinery, equipment and related support facilities (the "Project"), to be made pursuant to a Lease, dated as of the Issue Date of this Bond (the "Lease"), between the Issuer and the Tenant by the authority of and in conformity with the constitution and statutes of the state of Kansas, including particularly K.S.A. 12-1740 *et seq.*, as amended, and all other laws of said state applicable thereto.

This Bond and the interest and redemption premium, if any, hereon are payable solely out of the revenues derived by the Issuer from the Project and pursuant to the Lease. This Bond and the interest and redemption premium, if any, hereon do not constitute a debt of the Issuer, or of the State of Kansas, and neither the Issuer nor said state shall be liable thereon, and this Bond shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. To secure the payment of the principal of and redemption premium, if any, and interest on this Bond, the Issuer has assigned to the Bank substantially all its rights under the Lease pursuant to an Assignment of Lease and Security Agreement, dated as of the Issue Date of this Bond (the "Assignment"). Reference is hereby made to the Bond Agreement, the Lease and the Assignment for a further description of the Project, the rights, duties and obligations of the Issuer, the Tenant, the Bank and any other owners of the Bonds, the security for this Bond and such obligations hereunder.

In the event of a Change of Circumstances (as defined in the Bond Agreement), this Bond shall be subject to redemption and payment prior to the stated maturity thereof at the option of the Issuer, upon instructions from the Tenant, on any date, at the par value of the principal amount thereof, plus accrued interest thereon to the redemption date, without premium.

This Bond is also subject to redemption in whole or in part, in even multiples of \$100 by the Issuer, at the option of and upon instructions from the Tenant to the Issuer, on any date, at the par value of the principal amount thereof, without premium, plus interest accrued to the date of redemption.

This Bond shall be redeemed in part, in order to exhaust any Net Proceeds (as defined in the Lease) of insurance or condemnation awards paid into the Bond Fund as soon as practicable after receipt at a price equal to the principal amount of this Bond to be redeemed, plus accrued interest thereon to the redemption date, without premium.

Notice of any call for redemption at the option of the Tenant shall be given by the Issuer or the Tenant on behalf of the Issuer to each owner of the Bonds at its address as it appears on the records maintained by the Bank as fiscal and paying agent by first class mail, postage prepaid, mailed not less than ten (10) days prior to the redemption date.

All portions of this Bond so called for redemption will cease to bear interest on the specified redemption date, provided funds or securities in which such funds are invested for their redemption are on

deposit with the paying agent prior to the redemption date, and shall no longer be entitled to the benefits and protection of the Bond Agreement and shall not be deemed to be outstanding.

If this Bond is redeemed in part, it need not be delivered to the Bank or the Issuer to note such partial redemption, but the owner of the Bonds may note such partial redemption by endorsing the acknowledgment provided on this Bond. Any redemption in part of this Bond shall be applied to reduce the installments of principal hereof in inverse order of their maturity.

This Bond is issuable in the form of a fully registered Bond without coupons. This Bond shall be transferable by the owner of this Bond upon the surrender of the certificate or certificates representing this Bond for transfer or exchange at the offices of the Bank as fiscal and paying agent, accompanied, in the case of a transfer, by a written instrument of transfer executed by the owner of this Bond or its attorney in fact duly authorized in writing. Upon such surrender, the Bank shall cause the Issuer to execute and deliver in the name of the transferee a new registered Bond certificate or certificates in an aggregate principal amount equal to the unpaid principal amount hereof. The Issuer, the Bank and the Tenant may deem and treat the person in whose name this Bond certificate is registered as the absolute owner of the principal amount of the Bonds represented by this certificate for the purpose of receiving payment of, or on account of, the principal or interest due hereon and for all other purposes. Transfer of this Bond certificate is subject to certain further conditions and restrictions as further endorsed hereon.

In certain events, on the conditions, in the manner and with the effect set forth in the Bond Agreement, the principal of this Bond may be declared due and payable before the stated maturity hereof, together with interest accrued hereon. Modifications or alterations of this Bond may be made only to the extent and in the circumstances permitted by the Bond Agreement.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual signature of the Mayor and attested by the manual signature of the City Clerk and its official seal to be affixed hereto or imprinted hereon, and has caused this Bond to be dated as of the Issue Date of this Bond.

CITY OF HAYSVILLE, KANSAS

By: _____
Mayor

[SEAL]

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond certificate evidences ownership of the City of Haysville, Kansas Taxable Industrial Revenue Bonds, Series 2011 (Sleep Inn and Suites Project), as described herein and in the Bond Agreement described herein. The Issue Date of this Bond is _____, 2011.

**ROSE HILL BANK
Rose Hill, Kansas,
as fiscal and paying agent**

By: _____
Authorized Officer

SCHEDULE OF PRINCIPAL AMOUNTS ADVANCED

DATE OF ADVANCE

AMOUNT OF ADVANCE

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

Print or Type Name and Address of Transferee

the Bonds represented by this certificate and all rights thereunder, and hereby authorizes the transfer of the within Bond on the books kept by the Bank for the registration and transfer of Bonds.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

[Seal of owner of the Bonds]

(Name of Eligible Guarantor Institution)

By: _____

Title: _____

Signature must be guaranteed by an eligible guarantor institution as defined by S.E.C. Rule 17 Ad-15 (17 C.F.R. 240.17-Ad-15).

THIS BOND MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS, OR IN A TRANSACTION EXEMPT FROM THE APPLICATION OF FEDERAL AND STATE SECURITIES LAWS.

**ACKNOWLEDGMENT OF PARTIAL REDEMPTION
RECORD OF PAYMENTS**

Partial prepayments of the principal of this Bond may be made directly to the registered owner hereof without surrender hereof to the Bank, and each registered owner hereof may record such prepayment on the table set forth below. Accordingly, any purchaser or other transferee of this Bond should verify with the Bank the principal hereof outstanding prior to such purchase or transfer, and the records of the Bank shall be conclusive for such purposes.

<u>Payment</u> <u>Date</u>	<u>Amount</u> <u>Paid</u>	<u>Signature</u>	<u>Payment</u> <u>Date</u>	<u>Amount</u> <u>Paid</u>	<u>Signature</u>
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EXHIBIT B

**BEFORE THE COURT OF TAX APPEALS
OF THE STATE OF KANSAS**

CERTIFICATE OF ISSUANCE OF TAXABLE INDUSTRIAL REVENUE BONDS

Pursuant to the provisions of K.S.A. 12-1744c, as amended, this is to certify that:

The City of Haysville, Kansas issued its Taxable Industrial Revenue Bonds, Series 2011 (Sleep Inn and Suites Project) dated as of their Issue Date, in the principal amount of \$ _____, on the _____ day of _____, 2011.

ROSE HILL BANK,
as fiscal and paying agent for the City of
Haysville, Kansas

By: _____
Authorized Officer

COTA Filing No.: 2011-_____-IRB

VERIFICATION

STATE OF KANSAS)
) SS:
COUNTY OF SEDGWICK)

Sarah O. Steele, of Gilmore & Bell, P.C., Wichita, Kansas, of lawful age, being first duly sworn upon oath, deposes and states:

That the law firm of Gilmore & Bell, P.C., served as Bond Counsel for the above mentioned issue of Taxable Industrial Revenue Bonds; that the affiant has read the foregoing Certificate of Issuance and knows of affiant's own personal knowledge that the statements set forth therein are true and correct.

By: _____
Sarah O. Steele

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2011

[SEAL]

Notary Public

My Appointment Expires: _____

RESOLUTION NO. 11-[]

**RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL
OBLIGATION BONDS, SERIES 2011, OF THE CITY OF HAYSVILLE, KANSAS.**

WHEREAS, the City of Haysville, Kansas (the “Issuer”), has heretofore authorized certain internal improvements described as follows (the “Improvements”):

<u>Project Description</u>	<u>Res No.</u>	<u>Authority</u>	<u>Amount</u>
Haysville Industrial Park 2nd Addition – Street Improvements	10-06	K.S.A. 12-6a01 <i>et seq.</i>	\$107,000

; and

WHEREAS, the Issuer desires to issue its general obligation bonds in order to permanently finance the costs of such Improvements; and

WHEREAS, the Issuer proposes to issue its general obligation bonds to pay the costs of the Improvements; and

WHEREAS, the Issuer, has selected the firm of George K. Baum & Company, Wichita, Kansas (“Financial Advisor”), as financial advisor for one or more series of general obligation bonds of the Issuer to be issued in order to provide funds to permanently finance the Improvements; and

WHEREAS, the Issuer desires to authorize the Financial Advisor to proceed with the offering for sale of said general obligation bonds and related activities; and

WHEREAS, one of the duties and responsibilities of the Issuer is to prepare and distribute a preliminary official statement relating to said general obligation bonds; and

WHEREAS, the Issuer desires to authorize the Financial Advisor, in conjunction with the Clerk, to proceed with the preparation and distribution of a preliminary official statement and bond sale documentation and to authorize the distribution thereof and all other preliminary action necessary to sell said general obligation bonds.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HAYSVILLE, KANSAS, AS FOLLOWS:

Section 1. The Issuer is hereby authorized to offer for sale the Issuer’s General Obligation Bonds, Series 2011 (the “Bonds”) described in the Term Sheet, which is hereby approved in substantially the form presented to the governing body this date.

Section 2. The Preliminary Official Statement, dated October 11, 2011, is hereby approved in substantially the form presented to the governing body this date, with such changes or additions as the

Mayor and Clerk shall deem necessary and appropriate, and such officials and other representatives of the Issuer are hereby authorized to use such document in connection with the sale of the Bonds.

Section 3. The Clerk, in conjunction with the Financial Advisor and Gilmore & Bell, P.C., Wichita, Kansas (“Bond Counsel”), is hereby authorized and directed to give notice of said bond sale by publishing a Notice of Intent to Seek Private Placement before the date of the bond sale in a newspaper of general circulation in Sedgwick County, Kansas, and the *Kansas Register* and by distributing copies of the Notice of Bond Sale and Preliminary Official Statement to prospective purchasers of the Bonds. Proposals for the purchase of the Bonds shall be submitted upon the terms and conditions set forth in said Term Sheet, and shall be delivered to the governing body at its meeting to be held on such date, at which meeting the governing body shall review such bids and shall award the sale of the Bonds or reject all proposals.

Section 4. The Mayor and Clerk are each hereby authorized to approve the form of said Preliminary Official Statement, and to execute the “Certificate Regarding Preliminary Official Statement”, in substantially the form attached hereto as *Exhibit A*, as approval of the Preliminary Official Statement, such official’s signature thereon being conclusive evidence of such official’s and the Issuer’s approval thereof.

Section 5. The Issuer agrees to provide to the Purchaser within seven business days of the date of the sale of Bonds or within sufficient time to accompany any confirmation that requests payment from any customer of the Purchaser, whichever is earlier, sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 6. The Mayor, Clerk and the other officers and representatives of the Issuer, the Financial Advisor and Bond Counsel are hereby authorized and directed to take such other action as may be necessary to carry out the sale of the Bonds.

Section 7. The Financial Advisor is hereby authorized to submit a bid or participate in a syndicate submitting a bid for the purchase of the Bonds.

Section 8. This Resolution shall be in full force and effect from and after its adoption.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

ADOPTED by the governing body on October 11, 2011.

(SEAL)

Mayor

ATTEST:

Clerk

EXHIBIT A

**CERTIFICATE REGARDING
PRELIMINARY OFFICIAL STATEMENT**

October 11, 2011

To:

Re: \$107,000 City of Haysville, Kansas, General Obligation Bonds, Series 2011

The undersigneds are the duly acting Mayor and Clerk of the City of Haysville, Kansas (the "Issuer"), and are authorized to deliver this Certificate to the addressee (the "Purchaser") on behalf of the Issuer. The Issuer has heretofore caused to be delivered to the Purchaser copies of the Preliminary Official Statement (the "Preliminary Official Statement"), relating to the above-referenced bonds (the "Bonds").

To the knowledge of the Issuer, the information contained in the Preliminary Official Statement, other than the sections entitled "The Depository Trust Company," "Bond Rating," "Legal Matters," "Tax Matters" and *Appendices B* and *C*, for which the Issuer expresses no opinion, and except for the omission of certain information such as offering prices, interest rates, selling compensation, principal per maturity, delivery dates, ratings, identity of the underwriters and other terms of the Bonds depending on such matters, is true in all material respects, does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

CITY OF HAYSVILLE, KANSAS

By: _____
Title: Mayor

By: _____
Title: Clerk

**CITY OF HAYSVILLE, KANSAS
GENERAL OBLIGATION BONDS
SERIES 2011**

TERM SHEET

Principal Amount	\$107,000
Dated Date	November 1, 2011
Type	Book Entry
Stated Maturity	October 1, 2013
Interest Payment Date	April 1 and October 1 in each year, beginning on April 1, 2013
Paying Agent	Treasurer of the State of Kansas, Topeka, Kansas
Optional Redemption	October 1, 2022, and thereafter, as a whole or in part at 100%, with 30 days written notice callable on October 1, 2021
Discount allowed	None
Security	General obligations, payable from unlimited ad valorem taxes
Closing Date	November 16, 2011
"Bank Qualified" Status	The Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code
Rating	None
Approving Legal Opinion	Gilmore & Bell, P.C., Wichita, Kansas

Facsimile bids due at 11:00 A.M., C.S.T., on **October 24, 2011**. No oral or auction bids will be considered. Other terms of the Bonds and capitalized terms not otherwise defined herein are described in the Issuer's Preliminary Official Statement relating to the Bonds. The successful bidder will be immediately notified of the award, subject to approval by the governing body at its meeting to be held at 7:00 p.m. on the Sale Date. The successful bidder will be determined by the lowest true interest cost on a 30/360 day basis. The City and the successful bidder will enter into a Bond Purchase Agreement with the terms set forth herein.

Additional information regarding the Bonds and copies of the Preliminary Official Statement and Bond Purchase Agreement may be obtained from the Financial Advisor, at the address set forth below:

DATED: October 11, 2011.

CITY OF HAYSVILLE, KANSAS
By Janie Cox, Clerk

Financial Advisor -Facsimile Bid Delivery Address:

George K. Baum & Company
100 N. Main, Suite 810
Wichita, Kansas 67202
Attn: Charles M. Bouilly
Phone No. (316) 264-9351
Fax No. (316) 264-9370
Email: bouilly@gkbaum.com

The Bonds will be structured as Term Bonds maturing in the following principal amounts, subject to mandatory redemption as set forth in the Preliminary Official Statement. The undersigned will pay the purchase price for the Bonds, plus accrued interest to the date of delivery and at the interest rates set forth below:

Stated Maturity	Principal	Annual Rate
<u>October 1</u>	<u>Amount</u>	<u>of Interest</u>
2017	\$22,000	_____%
2022	25,000	_____%
2027	25,000	_____%
2032	35,000	_____%

Principal Amount \$107,000
 Plus Premium (if any) _____
 Total Purchase Price \$ _____

 Total interest cost to maturity at the rate(s) specified \$ _____
 Net interest cost \$ _____
 True Interest Cost _____%

Submitted By: _____

Title: _____

Telephone No. _____

Email: _____

NOTICE OF INTENT TO SEEK PRIVATE PLACEMENT

CITY OF HAYSVILLE, KANSAS GENERAL OBLIGATION BONDS, SERIES 2011

Notice is hereby given that the City of Haysville, Kansas (the "Issuer") proposes to seek a private placement of the above-referenced bonds (the "Bonds"). The maximum aggregate principal amount of the Bonds shall not exceed \$107,000. The proposed sale of the Bonds is in all respects subject to approval of a bond purchase agreement between the Issuer and the purchaser of the Bonds and the passage of an ordinance and adoption of a resolution by the governing body of the Issuer authorizing the issuance of the Bonds and the execution of various documents necessary to deliver the Bonds.

DATED: October 11, 2011.

Janie Cox, Clerk

KANSAS REGISTER

DOCUMENT NO. _____

(Above space for Register Office Use)

Submission Form
Municipal Bond Sale Notice
(K.S.A. 10-106 as amended)

TITLE OF DOCUMENT NOTICE OF INTENT TO SEEK PRIVATE PLACEMENT
Re: City of Haysville, Kansas, General Obligation Bonds, Series 2011, Dated November 1, 2011.

NUMBER OF PAGES 1 DESIRED PUBLICATION DATE: OCTOBER 20, 2011

BILL TO: Janie Cox, Clerk
City Hall
200 W. Grand
P.O. Box 404
Haysville, Kansas 67060-0404

Please forward 3 Affidavits of Publication of same to Ms. Robyn R. Dunlap, Gilmore & Bell, P.C., 100 North Main, Suite 800, Wichita, KS 67202 at your earliest opportunity.

Any questions regarding this document should be directed to:

NAME ROBYN R. DUNLAP PHONE (316) 267-2091

Certification

I hereby certify that I have reviewed the attached and herein described document, and that it conforms to all applicable **Kansas Register** publication guidelines. I further certify that submission of this item for publication in the **Kansas Register** is authorized by the municipality which has issued the notice.



Authorized Signature

Robyn R. Dunlap
Typed Name of Signer

Senior Legal Assistant
Position

TRANSMIT TO: Kansas Register; Secretary of State; State Capitol, Topeka, KS 66612
PHONE: (785) 296-3489; FAX: (785) 291-3051; EMAIL: nancyr@kssos.org

THIS SPACE FOR REGISTER OFFICE USE ONLY

PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE – BOOK-ENTRY ONLY BANK QUALIFIED

NOT RATED

In the opinion of Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds: (including any original issue discount properly allocable to an owner thereof)] is: (a) excluded from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations]. The interest on the Bonds is exempt from income taxation by the State of Kansas. The Bonds are "qualified tax-exempt obligations" within the meaning of Code § 265(b)(3). See "TAX MATTERS – Opinion of Bond Counsel" herein.*

\$107,000 CITY OF HAYSVILLE, KANSAS GENERAL OBLIGATION BONDS SERIES 2011

Dated: November 1, 2011

Due: October 1, As shown on the inside cover

The General Obligation Bonds, Series 2011 (the "Bonds") will be issued by the City of Haysville, Kansas (the "Issuer"), as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denominations of \$5,000 or any integral multiple thereof (the "Authorized Denomination"). Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bond owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as herein defined) of the Bonds. Principal will be payable annually on October 1, beginning in 2013, and semiannual interest will be payable on April 1 and October 1, beginning on April 1, 2013 (the "Interest Payment Dates"). Principal will be payable upon presentation and surrender of the Bonds by the registered owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas, as paying agent and bond registrar (the "Paying Agent" and "Bond Registrar"). Interest payable on each Bond shall be paid to the persons who are the registered owners of the Bonds as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding each interest payment date by check or draft of the Paying Agent mailed to such registered owner. So long as DTC or its nominee, Cede & Co., is the Owner of the Bonds, such payments will be made directly to DTC. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

The Bonds and the interest thereon will constitute general obligations of the Issuer, payable from special assessments levied upon the property benefited by the construction of certain public improvements (as hereinafter described in the section entitled "THE PROJECTS"), and if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer, with the balance payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer.

MATURITY SCHEDULE LISTED ON INSIDE COVER PAGE

At the option of the Issuer, Bonds maturing on October 1, 2022, and thereafter will be subject to redemption and payment prior to maturity on October 1, 2021, or thereafter as described herein. The Term Bonds are also subject to Mandatory Redemption as described herein. See "THE BONDS - Redemption Provisions" herein.

The Bonds are offered when, as and if issued by the Issuer, subject to the approval of legality by Gilmore & Bell, P.C., Wichita, Bond Counsel. Certain other legal matters will be passed upon by Alison McKenney Brown, Esq., counsel for the Issuer. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about November 15, 2011.

**BIDS WILL BE RECEIVED ON OCTOBER 24, 2011
UNTIL 11:00 A.M., CENTRAL DAYLIGHT TIME,
AT 200 W. GRAND, HAYSVILLE, KANSAS 67060**

THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THE COVER PAGE IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. "APPENDIX C – SUMMARY OF FINANCING DOCUMENTS" CONTAINS DEFINITIONS USED IN THIS OFFICIAL STATEMENT.

The date of this Preliminary Official Statement is October 11, 2011.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\$107,000
CITY OF HAYSVILLE, KANSAS
GENERAL OBLIGATION BONDS
SERIES 2011

MATURITY SCHEDULE

TERM BONDS

<u>Stated</u> <u>Maturity</u> <u>October 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual</u> <u>Rate of</u> <u>Interest</u>	<u>Yield</u>	CUSIP⁽¹⁾ <u>Base:</u>
2017	\$ 22,000	____%	____%	
2022	25,000	____%	____%	
2027	25,000	____%	____%	
2032	35,000	____%	____%	

(All plus accrued interest, if any)

⁽¹⁾ CUSIP numbers have been assigned to this issue by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc., and are included solely for the convenience of the Owners of the Bonds. Neither the Issuer nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS THAT ARE “FORWARD-LOOKING STATEMENTS” AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS OFFICIAL STATEMENT, THE WORDS “ESTIMATE,” “INTEND,” “EXPECT” AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.

THIS PRELIMINARY OFFICIAL STATEMENT IS DEEMED TO BE FINAL (EXCEPT FOR PERMITTED OMISSIONS) BY THE ISSUER FOR PURPOSES OF COMPLYING WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

CITY OF HAYSVILLE, KANSAS

200 W. Grand
Haysville, Kansas 67060
(316) 529-5900

ELECTED OFFICIALS

Ken Hampton, Mayor

Keith Pierce, Council Member
Michael Conrady, Council Member
Derrick Slocum, Council Member
Seth Konkell, Council Member
Bob Rardin, Council Member
Pat Ewert, Council Member
Russ Kessler, Council Member
Michael Kanaga, Council Member

ADMINISTRATIVE OFFICERS

DIRECTOR OF GOVERNMENTAL SERVICES

Carol Neugent

DIRECTOR OF FINANCE

William Black

CITY CLERK / TREASURER

Janie Cox

ISSUER'S COUNSEL

Alison McKenney Brown

FINANCIAL ADVISOR

George K. Baum & Company,
Wichita, Kansas

BOND COUNSEL

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

CERTIFIED PUBLIC ACCOUNTANTS

George, Bowerman & Noel, P.A.
Wichita, Kansas

No dealer, broker, salesman or other person has been authorized by the Issuer or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein concerning the Issuer has been furnished by the Issuer and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof. This Official Statement does not constitute a contract between the Issuer or the Underwriter and any one or more of the purchasers, Owners or Beneficial Owners of the Bonds.

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OFFICIAL STATEMENT
\$107,000
CITY OF HAYSVILLE, KANSAS
GENERAL OBLIGATION BONDS
SERIES 2011

INTRODUCTION

General Matters

The purpose of this Official Statement is to furnish information relating to the City of Haysville, Kansas (the “Issuer” or the “City”), and the General Obligation Bonds, Series 2011 (the “Bonds”), of the Issuer, dated November 1, 2011 (the “Dated Date”).

The Appendices to this Official Statement are integral parts of this document, to be read in their entirety.

The Issuer is a municipal corporation duly organized and existing under the laws of the State of Kansas (the “State”). Additional information regarding the Issuer is contained in *APPENDIX A* to this Official Statement.

The materials contained on the cover page, in the body and in the Appendices to this Official Statement are to be read in their entirety. All financial and other information presented herein has been compiled by George K. Baum & Company, financial advisor to the Issuer (the “Financial Advisor”). Except for the information expressly attributed to other sources deemed to be reliable, all information has been provided by the Issuer. The presentation of information herein, including tables of receipts from various taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer. No representation is made that past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future. Bond Counsel has not assisted in the preparation nor reviewed this Official Statement, except to the extent described under the section captioned “LEGAL MATTERS,” and accordingly Bond Counsel expresses no opinion as to the accuracy or sufficiency of any other information contained herein.

Definitions

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in “*APPENDIX C – SUMMARY OF FINANCING DOCUMENTS.*”

Continuing Disclosure

The Securities and Exchange Commission (the “SEC”) has promulgated amendments to Rule 15c2-12 (the “Rule”), requiring continuous secondary market disclosure. In the Bond Resolution, hereinafter defined, the Issuer has covenanted to provide annually certain financial information and operating data and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board. This covenant is for the benefit of and is enforceable by the Beneficial Owners of the Bonds. The Issuer has complied with all previous undertakings under the Rule. For more information regarding the Issuer’s continuing disclosure undertaking, see “*APPENDIX C – SUMMARY OF FINANCING DOCUMENTS – THE CONTINUING DISCLOSURE INSTRUCTIONS.*”

Additional Information

Additional information regarding the Issuer or the Bonds may be obtained from the Clerk of the Issuer at the address set forth in the preface to this Official Statement, or from the Financial Advisor, George K. Baum & Company, 100 N. Main, Suite 810, Wichita, Kansas 67202, Attention: Charles M. Bouilly ((316) 264-9351) or via e-mail at bouilly@gkbaum.com.

THE BONDS

Authority for the Bonds

The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State of Kansas (the "State"), including K.S.A. 10-101 to 10-125, K.S.A. 10-620 *et seq.*, K.S.A. 12-6a01 *et seq.*, as amended and supplemented from time to time (the "Act"), an ordinance passed by the governing body of the Issuer and a resolution adopted by the governing body of the Issuer on October 24, 2011 (jointly, the "Bond Resolution").

Security for the Bonds

The Bonds shall be general obligations of the Issuer payable as to both principal and interest from special assessments levied upon the property benefitted by the construction of certain public improvements (as hereinafter described in the section entitled "THE PROJECTS"), and if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The balance of the principal and interest on the Bonds is payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Levy and Collection of Annual Tax, Transfer to Debt Service Account

The governing body of the Issuer shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, levying and collecting the necessary taxes and/or assessments upon all of the taxable tangible property within the Issuer in the manner provided by law. Such taxes and/or assessments shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer, shall thereafter be transferred to the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

Description of the Bonds

The Bonds shall consist of fully registered book-entry-only bonds in an Authorized Denomination and shall be numbered in such manner as the Bond Registrar shall determine. All of the Bonds shall be dated as of the Dated Date, become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities, and shall bear interest at the rates per annum set forth on the inside cover page of this Official Statement (computed on the basis 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 hereinafter set forth.

Designation of Paying Agent and Bond Registrar

The Issuer will at all times maintain a paying agent and bond registrar meeting the qualifications set forth in the Bond Resolution. The Issuer reserves the right to appoint a successor paying agent or bond registrar. No resignation or removal of the paying agent or bond registrar shall become effective until a successor has been appointed and has accepted the duties of paying agent or bond registrar. Every paying agent or bond registrar appointed by the Issuer shall at all times meet the requirements of Kansas law.

The Treasurer of the State of Kansas, Topeka, Kansas (the "Bond Registrar" and "Paying Agent") has been designated by the Issuer as 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.

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.

Notwithstanding the foregoing, 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. 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 an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest. 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 notify the Issuer of such Special Record Date and 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 not less than 10 days prior to such Special Record Date.

SO LONG AS CEDE & CO., REMAINS THE REGISTERED OWNER OF THE BONDS, THE PAYING AGENT SHALL TRANSMIT PAYMENTS TO THE SECURITIES DEPOSITORY, WHICH SHALL REMIT SUCH PAYMENTS IN ACCORDANCE WITH ITS NORMAL PROCEDURES. See “THE BONDS – Book-Entry Bonds; Securities Depository.”

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.

Book-Entry Bonds; Securities Depository

The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Registrar issues Replacement Bonds. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraphs.

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

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

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

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

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

Registration, Transfer and Exchange of Bonds

As long as any of the Bonds remain Outstanding, 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 hereinafter provided. Upon surrender of any Bond at the principal [corporate trust] office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Bond Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds. 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.

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent 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.

Mutilated, Lost, Stolen or Destroyed Bonds

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

Nonpresentation 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.

Redemption Provisions

Optional Redemption. At the option of the Issuer, Bonds maturing on October 1 in the years 2022, and thereafter, will be subject to redemption and payment prior to their Stated Maturity on October 1, 2021, and thereafter, as a whole at any time or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the Redemption Date.

Mandatory Redemption. (a) *2017 Term Bonds.* The 2017 Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such 2017 Term Bonds:

Principal Amount	Year
\$ 2,000	2013
5,000	2014
5,000	2015
5,000	2016
5,000	2017*

*Final Maturity

(b) *2022 Term Bonds.* The 2022 Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such 2022 Term Bonds:

Principal Amount	Year
\$ 5,000	2018
5,000	2019
5,000	2020
5,000	2021
5,000	2022*

*Final Maturity

(c) *2027 Term Bonds.* The 2027 Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such 2027 Term Bonds:

Principal Amount	Year
\$ 5,000	2023
5,000	2024
5,000	2025
5,000	2026
5,000	2027*

*Final Maturity

(d) *2032 Term Bonds.* The 2032 Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such 2032 Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$ 5,000	2028
5,000	2029
5,000	2030
10,000	2031
10,000	2032*

*Final Maturity

Selection of Bonds to be Redeemed. Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Bonds are to be redeemed and paid prior to their Stated Maturity, such Bonds shall be redeemed in such manner as the Issuer shall determine, Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in minimum Authorized Denomination in such equitable manner as the Bond Registrar may determine. In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each minimum Authorized Denomination of face value shall be treated as though it were a separate Bond of a minimum Authorized Denomination. If it is determined that one or more, but not all, of the minimum Authorized Denomination value represented by any Bond is selected for redemption, then upon notice of intention to redeem such 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 minimum Authorized Denomination 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 the minimum Authorized Denomination value called for redemption (and to that extent only).

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 and the Underwriter. 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 portion of Bonds shall cease to bear interest.

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

In addition to the foregoing notice, the Issuer shall provide such notices of redemption as are required by the Disclosure Instructions. 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.

THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each scheduled maturity of the Bonds, and will be deposited with DTC.

2. DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

10. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE PROJECTS

The Bonds are being issued for the purpose of providing permanent financing for the construction of certain internal improvements (the "Improvements"), more specifically described as follows:

Paving of Mead Drive from the South line of Lot 2 to the South line of Lot 1, Block B, Haysville Industrial Park Second Addition to the City of Haysville, Sedgwick County, Kansas, a connection to Turnpike Drive, and related sidewalk improvements

SOURCES AND USES OF FUNDS

The following table summarizes the estimated sources and uses of funds associated with the issuance of the Bonds (exclusive of accrued interest):

Sources of Funds:	
Principal Amount of the Bonds	\$ 107,000.00
Prepaid special assessments	<u>0.00</u>
Total	\$ 107,000.00
 Uses of Funds:	
Construction	\$ 82,136.45
Engineering/Inspection fees	16,916.20
Costs of Issuance, Admin., Misc.	<u>7,947.35</u>
Total	\$ 107,000.00

RISK FACTORS AND INVESTMENT CONSIDERATIONS

A PROSPECTIVE PURCHASER OF THE BONDS DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE BONDS WHICH MUST BE RECOGNIZED. THE FOLLOWING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE BONDS. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD ANALYZE CAREFULLY THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT AND ADDITIONAL INFORMATION IN THE FORM OF THE COMPLETE DOCUMENTS SUMMARIZED HEREIN, COPIES OF WHICH ARE AVAILABLE AND MAY BE OBTAINED FROM THE ISSUER OR THE UNDERWRITER.

Legal Matters

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Issuer or the taxing authority of the Issuer.

Limitations on Remedies Available to Owners of Bonds

The enforceability of the rights and remedies of the owners of Bonds, and the obligations incurred by the Issuer in issuing the Bonds, are subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

Taxation of Interest on the Bonds

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Bonds is excludable from gross income for federal income tax purposes under current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Bonds includable in gross income for federal income tax purposes.

The Issuer has covenanted in the Bond Resolution and in other documents and certificates to be delivered in connection with the issuance of the Bonds to comply with the provisions of the Code, including those which require the Issuer to take or omit to take certain actions after the issuance of the Bonds. Because the existence and continuation of the excludability of the interest on the Bonds depends upon events occurring after the date of issuance of the Bonds, the opinion of Bond Counsel described under "TAX MATTERS" assumes the compliance by the Issuer with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Bonds in the event of noncompliance with such provisions. The failure of the Issuer to comply with the provisions described above may cause the interest on the Bonds to become includable in gross income as of the date of issuance.

Proposed Legislation

On September 12, 2011, the President released a legislative proposal that would, among other things, subject interest on tax-exempt bonds (including the Bonds) to a federal income tax for taxpayers with incomes above certain thresholds for tax years beginning after 2012. The proposal has not yet passed either of the two Houses of Congress and it is not possible to predict whether this proposal will be enacted into law. If enacted into law, such a proposal could affect the value or marketability of tax-exempt bonds (including the Bonds). Prospective purchasers of the Bonds should consult their own tax advisers regarding the impact of any change in law on the Bonds.]**

Premium on Bonds

[The initial offering prices of certain maturities of the Bonds that are subject to optional redemption are in excess of the respective principal amounts thereof.]Any person who purchases a Bond in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Bonds are subject to redemption at par under the various circumstances described under “THE BONDS – Redemption Provisions.”

No Additional Interest or Mandatory Redemption upon Event of Taxability

The Bond Resolution does not provide for the payment of additional interest or penalty on the Bonds or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, the Bond Resolution does not provide for the payment of any additional interest or penalty on the Bonds if the interest thereon becomes includable in gross income for Kansas income tax purposes.

Suitability of Investment

The tax exempt feature of the Bonds is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates.]Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment.

Market for the Bonds

The Bonds are **not** rated and no application has been made for a rating.

Secondary Market. There is no assurance that a secondary market will develop for the purchase and sale of the Bonds. The absence of continuing disclosure of financial or other information pertaining to the Issuer may impair the development of a secondary market for the Bonds and could impair the ability of an owner to sell the Bonds in the secondary market. Prices of bonds traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary to suspend indefinitely secondary market trading in the Bonds as a result of financial condition or market position of broker-dealers, prevailing market conditions, lack of adequate current financial information about the Issuer, or a material adverse change in the financial condition of the Issuer, whether or not the Bonds are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

BOND RATINGS

The Issuer has **not** applied for a rating on the Bonds herein offered for sale.

ABSENCE OF LITIGATION

The Issuer, in the ordinary course of business, is a party to various legal proceedings. In the opinion of management of the Issuer, any judgment rendered against the Issuer in such proceedings would not materially adversely effect the financial position of the Issuer.

The Issuer certifies that there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the Issuer or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act or the constitutionality or validity of the indebtedness represented by the Bonds or the validity of said Bonds, or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof.

LEGAL MATTERS

Approval of Bonds

All matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas, (“Bond Counsel”). The factual and financial information appearing herein has been supplied or reviewed by certain officials of the Issuer and its certified public accountants, as referred to herein. Bond Counsel has participated in the preparation of the Official Statement but expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned “THE BONDS,” “LEGAL MATTERS,” “TAX MATTERS” and “*APPENDIX C – SUMMARY OF FINANCING DOCUMENTS.*” Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Bonds. Certain legal matters have been passed on for the Issuer by Alison McKenney Brown, Esq.

TAX MATTERS

The following is a summary of the material federal and State income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of holders subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Kansas, does not discuss the consequences to an owner under state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market at a premium or a discount. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Bond Counsel, under the law existing as of the issue date of the Bonds:

Federal Tax Exemption. The interest on the Bonds ****INCLUDE THE FOLLOWING PARENTHETICAL FOR BONDS WITH ORIGINAL ISSUE DISCOUNT:** [(including any original issue discount properly allocable to an owner thereof)] is excluded from gross income for federal income tax purposes.

Bank Qualification. The Bonds are “qualified tax-exempt obligations” for purposes of Code § 265(b)(3), and in the case of certain financial institutions (within the meaning of Code § 265(b)(5)), a deduction is allowed for 80% of that portion of such financial institutions' interest expense allocable to interest on the Bonds.

Kansas Tax Exemption. The interest on the Bonds is exempt from income taxation by the State.

No Other Opinions. Bond Counsel’s opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds.

Other Tax Consequences

[***Original Issue Discount.*** For Federal income tax purposes, original issue discount (“OID”) is the excess of the stated redemption price at maturity of such Bond over its over its issue price. The issue price of a Bond is the first price at which a substantial amount of the Bonds of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). For each Bond, the stated redemption price at maturity includes all payments on the Bond, except interest payable at least annually over the term of the Bond (“qualified stated interest”). Since the April 1, 2013, interest payment will be paid more than one year after the Bonds are issued, none of the interest payments constitute qualified stated interest, and the stated redemption price of each Bond includes all payments on the Bond.

Under Code §§ 1272 and 1288, OID on tax-exempt bonds accrues on a compound basis. The amount of OID that accrues to an owner during any accrual period generally equals: (a) the issue price of such Bond plus the amount of OID accrued in all prior accrual periods; multiplied by (b) the yield to maturity on such Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period); minus (c) any interest payable on such Bond during such accrual period. The amount of OID so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in such Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.]**

[**Original Issue Premium.** If a Bond is issued at a price that exceeds the stated redemption price at maturity of the Bond, the excess of the purchase price over the stated redemption price at maturity constitutes "premium" on that Bond. Under Code § 171, the purchaser of that Bond must amortize the premium over the term of the Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for Federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no Federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent the Bonds are held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on Bonds, and to the proceeds paid on the sale of Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.]**

FINANCIAL ADVISOR

George K. Baum & Company, Wichita, Kansas, has acted as Financial Advisor to the Issuer in connection with the sale of the Bonds. The Financial Advisor has assisted the Issuer in the preparation of this Official Statement and in other matters relating to the issuance of the Bonds.

UNDERWRITING

The Bonds have been sold at public sale by the Issuer to _____, _____, _____ (the "Underwriter") on the basis of lowest net interest cost. [] bids were received by the Issuer. The Underwriter has agreed, subject to certain conditions, to purchase the Bonds at a price equal to the principal amount of the Bonds, plus accrued interest from the Dated Date to the Issue Date[, plus a premium of \$_____][, less an underwriting discount of \$_____].]

The Bonds will be offered to the public initially at the prices determined to produce the yield to maturity or applicable redemption date set forth on the inside cover page of this Official Statement. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at prices other than the price stated on the inside cover page hereof and may change the initial offering price from time to time subsequent to the date hereof. In connection with the offering, the Underwriter may over allot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

AUTHORIZATION OF OFFICIAL STATEMENT

The preparation of this Official Statement and its distribution has been authorized by the governing body of the Issuer as of the date on the cover page hereof. This Official Statement is submitted in connection with the issuance of the Bonds and may not be reproduced or used as a whole or in part for any other purpose. This Official Statement does not constitute a contract between the Issuer or the Underwriter and any one or more of the purchasers, Owners or Beneficial Owners of the Bonds.

CITY OF HAYSVILLE, KANSAS

By _____
Ken Hampton, Mayor

By: _____
Janie Cox, City Clerk/Treasurer

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APPENDIX A

INFORMATION CONCERNING THE ISSUER

GENERAL

Size and Location

The City of Haysville, Kansas (the "City") is located just south and adjacent to the City of Wichita, Kansas. The City is one of the older residential communities in Sedgwick County and has long served as a suburban marketing, banking, and community center. Many of the residents of the City work in the metropolitan Wichita area, and thus enjoy the benefits of living in a smaller community with employment opportunities afforded by a metropolitan area. The City encompasses approximately 4.41 square miles and has a current estimated population of 10,826 persons.

Government and Organization of the Issuer

The City was originally incorporated in 1951 and is a city of the second class.

The City operates under the Mayor-Council form of government. The eight members, elected by wards, serve four year terms. The Mayor, elected at large for four-year terms, presides over Council meetings and appoints certain City officials, subject to Council approval.

The following tables list the governing body and administration of the City:

Elected Officials

<u>Name</u>	<u>Title</u>	<u>Term Began</u>	<u>Term Expires</u>
Ken Hampton	Mayor	April, 2009	April, 2013
Keith Pierce	Council Member	April, 2004	April, 2015
Michael Conrady	Council Member	April, 2009	April, 2013
Derrick Slocum	Council Member	March, 2008	April, 2013
Seth Konkel	Council Member	April, 2011	April, 2015
Bob Rardin	Council Member	April, 2011	April, 2015
Pat Ewert	Council Member	April, 2005	April, 2013
Russ Kessler	Council Member	April, 2011	April, 2015
Michael Kanaga	Council Member	December, 2006	April, 2013

Administration

<u>Name</u>	<u>Title</u>
Carol Neugent	Director of Governmental Services
Janie Cox	City Clerk / Treasurer
William Black	Comptroller
Alison McKenney Brown	City Attorney
Jeff Whitfield	Police Chief
Randal Dorner	Public Works Director
Georgie Carter	Recreation Director

Municipal Services and Utilities

The City owns its municipal water system, sewage system and treatment plant, city hall, senior center, sports complex, swimming pool, recreation center and a complete network of hard surface streets. Other utilities are provided by private corporations. Westar Energy supplies electricity to the area and Kansas Gas Services supplies natural gas. Telephone service is provided by AT&T. Cox Communications, Inc. provides the City with cable television. INTRUST Bank, N.A., Emprise Bank and Community Bank provide financial and banking services to the community, as well a credit union, Central Star Credit Union.

The City has 26 sworn police officers. Sedgwick County provides fire protection for the City and operates an emergency ambulance service for the area.

Transportation and Communication Facilities

The City has excellent transportation facilities provided by U.S. Highway #81, and is located adjacent to the Kansas Turnpike with the Haysville-Derby terminal of the Turnpike providing easy access. The City's communication system is served by a daily and two (2) weekly newspapers (excluding weekends and holidays), cable television, and postal service.

Educational Institutions and Facilities

Unified School District No. 261 operates six elementary schools, two middle schools, and one senior high school in the City and surrounding area. As of the 2010/2011 fall semester, Unified School District No. 261 has a current enrollment of 5,267 students. Wichita State University, Friends University, and Newman University are all located nearby in the City of Wichita, Kansas.

Medical and Health Facilities

There is one (1) nursing home located within the City. Four medical doctors currently practice in the City.

Recreational, Cultural and Religious Facilities

There is recreation available in the area including sporting events, parks, swimming pools, golf courses, and tennis courts. Each year the City of Haysville has three (3) annual festivals, a Farm and Art Market and a Village Christmas in the Historic District. Additionally, cultural opportunities such as community theater, symphony, and museums are located near the City. Thirteen (13) churches serve the community.

ECONOMIC INFORMATION

Commerce, Industry and Employment

The City is located south and adjacent to the City of Wichita and is surrounded by industrial activities. McConnell Air Force Base, Spirit Aerosystems, Boeing Military Airplane Company, Cessna Aircraft Company, Bombardier Learjet, KG&E generating plant, Air Products, Weckworth-Langdon, and (OXY) Basic Chemicals Co., LLC are all located nearby. The Haysville area has considerable acreage that has been planted for the commercial production of peaches, apples, and strawberries.

Major Employers

Listed below are the major employers located in City and the number employed by each:

<u>Major Employers</u>	<u>Product/Service</u>	<u>Number of Full- & Part-time Employees</u>
1. Haysville U.S.D #261	Education	840
2. Weckworth-Langdon	Fabrication	260
3. City of Haysville	Governmental Services	125
4. Haysville Health Care	Medical Care	120
5. Three R Construction	Mechanical Contractor	56
6. Homeland	Retail Food Sales	50
7. Little Caesar's	Electrical Construction	27
8. Jojac's Lawn Care	Landscaping	15
9. Bionic Burger	Restaurant	15
10. Form Systems	Manufacture Foam Blocks	9

Source: City Clerk

Labor Force

The following table sets forth labor force figures for Sedgwick County and the State of Kansas:

SEDGWICK COUNTY

<u>Average For Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2006	245,418	234,148	11,270	4.6 %
2007	249,635	239,351	10,284	4.1 %
2008	252,926	241,677	11,249	4.4 %
2009	257,857	235,524	22,333	8.7 %
2010	253,045	231,064	21,981	8.7 %

STATE OF KANSAS

<u>Average For Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2006	1,468,402	1,403,938	64,464	4.4 %
2007	1,477,051	1,415,942	61,109	4.1 %
2008	1,488,421	1,421,107	67,314	4.5 %
2009	1,508,422	1,401,609	106,813	7.1 %
2010	1,502,313	1,396,558	105,755	7.0 %

Source: Kansas Department of Labor

Retail Sales Tax Collections

The following table lists State of Kansas sales tax collections for the years indicated for sales occurring in Sedgwick County, Kansas:

<u>Year</u>	<u>Sales Tax Collections</u>	<u>Per Capita Sales Tax</u>
2006	\$ 368,501,631	\$ 766.39
2007	379,863,650	794.69
2008	394,352,424	819.88
2009	372,706,268	789.83
2010	408,062,880	756.85

Source: Kansas Statistical Abstract

Oil Production

The oil production (in number of barrels) for Sedgwick County for the years listed is indicated in the following table:

<u>Year</u>	<u>Oil Production</u>	<u>Producing Oil Wells</u>
2006	132,657	125
2007	131,332	125
2008	125,874	129
2009	121,975	123
2010	129,088	127

Source: Kansas Statistical Abstract

Financial and Banking Institutions

There are currently 39 banks located in Sedgwick County. For the years listed, bank deposits of the County's banks are as follows (in thousands of dollars):

<u>Year</u>	<u>Total Bank Deposits</u>
2006	\$ 7,540,000
2007	7,623,000
2008	7,933,000
2009	8,509,000
2010	9,577,000

Source: Kansas Statistical Abstract

Building Permits

The following table indicates the number of building permits and total valuation of these permits issued within the City for the years indicated. These numbers reflect permits issued either for new construction or for major renovation.

<u>Year</u>	<u>Permits Issued</u>		<u>Total Value of Permits Issued</u>	
	<u>Residential</u>	<u>Non-Residential</u>	<u>Residential</u>	<u>Non-Residential</u>
2007	130	18	\$ 7,479,365	\$ 20,338,333
2008	74	6	8,124,469	3,271,389
2009	48	11	8,013,703	544,107
2010	65	12	2,659,140	2,756,930
2011	42	6	929,636	3,588,159

Source: City Clerk

Population Trends

The following table shows the approximate population of the City and Sedgwick County in the years indicated:

<u>Year</u>	<u>City of Haysville</u>	<u>Sedgwick County</u>
	<u>Population</u>	<u>Population</u>
2006	10,038	466,061
2007	10,193	476,026
2008	10,364	482,863
2009	10,496	490,864
2010	10,826	498,365

The median age of persons in Sedgwick County and the State of Kansas is 34.2 and 36.0, respectively, per the 2010 Census.

Source: Kansas Statistical Abstract

Personal Income Trends

Sedgwick County personal and per capita income and the State of Kansas per capita income are listed for the years indicated, in the following table:

<u>Year</u>	<u>Sedgwick County</u>	<u>Sedgwick County</u>	<u>State of Kansas</u>
	<u>Total Personal Income</u>	<u>Per Capita Income</u>	<u>Per Capita Income</u>
2005	\$ 16,098,769	\$ 34,667	\$ 33,145
2006	18,001,471	38,437	35,772
2007	18,555,265	39,058	37,775
2008	19,699,911	40,844	40,022
2009	19,296,648	39,312	39,173

Source: Bureau of Economic Analysis

FINANCIAL INFORMATION

Accounting, Budgeting and Auditing Procedures

The City follows a modified accrual basis of accounting for all tax supported funds of the City, including the General Fund. An accrual basis of accounting is utilized for proprietary funds.

An annual budget of estimated receipts and disbursements for the coming calendar year is required by statute to be prepared for all funds (unless specifically exempted). The budget is prepared utilizing the modified accrual basis which is further modified by the encumbrance method of accounting. For example, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes. The proposed budget is presented to the governing body of the City prior to August 1, with a public hearing required to be held prior to August 15, with the final budget to be adopted prior to August 25 of each year. Budgets may be amended upon action of the governing body after notice and public hearing, provided that no additional tax revenues may be raised after the original budget is adopted.

Kansas law prohibits governmental units from creating indebtedness unless there are funds on hand in the proper accounts and unencumbered by previous action with which to pay such indebtedness. An exception to this cash-basis operation is made where provision has been made for payment of obligations by bonds or other specific debt obligations authorized by law.

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. In recent years, the annual audit has been performed by George, Bowerman & Noel, P.A., Wichita, Kansas. Copies of the audit reports for the past five (5) years are on file in the Clerk's office and are available for review. The audit for the Fiscal Year ended December 31, 2010 is attached hereto as *Appendix B*.

The financial information contained in the Appendices to this Official Statement are an integral part of this document and are intended to be read in conjunction herewith.

Sources of Revenue

The City finances its general operations through the local property tax levy, various other taxes, a variety of license and permit fees, and other miscellaneous sources as indicated below for the current Fiscal Year:

<u>Source</u>	<u>Percent</u>
Local property tax	34 %
Sales Tax	27
Miscellaneous	14
Franchise fees	12
Payments made by utility enterprises	5
Fines and penalties	5
License and permits	3

Source: City Clerk

Property Valuations

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the state of Kansas is the responsibility of the various counties under the direction of state statutes. The Sedgwick County Appraiser's office determines the assessed valuation that is to be used as a basis for the mill levy on property located in the City.

All property in the state of Kansas has been reevaluated as a result of a bill passed by the 1985 session of the Kansas Legislature requiring county appraisers to reassess property for tax purposes, with an effective date of January 1, 1989. In conjunction with the November 1986 general election, Kansas voters approved a proposition to modify the state constitution with respect to classification of property for ad valorem taxation. For taxable years 1989 through 1992, real and personal property was divided into classes and assessed at different percentages of fair market value. Land devoted to agricultural use was valued on the basis of its agricultural income or productivity and assessed at 30% of the value so obtained; commercial and industrial machinery and equipment was assessed at 20% of its fair market value; residential property and vacant lots were assessed at 12% of fair market value; and all other property was assessed at 30% of fair market value. Farm machinery and equipment, merchants' and manufacturers' inventories, and livestock were exempt from property taxation.

In conjunction with the November, 1992 general election, Kansas voters approved a proposition to further modify the state constitution with respect to classification of property for ad valorem taxation. The modified classification provisions shall be effective for assessment and taxation of property on and after January 1, 1993 and each year thereafter. Property is divided into two classes, real property and personal property. Real property is divided into seven subclasses; there are six subclasses of personal property. The real property (Class 1) subclasses are: (i) real property used for residential purposes including multi-family mobile or manufactured homes and the real property on which such homes are located, assessed at 11.5%, (ii) agricultural land, valued on the basis of agricultural income or productivity, assessed at 30%, (iii) vacant lots, assessed at 12%, (iv) real property, owned and operated by a not-for-profit organization not subject to federal income taxation, pursuant to Section 501 of the Internal Revenue Code, assessed at 12%, (v) public utility real property, except railroad real property, assessed at the average rate that all other commercial and industrial property is assessed, assessed at 33%, (vi) real property used for commercial and industrial purposes and buildings and other improvements located on land devoted to agricultural use, assessed at 25%, and (vii) all other urban and real property not otherwise specifically classified, assessed at 30%. Tangible personal property (Class 2) subclasses are: (i) mobile homes used for residential purposes, assessed at 11.5%, (ii) mineral leasehold interests, except oil leasehold interests, the average daily production from which is 5 barrels or less, and natural gas leasehold interests, the average daily production from which is 100 mcf or less, which shall be assessed at 25%, assessed at 30%, (iii) public utility tangible personal property, including inventories thereof, except railroad personal property, including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed, assessed at 33%, (iv) all categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985, assessed at 30%, (v) commercial and industrial machinery and equipment which if its economic life is 7 years or more, shall be valued at its retail cost, when new, less seven-year straight-line depreciation, or which, if its economic life is less than 7 years, shall be valued at its retail cost when new, less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property, assessed at 25%, and (vi) all other tangible personal property not otherwise specifically classified, assessed at 30%. All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories, other than public utility inventories included in subclass (3) of class 2, livestock, and all household goods and personal effects not used for the production of income, shall be exempted from property taxation.

The 2006 Kansas Legislature exempted from all property or ad valorem property taxes levied under the laws of the State all commercial, industrial, telecommunications and railroad machinery and equipment acquired by qualified purchase or lease after June 30, 2006 or transported into the State after June 30, 2006 for the purpose of expanding an existing business or creation of a new business.

Assessed Valuation

The following table shows the assessed valuation of the taxable tangible property within the City for the following years:

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utilities</u>	<u>Motor Vehicles</u>	<u>Total Valuation</u>
2007	\$ 46,734,876	\$ 2,222,648	\$ 1,710,534	\$ 10,339,636	\$ 61,007,694
2008	51,493,843	1,905,611	1,707,283	10,506,803	65,613,540
2009	50,817,413	1,758,022	1,686,768	10,462,197	64,724,400
2010	50,807,163	1,168,704	1,767,046	10,259,078	64,001,991
2011 ¹	51,059,879	1,177,388	1,914,803	10,259,078 ²	64,411,148

¹ Preliminary 2011 assessed valuation figures used for budgeting purposes

² 2010 Motor Vehicle Valuation used, 2011 are not available yet

Source: County Clerk

Property Tax Levies and Collections

Tax Collections:

Tax statements are mailed November 1 each year and may be paid in full or one-half on or before December 20 with the remaining one-half due on or before May 10 of the following year. Taxes that are unpaid on the due dates are considered delinquent and accrue interest at a per annum rate established by State law until paid or until the property is sold for taxes. Real estate bearing unpaid taxes is advertised for sale on or before August 1 of each year and is sold by the County for taxes and all legal charges on the first Tuesday in September. Properties that are sold and not redeemed within two years after the tax sale are subject to foreclosure sale, except homestead properties which are subject to foreclosure sale after three years.

Personal taxes are due and may be paid in the same manner as real estate taxes, with the same interest applying to delinquencies. If personal taxes are not paid when due, and after written notice, warrants are issued and placed in the hands of the Sheriff for collection. If not paid on or before October 1, legal judgment is entered and the delinquent tax becomes a lien on the property. Unless renewed, a non-enforced lien expires five years after it is entered.

Motor vehicle taxes are collected periodically throughout the year concurrently with the renewal of motor vehicle tags based upon the value of such vehicles. Such tax receipts are distributed to all taxing subdivisions, including the State of Kansas, in proportion to the number of mills levied within each taxpayer's tax levy unit.

Tax Rates:

The City may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the City and the assessed valuations provided by the County appraiser. Prior to July 1, 1999, tax levies were further restricted by a state aggregate tax lid. The funds of the City restricted by such tax lid included the general fund, capital improvement funds and special improvement funds. Levies not effected by such tax lid included debt service payments on bonds, notes and no fund warrants; payments made to a public building commission; expenses related to tort claim liability, employer contributions for employee retirement, health care and benefit programs, expenses incurred for rebates to owners of property in connection with neighborhood revitalization programs and certain expenses incurred for the by cities in administering juvenile delinquency and crime programs.

The following table shows the City's mill levies by fund (per \$1000 of assessed valuation) for each of the years indicated and the current year:

<u>Year</u>	<u>General Fund</u>	<u>Bond & Interest Fund</u>	<u>Library Fund</u>	<u>Other Funds</u>	<u>Total Levy</u>
2006	34.028	3.163	5.242	2.771	45.204
2007	33.705	6.785	5.246	2.705	48.441
2008	31.732	8.793	5.248	2.635	48.408
2009	31.744	9.087	5.252	2.342	48.425
2010	31.704	9.107	5.261	2.349	48.421

Source: County Clerk

Aggregate Tax Levies:

The aggregate tax levies (per \$1000 assessed valuation) of the City and overlapping jurisdictions for the years indicated are included in the following table:

<u>Fiscal Year</u>	<u>City</u>	<u>U.S.D. No. 261</u>	<u>Sedgwick County</u>	<u>Sedgwick Co. Fire District</u>	<u>State of Kansas</u>	<u>Total Mill Levy</u>
2006	45.204	54.955	31.315	18.469	1.500	151.443
2007	48.441	58.892	31.333	18.482	1.500	158.648
2008	48.408	58.849	30.377	18.501	1.500	157.635
2009	48.425	60.076	29.868	18.447	1.500	158.316
2010	48.421	62.180	29.359	18.336	1.500	159.796

Source: County Clerk

Tax Collection Record:

The following table sets forth tax collection information for the City for the years indicated:

<u>Year</u>	<u>Total Levy</u>	<u>Current Taxes Collected</u>			<u>Current & Delinquent Taxes Collected</u>	
		<u>Total Taxes Levied</u>	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2004/05	45.673	\$ 2,601,997	\$ 2,469,159	94.9 %	\$ 2,588,771	99.5 %
2005/06	45.402	2,787,149	2,590,823	93.0	2,670,965	95.9
2006/07	45.204	2,903,600	2,729,638	94.0	2,859,684	98.4
2007/08	48.441	3,389,394	3,229,897	95.3	3,369,807	99.4
2008/09	48.408	3,703,740	3,434,627	92.7	3,606,237	97.3
2009/10	48.425	3,784,364				
2010/11			In process	In process	In process	In process

Source: County Clerk/Treasurer

Major Taxpayers:

The following table sets forth the ten largest taxpayers in the City for taxes levied in the most recent tax collection period:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxes Paid</u>
1. Kansas Gas & Elec. – A Westar Energy Co.	\$ 657,949	\$ 105,210
2. BP Investors	625,000	99,872
3. Kansas Gas Service-A Division of Oneok	599,254	95,837
4. Haysville Housing Assoc LTD PTSHP	542,766	86,836
5. Bridgewater Apartments	378,937	60,565
6. Southwestern Bell Telephone Company	273,594	43,746
7. Peachwood LLC	243,116	38,916
8. Peach Tree Plaza Tower Co	232,726	37,142
9. Intrust Bank NA	226,303	36,225
10. Form Systems Inc	198,300	31,687

Source: County Clerk

Risk Management

The City is insured against the risks arising from general liability by EMC Company.

History of Employment

The following table indicates the history of the Issuer's employment for the years indicated.

<u>Year</u>	<u>Total Full-Time Employees</u>	<u>Total Part-Time Employees</u>	<u>Total</u>
2007	100	116	216
2008	95	107	202
2009	76	55	131
2010	76	45	121
2011	74	51	125

Source: City Clerk

Employee Relations

Employee relations are characterized as good.

Pension and Employee Retirement Plans

The City participates in the Kansas Public Employees Retirement System (KPERS) established in 1962, as an instrumentality of the State, pursuant to K.S.A. § 74-4901 *et seq.*, to provide retirement and related benefits to public employees in Kansas. KPERS is governed by a board of trustees consisting of nine members, including four members appointed by the Governor subject to confirmation by the State Senate, one appointed by the President of the Senate, one appointed by the Speaker of the House of Representatives, two elected by members and retirants of the retirement system, which must be members of such system, and the State Treasurer. Members of the board of trustees serve four-year terms and elect a chairperson annually. The board of trustees appoints an Executive Director to serve as the managing officer of KPERS and employs a staff of approximately 95 people.

As of June 30, 2009, KPERS served nearly 270,000 members and more than 1,490 participating employers, including the State, school districts, counties, cities, public libraries, hospitals and other governmental units. KPERS administers the following three statewide, defined benefit retirement plans for public employees:

- (a) Kansas Public Employees Retirement System;
- (b) Kansas Police and Firemen's Retirement System; and
- (c) Kansas Retirement System for Judges.

These three plans are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Kansas Public Employees Retirement System is the largest of the three plans, accounting for more than 95% of the members. The Kansas Public Employees Retirement System is further divided into two separate groups, as follows:

- (a) *State/School Group* - includes members employed by the State, school districts, community colleges, vocational-technical schools and educational cooperatives. The State of Kansas makes all employer contributions for this group, 85% of which comes from the State General Fund. State legislation enacted in 2003 made certain pre-1962 Board employees (which are part of a small group of pre-1962 Board and University of Kansas Hospital Authority employees known as the "TIAA Group"), special members of the State/School Group.
- (b) *Local Group* - all participating cities, counties, library boards, water districts and political subdivisions are included in this group. Local employers contribute at a different rate than the State/School Group rate. State legislation enacted in 2003 made certain pre-1962 employees of the University of Kansas Hospital Authority (which are a part of a small group of pre-1962 Board and University of Kansas Hospital Authority employees known as the "TIAA Group"), special members of the Local Group.

KPERS is a qualified, governmental, Section 401(a) defined benefit pension plan, and has received IRS determination letters attesting to the plan's qualified status dated October 14, 1999 and March 5, 2001. KPERS is also a "contributory" defined benefit plan, meaning that employees make contributions to the plan. This contrasts it from noncontributory pension plans (more common in the private sector), which are funded solely by employer contributions. The City's employees annually contribute 4% of their gross salary to the plan. The Issuer's contribution varies from year to year based upon the annual actuarial valuation and appraisal made by KPERS, subject to legislative caps on percentage increases. The Issuer's contribution is 7.14% of the employee's gross salary for the period beginning January 1, 2010 through December 31, 2010.

DEBT STRUCTURE

Debt Summary

The following table summarizes certain key statistics with respect to the Issuer's general obligation debt, including the Bonds and excluding the Refunded Notes:

Debt Summary (As of November 1, 2011)	<u>City Debt</u>
Estimated Actual Fair Market Value of Tangible Property ¹	\$ 468,715,417
Equalized Assessed Valuation of Tangible Valuation for Computation of Bonded Debt Limitations ²	\$ 64,411,148
Legal limitation of Bonded Debt ³	\$ 19,323,344
Outstanding General Obligation Debt.....	\$ 17,722,000
Statutory Exempt Debt.....	\$ 5,554,932
Net Debt Against Debt Limit Capacity.....	\$ 12,167,068
Additional Debt Capacity.....	\$ 7,156,276
Direct Debt Per Capita (Population = 10,826).....	\$ 1,636.99
Overlapping Debt	\$ 25,477,863
Total Direct and Overlapping Debt.....	\$ 43,199,863
Direct and Overlapping Debt Per Capita.....	\$ 3,990.38
Direct Debt as a Percentage of Assessed Valuation.....	27.51 %
Direct and Overlapping Debt as a Percentage of Assessed Valuation	67.07 %
Statutory Direct Debt as a Percentage of Assessed Valuation.....	18.89 %
Direct Debt as a Percentage of Actual Fair Market Value	3.78 %
Direct and Overlapping Debt as a Percentage of Actual Fair Market Value.....	9.22 %

¹See "**Property Valuations**" *infra*

² The assessed value of all tangible taxable property within the Issuer, as certified to the County Clerk on the preceding August 25. Also includes the 2009 taxable value of motor vehicles within the Issuer. See K.S.A. 10-301 *et seq.*

³K.S.A. 10-301 *et seq.*

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Current Indebtedness of the Issuer

The following table sets forth as of the date of issuance of the Bonds all of the outstanding obligations of the Issuer including the Bonds and excluding the Refunded Bonds:

GENERAL OBLIGATION BONDS					
<u>Category of Indebtedness</u>	<u>Date of Indebtedness</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>	<u>Exempt From Debt Limit</u>
Series 2002 G. O. Int. Improvements	10/1/02	10/1/17	\$ 3,875,000	\$ 1,880,000	\$ 619,460
Series 2004 G. O. Int. Improvements	9/1/04	10/1/19	4,083,000	2,535,000	461,117
Series 2004-2, G.O. Int. Improvements	12/1/04	11/1/20	970,000	105,000	0
Series 2006 G.O. Bonds	3/1/06	10/1/21	1,520,000	1,140,000	498,864
Series 2007 G.O. Bonds	8/1/07	10/1/27	4,442,000	3,830,000	83,862
Series 2008 G.O. Bonds	9/12/08	10/1/28	3,175,000	2,705,000	1,528,055
Series 2009 G.O. Refunding Bonds	12/1/09	10/1/16	2,340,000	1,555,000	823,373
Series 2010 G.O. Bonds	4/15/10	10/1/30	4,055,000	3,865,000	1,540,203
Series 2011 (this issue)	11/1/11	10/1/32	107,000	107,000	0
Total				\$ 17,722,000	\$ 5,554,932

REVENUE OBLIGATIONS

<u>Description of Indebtedness</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
Water & Wastewater Utility System Refunding Revenue Bonds, Series 2002	10/15/02	10/1/16	\$ 3,270,000	\$ 1,780,000

Source: Clerk

History of General Obligation Indebtedness

The following table sets forth general obligation debt information (excluding Notes) pertaining to the Issuer as of the end of each of the years indicated:

<u>Year</u>	<u>Total Debt</u>	<u>Debt As Percentage of Assessed Value</u>	<u>Debt Per Capita</u>
2007	\$ 15,667,000	25.9 %	\$ 1,537.04
2008	17,705,000	27.0	1,708.32
2009	16,330,000	25.3	1,555.83
2010	19,165,000	29.9	1,770.27
2011	17,722,000	27.5	1,636.99

Source: Clerk

The City has never in its history defaulted on the payment of any of its debt obligations.

General Obligation Debt Service Requirements

The following debt service schedule shows the yearly principal and interest requirements for this issue.

Debt Service Schedule

Series 2011 Bonds			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 2,000		
2014	5,000		
2015	5,000		
2016	5,000		
2017	5,000		
2018	5,000		
2019	5,000		
2020	5,000		
2021	5,000		
2022	5,000		
2023	5,000		
2024	5,000		
2025	5,000		
2026	5,000		
2027	5,000		
2028	5,000		
2029	5,000		
2030	5,000		
2031	10,000		
2032	<u>10,000</u>		
Total	\$ 107,000		

Source: Clerk

Lease Obligations

In addition to the foregoing debt obligations, the City has entered into the following lease obligations. The lease obligations of the City constitute valid and binding obligations of the City in accordance with their terms, subject to funds budgeted and appropriated for that purpose during the municipality's current budget year or funds made available from any lawfully operated revenue producing source as per K.S.A. 10-1116b.

<u>Date</u>	<u>Purpose</u>	<u>Term</u>	<u>Amount Outstanding</u>
2/10/08	Backloader	48 Months	\$ 27,049

Certificates of Participation

<u>Issue</u>	<u>Dated Date</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
Series 2007 Refunding & Impr.	10/1/07	\$ 590,000	9/1/2017	\$ 375,000

Source: Clerk

Overlapping Indebtedness

The following table sets forth overlapping indebtedness as of December 1, 2009, and the percent attributable (on the basis of assessed valuation) to the City:

<u>Taxing Jurisdiction</u>	<u>2011 Assessed Valuation (including 2011 Motor Vehicle)</u>	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to Issuer</u>	<u>Amount Applicable to Issuer</u>
Sedgwick County	\$ 4,836,769,081	\$ 78,970,000	1.33 %	\$ 1,050,301
U.S.D. No. 261*	156,675,970	59,420,000	41.11	<u>24,427,562</u>
Total				\$ 25,477,863

* Under the current school finance formula, the State of Kansas for FY 2011 will pay 58% of the debt service on the USD 261's outstanding general obligation indebtedness.

Future Indebtedness

The Issuer does not plan to incur indebtedness in the coming months.

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APPENDIX B

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
(FOR THE FISCAL YEAR ENDED 12/31/2010)**

APPENDIX C

SUMMARY OF FINANCING DOCUMENTS



CITY OF HAYSVILLE, KANSAS

401 S. Jane-P.O. Box 404-Haysville, Kansas 67060

(316) 529-5940~Fax (316) 529-5945

www.haysville-ks.com

To: The Honorable Mayor, Ken Hampton
Haysville City Councilmembers

From: Randal Dorner
City of Haysville
Public Works Director

Date: October 5, 2011

Re: Signalization Materials/Grand & Meridian

Following is a list of materials needed to install the Traffic Signals at Grand & Meridian. This list includes everything but electricity from Westar, the street lights and installation. That information will be presented at a later date.

- Vehicle Signals w/LED's, Mounting Brackets and Backplates
- Pedestrian Signals w/Countdown LED's, Mounting Brackets and Pushbuttons
- R10-12 Signs w/Mounting Brackets
- Street Name Signs w/Mounting Brackets
- EPAC Controller in Cabinet with Plug-Ins
- Mast Arms and Poles w/Luminaire Arms and Anchorage
- Uninterruptible Power Supply
- Video Detection System (4Camera-Includes Cable)

All material is per KDOT specifications and black in color.

We are requesting authorization to order these materials from Gades Sales Co. Inc., Wichita, Kansas, for a Lot Price of \$69,484.00.

A handwritten signature in black ink that reads "Randal Dorner".

Randal Dorner
City of Haysville
Public Works Director



CITY OF HAYSVILLE, KANSAS

401 S. Jane-P.O. Box 404-Haysville, Kansas 67060

(316) 529-5940~Fax (316) 529-5945

www.haysville-ks.com

To: The Honorable Mayor, Ken Hampton
Haysville City Councilmembers

From: Randal Dorner
City of Haysville
Public Works Director

Date: October 5, 2011

Re: RAS Pump Replacement Parts/WWTP

Following is a list of replacement parts needed to rebuild the RAS (Return Activated Sludge) pump at the Wastewater Treatment Plant.

IMPELLER CCW,2VN,NO RG,25FR	\$1978.00
IMPELLAR SCREW	70.00
SHAFT	820.00
MISC. HARDWARE	100.00

We are requesting authorization to purchase the above listed Fairbank parts and miscellaneous hardware to rebuild the RAS pump at the Wastewater Treatment Plant. Not to exceed \$2968.00.

Randal Dorner
City of Haysville
Public Works Director



CITY OF HAYSVILLE, KANSAS

401 S. Jane-P.O. Box 404-Haysville, Kansas 67060

(316) 529-5940~Fax (316) 529-5945

www.haysville-ks.com

To: The Honorable Mayor, Ken Hampton
Haysville City Councilmembers

From: Randal Dorner
City of Haysville
Public Works Director

Date: October 5, 2011

Re: Project No. 092211-C/Slurry Seal Bid

We previously accepted the bid from South Central Sealing for "Slurry Seal" of certain streets on September 26, 2011. The Unit price was \$1.82 per square yard and was bid at 18,012 square yards for a total price of \$32,781.84. South Central Sealing has agreed to drop their price to \$1.75 per square yard with the addition of the following list of streets:

- S. Ward Parkway
- Hillcrest
- N. Delos
- S. Hungerford
- Freeman
- 100 Blk. Of N. Ward Parkway

This would add 21,796 square yards at an additional price of \$38,142.61, for a Total Cost of \$69,664.00.

We are requesting authorization to add the above named streets and square yardage to this project.

A handwritten signature in black ink that reads "Randal Dorner".

Randal Dorner
City of Haysville
Public Works Director



CITY OF HAYSVILLE, KANSAS

401 S. Jane-P.O. Box 404-Haysville, Kansas 67060

(316) 529-5940~Fax (316) 529-5945

www.haysville-ks.com

To: The Honorable Mayor, Ken Hampton
Haysville City Councilmembers

From: Randal Dorner
City of Haysville
Public Works Director

Date: October 5, 2011

Re: Project No. 092211-B/Street Patching, Various Locations Bid

On September 26, 2011, we accepted the bid from APAC for “Street Patching, Various Locations”. We are requesting to add thirteen (13) yards of 4” depth at \$25.47 per square yard for a total additional cost of \$331.11 and two (2) yards of 6” depth at \$47.91 per square yard for a total additional cost of \$95.82 for water dig repairs and Willow Lane.

We are requesting authorization to accept the additional cost total of \$426.93 from APAC for a total bid cost of \$7,622.15.

A handwritten signature in black ink that reads "Randal Dorner".

Randal Dorner
City of Haysville
Public Works Director

VENDOR NO NAME	PAYMENT AMT
5 AAA PORTABLE SERVICES LLC	110.00
10 A & E ANALYTICAL	85.00
100 AMSAN	188.76
361 AMERICAN SOCCER CO	268.30
530 AUSTIN DISTRIBUTING	146.80
577 B & B ELECTRIC MOTOR CO	56.23
720 BEST SUPPLY CO INC	126.95
774 BIG A WHOLESALE ELECTRIC	767.54
777 BIG TOOL STORE	38.47
830 B-R-C BEARING COMPANY INC	148.98
836 BRENNTAG SW	504.30
972 CONSOLIDATED ELECTRICAL D	2,645.08
975 CMI INC	41.76
996 CAPITAL ONE BANK N A	744.17
1084 CENTRAL SECTION IMSA	365.00
1130 CHANCE TRANSMISSIONS INC	458.65
1170 CITY BLUE PRINT INC	65.00
1303 COOKE CO	67.97
1485 DELL MARKETING LP	1,473.00
1565 DIVISION OF ENVIRONMENT	185.00
1632 EAGLE EYE SIGN RENTAL COM	240.00
1640 ECK, RUSTY ECK FORD	264.38
1674 E GRAF-X	206.00
1781 EXPRESS SERVICES INC	3,962.51
1860 FERGUSON ENTERPRISES INC	97.75

VENDOR NO NAME	PAYMENT AMT
1975 FRY & ASSOCIATES INC	43.42
2150 GRAINGER	167.32
2230 HACH COMPANY	302.65
2246 HAMPEL OIL	7,785.42
2266 HASTY AWARDS	324.90
2360 HAYSVILLE SUN TIMES	456.00
2367 HAYSVILLE TRUE VALUE	966.02
2535 HOWARD'S INC	155.66
2682 INTERLINGUAL SERVICES	45.00
2695 INTERNATIONAL CODE COUNCI	85.75
2770 J D'S GRAPHICS	90.00
2874 K & A PROPERTY MAINT	630.00
3050 KANSAS FIRE EQUIPMENT CO	93.25
3065 KK OFFICE SOLUTIONS INC	111.55
3140 KDOR-CONCESSION	541.98
3150 KDOR WATER SALES TAX	867.73
3248 KANSASLAND TIRE	607.08
3295 KANSAS ONE-CALL SYSTEM IN	163.80
3350 KANSAS STATE TREASURER	1,915.00
3500 KONICA MINOLTA BUS SYS	253.73
3502 KONICA MINOLTA PREMIERE	343.75
3810 MADRIGAL & WELCH	19,624.00
3860 MAXIMUM OUTDOOR EQUIPMENT	696.13
3906 MCCONNELL & ASSOCIATES	2,452.00
3964 METRO APPAREL IMPRINT CO	1,259.90

VENDOR NO NAME	PAYMENT AMT
4048 MIDWEST SINGLE SOURCE INC	234.95
4346 NEW DAVID	73.00
4348 NEW MEDICAL HEALTH CARE	377.50
4406 PACE ANALYTICAL SERVICES	219.00
4465 PAVING MAINT SUPPLY	31.10
4520 PETTY CASH	891.17
4642 POSITIVE PROMOTIONS INC	822.34
4648 POORMAN'S AUTO SUPPLY #5	103.62
4662 POWERPLAN	31.89
4716 PROCOM LMR INC	127.74
4750 PROFESSIONAL ENGINEERING	6,598.11
4860 QUILL CORPORATION	265.81
5231 SAM'S CLUB	584.34
5326 SEDG CTY ANIMAL CONTROL	145.00
5330 SEDGWICK COUNTY ELECTRIC	2,063.21
5345 SEDG CTY CODE ENFORCE	1,180.28
5420 SHAMROCK TIRE & AUTOMOTIV	95.12
5770 SUPERIOR COMP SUPPLY INC	546.34
5858 TKK ELECTRONICS LLC	13,560.00
5940 TRUCK PARTS & EQUIPMENT	20.50
6100 USA SHADE & FABRIC STRUCT	25.00
6135 UNIFIRST CORPORATION	627.06
6407 WESTAR ENERGY	5,763.79
6480 WICHITA TRACTOR CO	19.80
6585 WICHITA CONCRETE PIPE COM	271.00

VENDOR NO NAME	PAYMENT AMT
6590 WICHITA PUMP &	141.60
6624 CITY OF WICHITA	680.00
6630 WICHITA WINWATER	434.12
	=====
REPORT TOTAL	89,173.03

FUND	NAME	TOTAL
01	GENERAL FU	28,573.76
10	SEWER FUND	10,643.02
11	WATER FUND	10,335.23
12	MUNICIPAL	473.31
14	STORMWATER	2,838.80
21	STREET FUN	5,462.26
24	LAW ENFORC	101.29
27	SPECIAL LI	4,787.00
28	SPECIAL AL	822.34
30	RECREATION	4,620.49
33	FEDERAL LA	13,725.42
36	CAPITAL IM	6,790.11
		=====
	TOTAL	89,173.03

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

INTRUST GENERAL FUND													
4520 PETTY CASH													
PO 12281	7 I	10/12/2011	10/06/2011	REIMBURSE FUND	10.00		10.00		10.00	01			1
								01-00-5005	GENERAL ANIMAL LICENSES				
	8 I			REIMBURSE FUND	36.00		36.00		36.00	01			1
								01-00-5012	GENERAL MISCELLANEOUS				
	9 I			REIMBURSE FUND	300.00		300.00		300.00	01			1
								01-00-5016	GENERAL BUILDING RENTAL FEES				
	10 I			REIMBURSE FUND	20.00		20.00		20.00	01			1
								01-00-5059	GENERAL MUN COURT RESTITUTION				
				* INVOICE TOTALS	366.00		366.00		366.00				
				** VENDOR TOTALS *	366.00		366.00		366.00				
5345 SEDGWICK COUNTY													
SEPT 2011	1 I	10/12/2011	10/06/2011	INSPECTION PERMITS-SEPT	1180.28		1180.28		1180.28	01			1
								01-00-5008	GENERAL PERMITS				
				** VENDOR TOTALS *	1180.28		1180.28		1180.28				
				REVENUE FUNDS	1546.28		1546.28		1546.28				
996 CAPITAL ONE BANK N A													
SEPT 11	4 I	10/12/2011	9/21/2011	PAPERDIRECT-CHRISTMAS C	107.11		107.11		107.11	01			1
								01-01-2004	CITY CLERK OFFICE EXPENSE				
				** VENDOR TOTALS *	107.11		107.11		107.11				
2360 HAYSVILLE SUN-TIMES													
11342	2 I	10/12/2011	9/30/2011	ORD 977 ADOPT STO STANDARD TRAFFIC ORDINA	132.00		132.00		132.00	01			1
								01-01-2014	CITY CLERK LEGAL PRINTING				
	3 I			ORD 978 ADOPT UPOC UNIFORM PUBLIC OFFENSE	102.00		102.00		102.00	01			1
								01-01-2014	CITY CLERK LEGAL PRINTING				
				* INVOICE TOTALS	234.00		234.00		234.00				
				** VENDOR TOTALS *	234.00		234.00		234.00				
4520 PETTY CASH													
PO 12281	1 I	10/12/2011	10/06/2011	REIMBURSE FUND	29.17		29.17		29.17	01			1
								01-01-2012	CITY CLERK MISCELLANEOUS				
				** VENDOR TOTALS *	29.17		29.17		29.17				
				CITY CLERK	370.28		370.28		370.28				
975 CMI INC													
769396	1 I	10/12/2011	9/29/2011	INTOXILYZER MOUTHPIECES 2 @ 17.00 EACH	34.00		34.00		34.00	01			1
								01-02-2016	POLICE UNIFORMS & EQUIPMENT				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ
	2 I			FREIGHT	7.76		7.76		7.76	01			1
								01-02-2016	POLICE UNIFORMS & EQUIPMENT				
				* INVOICE TOTALS	41.76		41.76		41.76				
				** VENDOR TOTALS *	41.76		41.76		41.76				
				996 CAPITAL ONE BANK N A									
SEPT 11	3 I	10/12/2011	9/21/2011	RAMADA INN, TOPEKA-KEMA	238.50		238.50		238.50	01			1
								01-02-2015	POLICE TRAINING/EDUC/TRAVEL				
				** VENDOR TOTALS *	238.50		238.50		238.50				
				1130 CHANCE TRANSMISSIONS INC									
62098	1 I	10/12/2011	9/08/2011	GASKET TRSF CASE AD	1.65		1.65		1.65	01			1
								01-02-2035	POLICE VEHICLE MAINTENANCE				
62134	1 I	10/12/2011	9/12/2011	TRANSMISSION CORE RETUR	150.00-		150.00-		150.00-	01			1
								01-02-2035	POLICE VEHICLE MAINTENANCE				
				** VENDOR TOTALS *	148.35-		148.35-		148.35-				
				1303 J P COOKE COMPANY									
143212	1 I	10/12/2011	9/27/2011	400-2012 DOG TAGS	58.00		58.00		58.00	01			1
								01-02-2013	POLICE ANIMAL CONTROL				
	2 I			SHIPPING	9.97		9.97		9.97	01			1
								01-02-2013	POLICE ANIMAL CONTROL				
				* INVOICE TOTALS	67.97		67.97		67.97				
				** VENDOR TOTALS *	67.97		67.97		67.97				
				1640 RUSTY ECK FORD INC									
285627	1 I	10/12/2011	10/04/2011	MANIFOLD CAR #10	256.55		256.55		256.55	01			1
								01-02-2035	POLICE VEHICLE MAINTENANCE				
	2 I			CONNECTOR	7.83		7.83		7.83	01			1
								01-02-2035	POLICE VEHICLE MAINTENANCE				
				* INVOICE TOTALS	264.38		264.38		264.38				
				** VENDOR TOTALS *	264.38		264.38		264.38				
				1674 E GRAF-X									
5038	1 I	10/12/2011	9/19/2011	VINYL GRAPHICS DECALS	206.00		206.00		206.00	01			1
								01-02-2012	POLICE MISCELLANEOUS				
				** VENDOR TOTALS *	206.00		206.00		206.00				
				2246 HAMPEL OIL									
90327427	1 I	10/12/2011	9/22/2011	1500 GAL UNLEADED @ 3.2	4890.00		4890.00		4890.00	01			1
								01-02-2010	POLICE GASOLINE & OIL				
				** VENDOR TOTALS *	4890.00		4890.00		4890.00				
				2367 HAYSVILLE TRUE VALUE									
SEPT 2011	1 I	10/12/2011	9/30/2011	MISC HARDWARE SUPPLIES	5.49		5.49		5.49	01			1
								01-02-2016	POLICE UNIFORMS & EQUIPMENT				
				** VENDOR TOTALS *	5.49		5.49		5.49				
				4348 NEW MARKET HEALTH CARE LLC									
141782	1 I	10/12/2011	8/11/2011	C CARTWRIGHT- K/W EVALU	70.00		70.00		70.00	01			1
								01-02-2012	POLICE MISCELLANEOUS				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ
142141	1 I	10/12/2011	9/08/2011	J JACKS-K/W EVALUATION	70.00		70.00		70.00	01			1
						01-02-2012			POLICE MISCELLANEOUS				
142178	1 I	10/12/2011	9/08/2011	J JACKS-BAT/UDS	47.50		47.50		47.50	01			1
						01-02-2012			POLICE MISCELLANEOUS				
				** VENDOR TOTALS *	187.50		187.50		187.50				
				4520 PETTY CASH									
PO 12281	2 I	10/12/2011	10/06/2011	REIMBURSE FUND	17.13		17.13		17.13	01			1
						01-02-2004			POLICE OFFICE EXPENSE				
	3 I			REIMBURSE FUND	43.82		43.82		43.82	01			1
						01-02-2015			POLICE TRAINING/EDUC/TRAVEL				
	4 I			REIMBURSE FUND	9.95		9.95		9.95	01			1
						01-02-2016			POLICE UNIFORMS & EQUIPMENT				
				* INVOICE TOTALS	70.90		70.90		70.90				
				** VENDOR TOTALS *	70.90		70.90		70.90				
				4648 POORMAN AUTO SUPPLY #5									
SEPT 2011	2 I	10/12/2011	9/25/2011	OIL, TRANS FLUID, WIPER	102.48		102.48		102.48	01			1
						01-02-2010			POLICE GASOLINE & OIL				
	3 I			VEH EQUIP, REPAIR PARTS	175.91		175.91		175.91	01			1
						01-02-2035			POLICE VEHICLE MAINTENANCE				
				* INVOICE TOTALS	278.39		278.39		278.39				
				** VENDOR TOTALS *	278.39		278.39		278.39				
				4860 QUILL CORPORATION									
583389	1 I	10/12/2011	9/26/2011	CREDIT FOR SUPPLIES	15.00-		15.00-		15.00-	01			1
						01-02-2004			POLICE OFFICE EXPENSE				
6826770	1 I	10/12/2011	9/19/2011	OFFICE SUPPLIES	208.85		208.85		208.85	01			1
						01-02-2004			POLICE OFFICE EXPENSE				
6904542	1 I	10/12/2011	9/22/2011	OFFICE SUPPLIES	71.96		71.96		71.96	01			1
						01-02-2004			POLICE OFFICE EXPENSE				
				** VENDOR TOTALS *	265.81		265.81		265.81				
				5326 SEDGWICK COUNTY									
JUL-AUG 11	1 I	10/12/2011	9/21/2011	5 DOGS PICKED UP @ 29.0	145.00		145.00		145.00	01			1
						01-02-2013			POLICE ANIMAL CONTROL				
				** VENDOR TOTALS *	145.00		145.00		145.00				
				POLICE	6513.35		6513.35		6513.35				
				530 AUSTIN DISTRIBUTING									
1259793	1 I	10/12/2011	9/16/2011	ADPT HOSE FOR PARK TRAC	40.59		40.59		40.59	01			1
						01-03-2006			PARK EQUIPMENT MAINTENANCE				
				** VENDOR TOTALS *	40.59		40.59		40.59				
				830 B-R-C BEARING COMPANY INC									
416350	1 I	10/12/2011	9/23/2011	2-CYL INSERT BEARINGS	18.44		18.44		18.44	01			1
						01-03-2006			PARK EQUIPMENT MAINTENANCE				
				** VENDOR TOTALS *	18.44		18.44		18.44				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

1130 CHANCE TRANSMISSIONS INC													
62236	1 I	10/12/2011	9/22/2011	TRANS REPAIRS-TRUCK #99	607.00		607.00		607.00	01			1
								01-03-2006	PARK EQUIPMENT MAINTENANCE				
				** VENDOR TOTALS *	607.00		607.00		607.00				
1781 EXPRESS SERVICES INC													
10098593-6	3 I	10/12/2011	9/21/2011	C BRASWELL-25.59 HR @ 1	311.17		311.17		311.17	01			1
								01-03-2040	PARK CONTRACTUAL				
	4 I			M PETERSON-39.89 HR @ 1	485.06		485.06		485.06	01			1
								01-03-2040	PARK CONTRACTUAL				
				* INVOICE TOTALS	796.23		796.23		796.23				
10131495-3													
	4 I	10/12/2011	9/28/2011	C BRASWELL-27.77 HR @ 1	337.68		337.68		337.68	01			1
								01-03-2040	PARK CONTRACTUAL				
	5 I			M PETERSON-31.86 HR @ 1	387.42		387.42		387.42	01			1
								01-03-2040	PARK CONTRACTUAL				
				* INVOICE TOTALS	725.10		725.10		725.10				
				** VENDOR TOTALS *	1521.33		1521.33		1521.33				
1860 FERGUSON ENTERPRISES INC #216													
522998	1 I	10/12/2011	9/21/2011	2-SPUD BOUP ASSY CP	24.96		24.96		24.96	01			1
								01-03-2006	PARK EQUIPMENT MAINTENANCE				
	2 I			INSIDE COVER	6.40		6.40		6.40	01			1
								01-03-2006	PARK EQUIPMENT MAINTENANCE				
	3 I			3-1.6 CLST KIT LC	66.39		66.39		66.39	01			1
				PARK RESTROOM REPAIRS									
								01-03-2006	PARK EQUIPMENT MAINTENANCE				
				* INVOICE TOTALS	97.75		97.75		97.75				
				** VENDOR TOTALS *	97.75		97.75		97.75				
1975 FRY & ASSOCIATES INC													
24647	1 I	10/12/2011	9/15/2011	6-REPLACEMENT PENDULUM	33.00		33.00		33.00	01			1
								01-03-2006	PARK EQUIPMENT MAINTENANCE				
	2 I			FREIGHT	10.42		10.42		10.42	01			1
								01-03-2006	PARK EQUIPMENT MAINTENANCE				
				* INVOICE TOTALS	43.42		43.42		43.42				
				** VENDOR TOTALS *	43.42		43.42		43.42				
2367 HAYSVILLE TRUE VALUE													
SEPT 2011	2 I	10/12/2011	9/30/2011	MISC HARDWARE SUPPLIES	425.69		425.69		425.69	01			1
								01-03-2009	PARK MATERIALS				
	3 I			MISC HARDWARE SUPPLIES	44.95		44.95		44.95	01			1
								01-03-2046	PARK P-C SPORTS COMPLEX				
				* INVOICE TOTALS	470.64		470.64		470.64				
				** VENDOR TOTALS *	470.64		470.64		470.64				
3860 MAXIMUM OUTDOOR EQUIPMENT													
280627	1 I	10/12/2011	9/06/2011	EDGER BLADES-MULCHER BL TANK CAP--PARK EQUIPMEN	128.66		128.66		128.66	01			1
								01-03-2006	PARK EQUIPMENT MAINTENANCE				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ
280628	1 I	10/12/2011	9/06/2011	SPEED FEED HEAD	23.12		23.12		23.12	01			1
						01-03-2006			PARK EQUIPMENT MAINTENANCE				
281242	1 I	10/12/2011	9/13/2011	REPAIR PARK EQUIPMENT CHG SPARK PLUG (NEW)	26.39		26.39		26.39	01			1
						01-03-2006			PARK EQUIPMENT MAINTENANCE				
282040	1 I	10/12/2011	9/23/2011	EDGER BLADES	174.00		174.00		174.00	01			1
						01-03-2006			PARK EQUIPMENT MAINTENANCE				
282042	1 I	10/12/2011	9/23/2011	NEW EQUIPMENT-EDGER	343.96		343.96		343.96	01			1
						01-03-2006			PARK EQUIPMENT MAINTENANCE				
				** VENDOR TOTALS *	696.13		696.13		696.13				
				5420 SHAMROCK TIRE & AUTOMOTIVE									
694543	1 I	10/12/2011	9/20/2011	2 TIRES INSTALLED	95.12		95.12		95.12	01			1
						01-03-2006			PARK EQUIPMENT MAINTENANCE				
				** VENDOR TOTALS *	95.12		95.12		95.12				
				6135 UNIFIRST CORPORATION									
PO 12283	4 I	10/12/2011	9/30/2011	2 WK UNIFORM RENT/CLEAN	82.27		82.27		82.27	01			1
						01-03-2012			PARK MISCELLANEOUS				
				** VENDOR TOTALS *	82.27		82.27		82.27				
				PARK	3672.69		3672.69		3672.69				
				2360 HAYSVILLE SUN-TIMES									
11342	1 I	10/12/2011	9/30/2011	PHN-SUBDIVISION REGS AD	30.00		30.00		30.00	01			1
						01-04-2014			PL COMM LEGAL PRINTING				
				** VENDOR TOTALS *	30.00		30.00		30.00				
				4520 PETTY CASH									
PO 12281	5 I	10/12/2011	10/06/2011	REIMBURSE FUND	13.00		13.00		13.00	01			1
						01-04-2012			PL COMM MISCELLANEOUS				
				** VENDOR TOTALS *	13.00		13.00		13.00				
				PLANNING COMMISSI	43.00		43.00		43.00				
				2682 LU ANN RIVERA									
PO 12279	1 I	10/12/2011	9/30/2011	INTERPRETER SERVICES CASE NO 2011/651 9/6/1	45.00		45.00		45.00	01			1
						01-06-2012			MUN COURT MISCELLANEOUS				
				** VENDOR TOTALS *	45.00		45.00		45.00				
				3350 KANSAS STATE TREASURER									
SEPT 2011	1 I	10/12/2011	10/05/2011	REINSTATEMENT FEES	354.00		354.00		354.00	01			1
						01-06-2060			MUN COURT REINSTATEMENT FEES				
	2 I			JUDICIAL BRANCH SURCHAR	142.00		142.00		142.00	01			1
						01-06-2060			MUN COURT REINSTATEMENT FEES				
	3 I			JUDGES TRAINING FEE	35.00		35.00		35.00	01			1
						01-06-2073			MUN COURT JUDGES' TRAINING FEE				
	4 I			COURT COSTS/LAW ENF TRN	1384.00		1384.00		1384.00	01			1
						01-06-2074			MUN COURT LAW ENF TRAINING FEE				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ
* INVOICE TOTALS					1915.00		1915.00		1915.00				
** VENDOR TOTALS *					1915.00		1915.00		1915.00				
MUNICIPAL COURT					1960.00		1960.00		1960.00				
6407 WESTAR ENERGY													
SEPT 11	1	I	10/12/2011	10/03/2011 CITY WIDE STREET LIGHTS	5763.79		5763.79		5763.79	01			1
							01-08-2003		STREET LIGHT UTILITIES				
** VENDOR TOTALS *					5763.79		5763.79		5763.79				
STREET LIGHTS					5763.79		5763.79		5763.79				
2367 HAYSVILLE TRUE VALUE													
SEPT 2011	4	I	10/12/2011	9/30/2011 MISC HARDWARE SUPPLIES	49.17		49.17		49.17	01			1
							01-09-2009		BLDG & GROUNDS MATERIALS				
** VENDOR TOTALS *					49.17		49.17		49.17				
2874 K & A PROPERTY MAINTENANCE LLC													
OCT 2011	1	I	10/12/2011	10/02/2011 CLEAN ADMIN OFFICES RES	60.00		60.00		60.00	01			1
							01-09-2040		BLDG & GROUNDS CONTRACTUAL				
	2	I		COURT/PD PUBLIC RESTROO	100.00		100.00		100.00	01			1
							01-09-2040		BLDG & GROUNDS CONTRACTUAL				
	3	I		COMMUNITY BLDG RESTROOM	45.00		45.00		45.00	01			1
							01-09-2040		BLDG & GROUNDS CONTRACTUAL				
* INVOICE TOTALS					205.00		205.00		205.00				
** VENDOR TOTALS *					205.00		205.00		205.00				
CITY BUILDINGS &					254.17		254.17		254.17				
996 CAPITAL ONE BANK N A													
SEPT 11	2	I	10/12/2011	9/21/2011 PAPERDIRECT-INVITATIONS	80.97		80.97		80.97	01			1
							01-10-2054		SP FUNDS SPECIAL EVENTS				
** VENDOR TOTALS *					80.97		80.97		80.97				
3500 KONICA MINOLTA BUSINESS													
219016340	1	I	10/12/2011	9/29/2011 COPY MACHINE MAINT CONT ADMINISTRATION COPIER	253.73		253.73		253.73	01			1
							01-10-2040		SP FUNDS CONTRACTUAL				
** VENDOR TOTALS *					253.73		253.73		253.73				
3502 KONICA MINOLTA PREMIERE													
187297064	1	I	10/12/2011	9/28/2011 KONICA C550 COPIER LEAS CONTRACT 500-0181823-00	343.75		343.75		343.75	01			1
							01-10-2040		SP FUNDS CONTRACTUAL				
** VENDOR TOTALS *					343.75		343.75		343.75				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

3810 MADRIGAL & WELCH													
59626	1	I	10/12/2011	9/02/2011	OCT 2011 INSURANCE INST	5975.00		5975.00	5975.00	01			1
								01-10-2020	SP FUNDS INSURANCE				
					** VENDOR TOTALS *	5975.00		5975.00	5975.00				
4048 MIDWEST SINGLE SOURCE INC													
612242-0	1	I	10/12/2011	9/29/2011	HASLER WJ INK CARTRIDGE POSTAGE METER	234.95		234.95	234.95	01			1
								01-10-2077	SP FUNDS SHARED OFFICE EXPENSE				
					** VENDOR TOTALS *	234.95		234.95	234.95				
4520 PETTY CASH													
PO 12281	6	I	10/12/2011	10/06/2011	REIMBURSE FUND	22.76		22.76	22.76	01			1
								01-10-2012	SP FUNDS MISCELLANEOUS				
					** VENDOR TOTALS *	22.76		22.76	22.76				
5770 SUPERIOR COMPUTER SUPPLY INC													
213595	6	I	10/12/2011	9/27/2011	OFFICE SUPPLIES	360.76		360.76	360.76	01			1
								01-10-2077	SP FUNDS SHARED OFFICE EXPENSE				
					** VENDOR TOTALS *	360.76		360.76	360.76				
					SPECIAL FUNDS	7271.92		7271.92	7271.92				
2874 K & A PROPERTY MAINTENANCE LLC													
OCT 2011	4	I	10/12/2011	10/02/2011	CLEAN SENIOR CTR-COMPLE	425.00		425.00	425.00	01			1
								01-12-2025	SR CENTER BUILDING MAINTENANCE				
					** VENDOR TOTALS *	425.00		425.00	425.00				
3810 MADRIGAL & WELCH													
59626	2	I	10/12/2011	9/02/2011	OCT 2011 INSURANCE INST	255.00		255.00	255.00	01			1
								01-12-2020	SR CENTER INSURANCE				
					** VENDOR TOTALS *	255.00		255.00	255.00				
5770 SUPERIOR COMPUTER SUPPLY INC													
213595	1	I	10/12/2011	9/27/2011	2012 APPOINTMENT CALEND	15.90		15.90	15.90	01			1
								01-12-2004	SR CENTER OFFICE EXPENSE				
213604	1	I	10/12/2011	9/27/2011	OFFICE SUPPLIES	10.69		10.69	10.69	01			1
								01-12-2004	SR CENTER OFFICE EXPENSE				
					** VENDOR TOTALS *	26.59		26.59	26.59				
					SENIOR CENTER	706.59		706.59	706.59				
996 CAPITAL ONE BANK N A													
SEPT 11	7	I	10/12/2011	9/21/2011	DOLLAR GENERAL-VICKER B SUPPLIES	25.59		25.59	25.59	01			1
								01-18-2012	GEN GOVT MISCELLANEOUS				
					** VENDOR TOTALS *	25.59		25.59	25.59				
4346 DAVID NEW													
SEPT 2011	1	I	10/12/2011	10/07/2011	MILEAGE REIMBURSEMENT	38.00		38.00	38.00	01			1

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

				76 TRAVEL MILES @ .50 E									
	2 I			CELL PHONE ALLOWANCE	35.00		35.00		35.00	01			1
				* INVOICE TOTALS	73.00		73.00		73.00				
				** VENDOR TOTALS *	73.00		73.00		73.00				
				GENERAL GOVERNMEN	98.59		98.59		98.59				
				2695 INTERNATIONAL CODE COUNCIL INC									
48153	1 I	10/12/2011	9/20/2011	2005 FUEL GAS MANUAL	52.50		52.50		52.50	01			1
	2 I			2012 IZC	23.25		23.25		23.25	01			1
	3 I			SHIPPING & HANDLING	10.00		10.00		10.00	01			1
				* INVOICE TOTALS	85.75		85.75		85.75				
				** VENDOR TOTALS *	85.75		85.75		85.75				
				5770 SUPERIOR COMPUTER SUPPLY INC									
213595	2 I	10/12/2011	9/27/2011	2010 DAILY APPT CALEND	41.09		41.09		41.09	01			1
				** VENDOR TOTALS *	41.09		41.09		41.09				
				6135 UNIFIRST CORPORATION									
PO 12283	5 I	10/12/2011	9/30/2011	2 WK UNIFORM LEASE	10.60		10.60		10.60	01			1
				** VENDOR TOTALS *	10.60		10.60		10.60				
				INSPECTION	137.44		137.44		137.44				
				996 CAPITAL ONE BANK N A									
SEPT 11	1 I	10/12/2011	9/21/2011	MONOPRICE-CABLES,WALL P	29.66		29.66		29.66	01			1
				** VENDOR TOTALS *	29.66		29.66		29.66				
				MEDIA SPECIALIST	29.66		29.66		29.66				
				4520 PETTY CASH									
PO 12281	11 I	10/12/2011	10/06/2011	REIMBURSE FUND	206.00		206.00		206.00	01			1
				** VENDOR TOTALS *	206.00		206.00		206.00				
				GENERAL EMPLOYEE	206.00		206.00		206.00				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ
GENERAL FUND					28573.76		28573.76		28573.76				
SEWER FUND													
10 A & E ANALYTICAL LAB INC													
1877	1 I	10/12/2011	9/23/2011	E COLI ANALYSIS	45.00		45.00		45.00	10			1
								10-30-2040	SEWER CONTRACTUAL				
1910	1 I	10/12/2011	10/06/2011	E COLI ANALYSIS	40.00		40.00		40.00	10			1
								10-30-2040	SEWER CONTRACTUAL				
				** VENDOR TOTALS *	85.00		85.00		85.00				
530 AUSTIN DISTRIBUTING													
1261851	1 I	10/12/2011	9/26/2011	90 DEGREE SWIVEL	91.47		91.47		91.47	10			1
								10-30-2006	SEWER EQUIPMENT MAINTENANCE				
	2 I			FREIGHT	14.74		14.74		14.74	10			1
								10-30-2006	SEWER EQUIPMENT MAINTENANCE				
				* INVOICE TOTALS	106.21		106.21		106.21				
				** VENDOR TOTALS *	106.21		106.21		106.21				
577 B & B ELECTRIC MOTOR CO													
55756	1 I	10/12/2011	9/23/2011	2 BALDOR COOLING FAN	24.00		24.00		24.00	10			1
								10-30-2006	SEWER EQUIPMENT MAINTENANCE				
	2 I			FREIGHT	9.98		9.98		9.98	10			1
								10-30-2006	SEWER EQUIPMENT MAINTENANCE				
				* INVOICE TOTALS	33.98		33.98		33.98				
				** VENDOR TOTALS *	56.23		56.23		56.23				
774 BIG A WHOLESALE ELECTRIC													
17287900	1 I	10/12/2011	9/26/2011	RAB 52W LED WALLPACK	311.25		311.25		311.25	10			1
								10-30-2009	SEWER MATERIALS				
				** VENDOR TOTALS *	311.25		311.25		311.25				
830 B-R-C BEARING COMPANY INC													
416646	1 I	10/12/2011	9/28/2011	2-SKF BEARINGS W/SHIELD	120.50		120.50		120.50	10			1
								10-30-2006	SEWER EQUIPMENT MAINTENANCE				
	2 I			CR OIL SEAL	5.43		5.43		5.43	10			1
								10-30-2006	SEWER EQUIPMENT MAINTENANCE				
	3 I			CR OIL SEAL	4.61		4.61		4.61	10			1
				PUMP REBUILD									
								10-30-2006	SEWER EQUIPMENT MAINTENANCE				
				* INVOICE TOTALS	130.54		130.54		130.54				
				** VENDOR TOTALS *	130.54		130.54		130.54				
972 CED - COLUMBIA													
448211	1 I	10/12/2011	9/23/2011	SO SHOP BREAKROOM REPAI	627.17		627.17		627.17	10			1
				ELECTRIC SUPPLIES									
								10-30-2009	SEWER MATERIALS				
448502	1 I	10/12/2011	9/28/2011	CIRCUIT BRKS-LOAD CTR-L	347.05		347.05		347.05	10			1
								10-30-2009	SEWER MATERIALS				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ
448507	1 I	10/12/2011	9/28/2011	MISC ELECTRIC SUPPLIES	47.04		47.04		47.04	10			1
								10-30-2009	SEWER MATERIALS				
448622	1 I	10/12/2011	9/29/2011	300' CABLE WIRE @ WWTP	547.29		547.29		547.29	10			1
								10-30-2009	SEWER MATERIALS				
448624	1 I	10/12/2011	9/29/2011	CONN & COVER BOX	27.63		27.63		27.63	10			1
								10-30-2009	SEWER MATERIALS				
				** VENDOR TOTALS *	1596.18		1596.18		1596.18				
				996 CAPITAL ONE BANK N A									
SEPT 11	5 I	10/12/2011	9/21/2011	GATEHOUSE-REMOTES PW GA	131.17		131.17		131.17	10			1
								10-30-2009	SEWER MATERIALS				
				** VENDOR TOTALS *	131.17		131.17		131.17				
				1170 CITY BLUE PRINT INC									
289311	1 I	10/12/2011	9/07/2011	ENGINEER RULER-TAPE MEA	32.50		32.50		32.50	10			1
								10-30-2012	SEWER MISCELLANEOUS				
				** VENDOR TOTALS *	32.50		32.50		32.50				
				1485 DELL MARKETING LP									
XFJ4JF7C5	1 I	10/12/2011	9/26/2011	DELL PREC T3500 COMPUTE W/ADPT-CONVERTER-SOFTWA	736.50		736.50		736.50	10			1
								10-30-2006	SEWER EQUIPMENT MAINTENANCE				
				** VENDOR TOTALS *	736.50		736.50		736.50				
				1565 DIVISION OF ENVIRONMENT									
NOV 2012	1 I	10/12/2011	10/03/2011	WASTEWATER PERMIT FEE GOOD THRU 11/12 M-AR43	185.00		185.00		185.00	10			1
								10-30-2040	SEWER CONTRACTUAL				
				** VENDOR TOTALS *	185.00		185.00		185.00				
				1781 EXPRESS SERVICES INC									
10098593-6	1 I	10/12/2011	9/21/2011	D BILSON-32.22 HR @ 12.	393.13		393.13		393.13	10			1
								10-30-2040	SEWER CONTRACTUAL				
	2 I			J LEHMAN-31.35 HR @ 12.	381.22		381.22		381.22	10			1
								10-30-2040	SEWER CONTRACTUAL				
				* INVOICE TOTALS	774.35		774.35		774.35				
10131495-3	1 I	10/12/2011	9/28/2011	D BILSON-36.60 HR @ 12.	445.06		445.06		445.06	10			1
								10-30-2040	SEWER CONTRACTUAL				
	2 I			B HUBBARD-9.19 HR @ 12.	111.75		111.75		111.75	10			1
								10-30-2040	SEWER CONTRACTUAL				
	3 I			J LEHMAN-16.07 HR @ 12.	195.41		195.41		195.41	10			1
								10-30-2040	SEWER CONTRACTUAL				
				* INVOICE TOTALS	752.22		752.22		752.22				
				** VENDOR TOTALS *	1526.57		1526.57		1526.57				
				2246 HAMPEL OIL									
90325899	1 I	10/12/2011	9/19/2011	MOBIL GREASE XHP 10-14.	37.98		37.98		37.98	10			1
								10-30-2006	SEWER EQUIPMENT MAINTENANCE				
	2 I			MOBIL POLYREX EM GREASE DRIVES AND MOTORS @ WWT	65.44		65.44		65.44	10			1
								10-30-2006	SEWER EQUIPMENT MAINTENANCE				
				* INVOICE TOTALS	103.42		103.42		103.42				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ
** VENDOR TOTALS *					103.42		103.42		103.42				
2367 HAYSVILLE TRUE VALUE													
SEPT 2011	5 I	10/12/2011	9/30/2011	MISC HARDWARE SUPPLIES	9.14		9.14		9.14	10			1
	6 I			MISC HARDWARE SUPPLIES	243.06		243.06		243.06	10			1
	7 I			MISC HARDWARE SUPPLIES	13.67		13.67		13.67	10			1
				* INVOICE TOTALS	265.87		265.87		265.87				
** VENDOR TOTALS *					265.87		265.87		265.87				
2535 HOWARD'S INC													
116634	1 I	10/12/2011	9/13/2011	GANG BOLT	153.80		153.80		153.80	10			1
	2 I			LOCK WASHER	.40		.40		.40	10			1
	3 I			NUT	1.46		1.46		1.46	10			1
				* INVOICE TOTALS	155.66		155.66		155.66				
** VENDOR TOTALS *					155.66		155.66		155.66				
2770 J D'S GRAPHICS													
2930	1 I	10/12/2011	9/27/2011	WATER CONNECT-DISCONN	45.00		45.00		45.00	10			1
				** VENDOR TOTALS *	45.00		45.00		45.00				
3050 KANSAS FIRE EQUIPMENT CO INC													
338045	1 I	10/12/2011	9/19/2011	PARTIAL RECHARGE EXT-WW	13.75		13.75		13.75	10			1
	2 I			AMEREX 10# ABC FIRE EXT	26.50		26.50		26.50	10			1
				* INVOICE TOTALS	40.25		40.25		40.25				
** VENDOR TOTALS *					40.25		40.25		40.25				
3295 KANSAS ONE-CALL SYSTEM INC													
1090268	1 I	10/12/2011	9/30/2011	UTILITY LINE LOCATES	54.60		54.60		54.60	10			1
				** VENDOR TOTALS *	54.60		54.60		54.60				
3810 MADRIGAL & WELCH													
59626	3 I	10/12/2011	9/02/2011	OCT 2011 INSURANCE INST	4252.00		4252.00		4252.00	10			1
				** VENDOR TOTALS *	4252.00		4252.00		4252.00				
4406 PACE ANALYTICAL SERVICES INC													
116100506	1 I	10/12/2011	9/28/2011	BI-WEEKLY SAMPLING 9/1	83.00		83.00		83.00	10			1
				** VENDOR TOTALS *	219.00		219.00		219.00				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

4520 PETTY CASH													
PO 12281	12 I	10/12/2011	10/06/2011	REIMBURSE FUND	8.57		8.57		8.57	10			1
								10-30-2011	SEWER POSTAGE				
	13 I			REIMBURSE FUND	50.00-		50.00-		50.00-	10			1
								10-30-2015	SEWER TRAINING/EDUC/TRAVEL				
				* INVOICE TOTALS	41.43-		41.43-		41.43-				
				** VENDOR TOTALS *	41.43-		41.43-		41.43-				NO CHECK ISSUIN
4716 PROCOM LMR INC													
15661	1 I	10/12/2011	9/20/2011	KENWOOD TK RAPID CHARGE LITHIUM ION BATTERIES O	60.00		60.00		60.00	10			1
								10-30-2006	SEWER EQUIPMENT MAINTENANCE				
15705	1 I	10/12/2011	9/26/2011	BATTERY CK-CAPACITY ANA	25.74		25.74		25.74	10			1
								10-30-2006	SEWER EQUIPMENT MAINTENANCE				
15712	1 I	10/12/2011	9/30/2011	15A/7.2V KENWOOD BATTER	42.00		42.00		42.00	10			1
								10-30-2006	SEWER EQUIPMENT MAINTENANCE				
				** VENDOR TOTALS *	127.74		127.74		127.74				
5770 SUPERIOR COMPUTER SUPPLY INC													
213595	3 I	10/12/2011	9/27/2011	OFFICE SUPPLIES	39.30		39.30		39.30	10			1
								10-30-2004	SEWER OFFICE EXPENSE				
				** VENDOR TOTALS *	39.30		39.30		39.30				
6135 UNIFIRST CORPORATION													
PO 12283	1 I	10/12/2011	9/30/2011	SHOP TOWELS, SOAP, AIR FR	24.97		24.97		24.97	10			1
								10-30-2009	SEWER MATERIALS				
	6 I			2 WK UNIFORM RENT/CLEAN	162.59		162.59		162.59	10			1
								10-30-2016	SEWER UNIFORMS				
				* INVOICE TOTALS	187.56		187.56		187.56				
				** VENDOR TOTALS *	187.56		187.56		187.56				
6480 WICHITA TRACTOR CO													
3312	1 I	10/12/2011	9/13/2011	THERMOSTAT	17.30		17.30		17.30	10			1
								10-30-2006	SEWER EQUIPMENT MAINTENANCE				
	2 I			GASKET MATERIAL TRUCK #23	2.50		2.50		2.50	10			1
								10-30-2006	SEWER EQUIPMENT MAINTENANCE				
				* INVOICE TOTALS	19.80		19.80		19.80				
				** VENDOR TOTALS *	19.80		19.80		19.80				
6585 WICHITA CONCRETE PIPE COMPANY													
35027	1 I	10/12/2011	9/14/2011	DEETER FRAME & DEETER G	135.50		135.50		135.50	10			1
								10-30-2009	SEWER MATERIALS				
				** VENDOR TOTALS *	135.50		135.50		135.50				
6590 WICHITA PUMP & SUPPLY CO INC													
11-3580	1 I	10/12/2011	9/28/2011	40' 12-2 W/GRD RD CASE	70.80		70.80		70.80	10			1
								10-30-2006	SEWER EQUIPMENT MAINTENANCE				
	2 I			40' 12-2 W/GRD CABLE	70.80		70.80		70.80	10			1
								10-30-2006	SEWER EQUIPMENT MAINTENANCE				
				* INVOICE TOTALS	141.60		141.60		141.60				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

1485 DELL MARKETING LP													
XFJ4JF7C5	2 I	10/12/2011	9/26/2011	DELL PREC T3500 COMPUTE 3 YR WARRANTY	736.50		736.50		736.50	11			1
								11-31-2006	WATER EQUIPMENT MAINTENANCE				
				** VENDOR TOTALS *	736.50		736.50		736.50				
1781 EXPRESS SERVICES INC													
10098593-6	5 I	10/12/2011	9/21/2011	M COCHRAN-40 HR @ 12.16 .13 HR @ 18.24	488.77		488.77		488.77	11			1
								11-31-2040	WATER CONTRACTUAL				
10131495-3	6 I	10/12/2011	9/28/2011	M COCHRAN-35.02 HR @ 12	425.84		425.84		425.84	11			1
								11-31-2040	WATER CONTRACTUAL				
				** VENDOR TOTALS *	914.61		914.61		914.61				
2150 GRAINGER													
9634876362	1 I	10/12/2011	9/13/2011	2-PSC BLOWER- 115 VOLT WELL PARTS	167.32		167.32		167.32	11			1
								11-31-2006	WATER EQUIPMENT MAINTENANCE				
				** VENDOR TOTALS *	167.32		167.32		167.32				
2230 HACH COMPANY													
7418016	1 I	10/12/2011	9/14/2011	6-REAGENT SET, CHL FREE	275.70		275.70		275.70	11			1
								11-31-2009	WATER MATERIALS				
	2 I			FREIGHT	26.95		26.95		26.95	11			1
								11-31-2009	WATER MATERIALS				
				* INVOICE TOTALS	302.65		302.65		302.65				
				** VENDOR TOTALS *	302.65		302.65		302.65				
2367 HAYSVILLE TRUE VALUE													
SEPT 2011	8 I	10/12/2011	9/30/2011	MISC HARDWARE SUPPLIES	6.65		6.65		6.65	11			1
								11-31-2006	WATER EQUIPMENT MAINTENANCE				
	9 I			MISC HARDWARE SUPPLIES	40.34		40.34		40.34	11			1
								11-31-2009	WATER MATERIALS				
	10 I			MISC HARDWARE SUPPLIES	68.89		68.89		68.89	11			1
								11-31-2012	WATER MISCELLANEOUS				
				* INVOICE TOTALS	115.88		115.88		115.88				
				** VENDOR TOTALS *	115.88		115.88		115.88				
2770 J D'S GRAPHICS													
2930	2 I	10/12/2011	9/27/2011	WATER CONNECT-DISCONN 20 BOOKS / 50-2 PAGE FO	45.00		45.00		45.00	11			1
								11-31-2004	WATER OFFICE EXPENSE				
				** VENDOR TOTALS *	45.00		45.00		45.00				
3050 KANSAS FIRE EQUIPMENT CO INC													
338045	3 I	10/12/2011	9/19/2011	AMEREX 10# ABC FIRE EXT	26.50		26.50		26.50	11			1
								11-31-2006	WATER EQUIPMENT MAINTENANCE				
				** VENDOR TOTALS *	26.50		26.50		26.50				
3150 KANSAS DEPT OF REVENUE													
SEPT 2011	1 I	10/12/2011	10/05/2011	WATER SALES TAX RETURN	867.73		867.73		867.73	11			1
								11-31-2022	WATER SALES TAX				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ
** VENDOR TOTALS *					867.73		867.73		867.73				
3248 KANSASLAND TIRE													
124774	1 I	10/12/2011	9/13/2011	2 TIRES- WATER VEHICLES	302.04		302.04		302.04	11			1
								11-31-2006	WATER EQUIPMENT MAINTENANCE				
** VENDOR TOTALS *					302.04		302.04		302.04				
3295 KANSAS ONE-CALL SYSTEM INC													
1090268	2 I	10/12/2011	9/30/2011	UTILITY LINE LOCATES	54.60		54.60		54.60	11			1
								11-31-2040	WATER CONTRACTUAL				
** VENDOR TOTALS *					54.60		54.60		54.60				
3810 MADRIGAL & WELCH													
59626	4 I	10/12/2011	9/02/2011	OCT 2011 INSURANCE INST	2078.00		2078.00		2078.00	11			1
								11-31-2020	WATER INSURANCE				
** VENDOR TOTALS *					2078.00		2078.00		2078.00				
4520 PETTY CASH													
PO 12281	14 I	10/12/2011	10/06/2011	REIMBURSE FUND	9.34		9.34		9.34	11			1
								11-31-2009	WATER MATERIALS				
	15 I			REIMBURSE FUND	8.56		8.56		8.56	11			1
								11-31-2011	WATER POSTAGE				
* INVOICE TOTALS					17.90		17.90		17.90				
** VENDOR TOTALS *					17.90		17.90		17.90				
4648 POORMAN AUTO SUPPLY #5													
SEPT 2011	1 I	10/12/2011	9/25/2011	FAULTY GM COMPRESSOR -R	213.22-		213.22-		213.22-	11			1
								11-31-2006	WATER EQUIPMENT MAINTENANCE				
** VENDOR TOTALS *					213.22-		213.22-		213.22-				
4662 POWERPLAN													
160393	1 I	10/12/2011	9/30/2011	OIL & AIR FILTER	31.89		31.89		31.89	11			1
								11-31-2006	WATER EQUIPMENT MAINTENANCE				
** VENDOR TOTALS *					31.89		31.89		31.89				
5330 SEDGWICK COUNTY ELECTRIC COOP													
SEPT 2011	1 I	10/12/2011	10/03/2011	ELECTRIC USE @ WATER WE ACCOUNT 225000	919.30		919.30		919.30	11			1
								11-31-2003	WATER UTILITIES				
	2 I			ELECTRIC USE @ WATER WE ACCOUNT 230500	1143.91		1143.91		1143.91	11			1
								11-31-2003	WATER UTILITIES				
* INVOICE TOTALS					2063.21		2063.21		2063.21				
** VENDOR TOTALS *					2063.21		2063.21		2063.21				
5770 SUPERIOR COMPUTER SUPPLY INC													
213595	4 I	10/12/2011	9/27/2011	OFFICE SUPPLIES	39.30		39.30		39.30	11			1
								11-31-2004	WATER OFFICE EXPENSE				
** VENDOR TOTALS *					39.30		39.30		39.30				
6135 UNIFIRST CORPORATION													
PO 12283	2 I	10/12/2011	9/30/2011	SHOP TOWELS, SOAP, AIR FR	24.97		24.97		24.97	11			1

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

2246 HAMPEL OIL													
90327427	2 I	10/12/2011	9/22/2011	800 GAL DIESEL #2 @ 3.4	2792.00		2792.00		2792.00	14			1
								14-34-2012	STORMWATER MISCELLANEOUS				
				** VENDOR TOTALS *	2792.00		2792.00		2792.00				
6135 UNIFIRST CORPORATION													
PO 12283	8 I	10/12/2011	9/30/2011	2 WK UNIFORM RENT/CLEAN	46.80		46.80		46.80	14			1
								14-34-2012	STORMWATER MISCELLANEOUS				
				** VENDOR TOTALS *	46.80		46.80		46.80				
				STORMWATER DEPART	2838.80		2838.80		2838.80				
				STORMWATER SEWER	2838.80		2838.80		2838.80				
STREET FUND													
774 BIG A WHOLESALE ELECTRIC													
17249301	1 I	10/12/2011	9/16/2011	ASST ECO BULBS-HIKE/BIK	145.04		145.04		145.04	21			1
								21-41-2009	STREET MATERIALS				
				** VENDOR TOTALS *	145.04		145.04		145.04				
1084 CENTRAL SECTION IMSA													
PO 12237	1 I	10/12/2011	10/05/2011	CERTIFICATION -CALE TOP	365.00		365.00		365.00	21			1
								21-41-2015	STREET TRAINING/EDUC/TRAVEL				
				** VENDOR TOTALS *	365.00		365.00		365.00				
2367 HAYSVILLE TRUE VALUE													
SEPT 2011	11 I	10/12/2011	9/30/2011	MISC HARDWARE SUPPLIES	6.65		6.65		6.65	21			1
								21-41-2006	STREET EQUIPMENT MAINTENANCE				
	12 I			MISC HARDWARE SUPPLIES	29.84		29.84		29.84	21			1
								21-41-2009	STREET MATERIALS				
	13 I			MISC HARDWARE SUPPLIES	5.99		5.99		5.99	21			1
								21-41-2012	STREET MISCELLANEOUS				
				* INVOICE TOTALS	42.48		42.48		42.48				
				** VENDOR TOTALS *	42.48		42.48		42.48				
3050 KANSAS FIRE EQUIPMENT CO INC													
338045	4 I	10/12/2011	9/19/2011	AMEREX 10# ABC FIRE EXT	26.50		26.50		26.50	21			1
								21-41-2006	STREET EQUIPMENT MAINTENANCE				
				** VENDOR TOTALS *	26.50		26.50		26.50				
3248 KANSASLAND TIRE													
124774	2 I	10/12/2011	9/13/2011	2 TIRES- STREET VEHICLE	305.04		305.04		305.04	21			1
								21-41-2006	STREET EQUIPMENT MAINTENANCE				
				** VENDOR TOTALS *	305.04		305.04		305.04				
3295 KANSAS ONE-CALL SYSTEM INC													
1090268	3 I	10/12/2011	9/30/2011	UTILITY LINE LOCATES 117 @ 1.40 EACH	54.60		54.60		54.60	21			1
								21-41-2040	STREET CONTRACTUAL				
				** VENDOR TOTALS *	54.60		54.60		54.60				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

3810 MADRIGAL & WELCH													
59626	5 I	10/12/2011	9/02/2011	OCT 2011 INSURANCE INST	1844.00		1844.00		1844.00	21			1
								21-41-2020	STREET INSURANCE				
				** VENDOR TOTALS *	1844.00		1844.00		1844.00				
3906 MCCONNELL & ASSOCIATES													
57947	1 I	10/12/2011	9/13/2011	20-28" REFL TRAFFIC CON	228.00		228.00		228.00	21			1
								21-41-2009	STREET MATERIALS				
58534	1 I	10/12/2011	9/23/2011	7-5 GAL LATEX FAST DRY	427.00		427.00		427.00	21			1
								21-41-2009	STREET MATERIALS				
	2 I			8-5 GAL LATEX FAST DRY STREET MARKING PAINT	488.00		488.00		488.00	21			1
								21-41-2009	STREET MATERIALS				
				* INVOICE TOTALS	915.00		915.00		915.00				
58535	1 I	10/12/2011	9/26/2011	9-5 GAL LATEX YELLOW PA	549.00		549.00		549.00	21			1
								21-41-2009	STREET MATERIALS				
	2 I			40 BAG RELECTIVE GLASS	760.00		760.00		760.00	21			1
								21-41-2009	STREET MATERIALS				
				* INVOICE TOTALS	1309.00		1309.00		1309.00				
				** VENDOR TOTALS *	2452.00		2452.00		2452.00				
4465 PAVING MAINTENANCE SUPPLY INC													
99113	1 I	10/12/2011	9/14/2011	SUPPLY FOR STRIPER THROAT SEAL LIQUID - QU	31.10		31.10		31.10	21			1
								21-41-2009	STREET MATERIALS				
				** VENDOR TOTALS *	31.10		31.10		31.10				
4648 POORMAN AUTO SUPPLY #5													
SEPT 2011	4 I	10/12/2011	9/25/2011	VEH EQUIP, REPAIR PARTS	24.45		24.45		24.45	21			1
								21-41-2006	STREET EQUIPMENT MAINTENANCE				
				** VENDOR TOTALS *	24.45		24.45		24.45				
5770 SUPERIOR COMPUTER SUPPLY INC													
213595	5 I	10/12/2011	9/27/2011	OFFICE SUPPLIES	39.30		39.30		39.30	21			1
								21-41-2004	STREET OFFICE EXPENSE				
				** VENDOR TOTALS *	39.30		39.30		39.30				
5940 TRUCK PARTS & EQUIPMENT INC													
353973	1 I	10/12/2011	9/01/2011	2-MP-M STR O-RINGS @ 10	20.50		20.50		20.50	21			1
								21-41-2006	STREET EQUIPMENT MAINTENANCE				
				** VENDOR TOTALS *	20.50		20.50		20.50				
6135 UNIFIRST CORPORATION													
PO 12283	3 I	10/12/2011	9/30/2011	SHOP TOWELS, SOAP, AIR FR	24.96		24.96		24.96	21			1
								21-41-2009	STREET MATERIALS				
	9 I			2 WK UNIFORM RENT/CLEAN	87.29		87.29		87.29	21			1
								21-41-2016	STREET UNIFORMS				
				* INVOICE TOTALS	112.25		112.25		112.25				
				** VENDOR TOTALS *	112.25		112.25		112.25				
				STREET	5462.26		5462.26		5462.26				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ
STREET FUND					5462.26		5462.26		5462.26				
LAW ENFORCEMENT FUND													
3140 KANSAS DEPT OF REVENUE													
3RD QTR 11 1 I		10/12/2011	10/05/2011	SALES TAX ON CONCESSION	57.59		57.59		57.59	24			1
						24-44-2031			LAW ENF VENDING MACHINE EXPENS				
** VENDOR TOTALS *					57.59		57.59		57.59				
4520 PETTY CASH													
PO 12281 16 I		10/12/2011	10/06/2011	REIMBURSE FUND	43.70		43.70		43.70	24			1
						24-44-2031			LAW ENF VENDING MACHINE EXPENS				
** VENDOR TOTALS *					43.70		43.70		43.70				
LAW ENFORCEMENT					101.29		101.29		101.29				
LAW ENFORCEMENT F					101.29		101.29		101.29				
SPECIAL LIABILITY FUND													
3810 MADRIGAL & WELCH													
59626 6 I		10/12/2011	9/02/2011	OCT 2011 INSURANCE INST	4787.00		4787.00		4787.00	27			1
						27-47-2020			SP LIABILITY INSURANCE				
** VENDOR TOTALS *					4787.00		4787.00		4787.00				
SPECIAL LIABILITY					4787.00		4787.00		4787.00				
SPECIAL LIABILITY					4787.00		4787.00		4787.00				
SPECIAL ALCOHOL													
4642 POSITIVE PROMOTIONS INC													
4221947 1 I		10/12/2011	9/27/2011	1200 MYLAR HALLOWEEN BA	708.00		708.00		708.00	28			1
						28-48-2032			SP ALCOHOL PREVENTION/EDUC				
2 I				SET-UP CHARGE	40.00		40.00		40.00	28			1
						28-48-2032			SP ALCOHOL PREVENTION/EDUC				
3 I				SHIPPING & HANDLING	74.34		74.34		74.34	28			1
						28-48-2032			SP ALCOHOL PREVENTION/EDUC				
* INVOICE TOTALS					822.34		822.34		822.34				
** VENDOR TOTALS *					822.34		822.34		822.34				
SPECIAL ALCOHOL					822.34		822.34		822.34				
SPECIAL ALCOHOL					822.34		822.34		822.34				
RECREATION DEPARTMENT													

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

4520 PETTY CASH													
PO 12281	17 I	10/12/2011	10/06/2011	REIMBURSE FUND	99.00		99.00		99.00	30			1
								30-00-5077	RECREATION DEPT				PROGRAMS
				** VENDOR TOTALS *	99.00		99.00		99.00				
				REVENUE FUNDS	99.00		99.00		99.00				
5 AAA PORTABLE SERVICES LLC													
A-62529	1 I	10/12/2011	9/28/2011	PORTABLE RESTROOM SERVI 2 UNITS - 1 MONTH SO	110.00		110.00		110.00	30			1
								30-50-2092	RECREATION DEPT				PROGRAMS
				** VENDOR TOTALS *	110.00		110.00		110.00				
100 AMSAN													
253138259	1 I	10/12/2011	9/28/2011	1 CS BATH TISSUE	48.06		48.06		48.06	30			1
								30-50-2009	RECREATION DEPT				MATERIALS
	2 I			3 CS HARD ROLL TOWELS	140.70		140.70		140.70	30			1
								30-50-2009	RECREATION DEPT				MATERIALS
				* INVOICE TOTALS	188.76		188.76		188.76				
				** VENDOR TOTALS *	188.76		188.76		188.76				
361 AMERICAN SOCCER COMPANY INC													
6120510	1 I	10/12/2011	9/22/2011	5 ADULT JERSEY	79.75		79.75		79.75	30			1
								30-50-2092	RECREATION DEPT				PROGRAMS
	2 I			1 ADULT JERSEY	26.95		26.95		26.95	30			1
								30-50-2092	RECREATION DEPT				PROGRAMS
	3 I			5 WHISTLES	22.25		22.25		22.25	30			1
								30-50-2092	RECREATION DEPT				PROGRAMS
	4 I			5 NECK LANYARDS	3.25		3.25		3.25	30			1
								30-50-2092	RECREATION DEPT				PROGRAMS
	5 I			3 REGULATION CORNER FLA	53.85		53.85		53.85	30			1
								30-50-2092	RECREATION DEPT				PROGRAMS
	6 I			3 SPORTS STOP WATCHES	43.35		43.35		43.35	30			1
								30-50-2092	RECREATION DEPT				PROGRAMS
	7 I			FREIGHT	38.90		38.90		38.90	30			1
								30-50-2092	RECREATION DEPT				PROGRAMS
				* INVOICE TOTALS	268.30		268.30		268.30				
				** VENDOR TOTALS *	268.30		268.30		268.30				
1632 EAGLE EYE SIGN RENTAL COMPANY													
552880	1 I	10/12/2011	9/30/2011	4'X8' SIGN RENTALS 3 @	240.00		240.00		240.00	30			1
								30-50-2092	RECREATION DEPT				PROGRAMS
				** VENDOR TOTALS *	240.00		240.00		240.00				
2266 HASTY AWARDS													
9110830	1 I	10/12/2011	9/26/2011	140-GOLD 2.5" SOCCER ME	250.60		250.60		250.60	30			1
								30-50-2092	RECREATION DEPT				PROGRAMS
	2 I			ENGRAVING FEE 140 @ .4	63.00		63.00		63.00	30			1
								30-50-2092	RECREATION DEPT				PROGRAMS
	3 I			SHIPPING	11.30		11.30		11.30	30			1

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ
142095	1 I	10/12/2011	9/06/2011	N WALKER-BAT/UDS	47.50		47.50		47.50	30			1
						30-50-2092			RECREATION DEPT				
									PROGRAMS				
142297	1 I	10/12/2011	9/19/2011	R SPENCER-BAT/UDS PRE-EMPLOYMENT SCREENIN	47.50		47.50		47.50	30			1
						30-50-2094			RECREATION DEPT				
									LATCHKEY PROG				
				** VENDOR TOTALS *	190.00		190.00		190.00				
				4520 PETTY CASH									
PO 12281	18 I	10/12/2011	10/06/2011	REIMBURSE FUND	29.17		29.17		29.17	30			1
						30-50-2012			RECREATION DEPT				
									MISCELLANEOUS				
	19 I			REIMBURSE FUND	35.00		35.00		35.00	30			1
						30-50-2094			RECREATION DEPT				
									LATCHKEY PROG				
				* INVOICE TOTALS	64.17		64.17		64.17				
				** VENDOR TOTALS *	64.17		64.17		64.17				
				4648 POORMAN AUTO SUPPLY #5									
SEPT 2011	5 I	10/12/2011	9/25/2011	LIGHTS FOR HAC MOWER	14.00		14.00		14.00	30			1
						30-50-2046			RECREATION DEPT				
									P-C SPORTS COM				
				** VENDOR TOTALS *	14.00		14.00		14.00				
				5231 SAM'S CLUB / GEMB									
SEPT 2011	1 I	10/12/2011	9/09/2011	MISC SUPPLIES	9.98		9.98		9.98	30			1
						30-50-2009			RECREATION DEPT				
									MATERIALS				
	2 I			MISC SNACKS & SUPPLIES	164.71		164.71		164.71	30			1
						30-50-2092			RECREATION DEPT				
									PROGRAMS				
	3 I			MISC SNACKS & SUPPLIES	409.65		409.65		409.65	30			1
						30-50-2094			RECREATION DEPT				
									LATCHKEY PROG				
				* INVOICE TOTALS	584.34		584.34		584.34				
				** VENDOR TOTALS *	584.34		584.34		584.34				
				6624 CITY OF WICHITA									
PO 12272	1 I	10/12/2011	10/05/2011	NELSON ELEMENTARY SAP 4	180.00		180.00		180.00	30			1
						30-50-2094			RECREATION DEPT				
									LATCHKEY PROG				
	2 I			REX ELEMENTARY SAP 4271 ANNUAL SURVEY LK SITES	180.00		180.00		180.00	30			1
						30-50-2094			RECREATION DEPT				
									LATCHKEY PROG				
				* INVOICE TOTALS	360.00		360.00		360.00				
				** VENDOR TOTALS *	360.00		360.00		360.00				
				RECREATION DEPART	4521.49		4521.49		4521.49				
				RECREATION DEPART	4620.49		4620.49		4620.49				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ
FEDERAL LAW ENF. TRUST													
720 BEST SUPPLY CO INC													
197216	1 I	10/12/2011	10/03/2011	1/4"X4"X20' HR FLAT (ME	47.12		47.12		47.12	33			1
								33-53-2012	FED LAW ENF TRUST MISC				
	2 I			4"X5.4#X20' STRUCTURAL	72.83		72.83		72.83	33			1
								33-53-2012	FED LAW ENF TRUST MISC				
	3 I			STANDARD STEEL CUT FEE	7.00		7.00		7.00	33			1
								33-53-2012	FED LAW ENF TRUST MISC				
				* INVOICE TOTALS	126.95		126.95		126.95				
				** VENDOR TOTALS *	126.95		126.95		126.95				
777 BIG TOOL STORE													
263832	1 I	10/12/2011	9/23/2011	TRAILER BRAKE ADPT	14.89		14.89		14.89	33			1
								33-53-2012	FED LAW ENF TRUST MISC				
	2 I			3V LITHIUM BATTERY	5.99		5.99		5.99	33			1
								33-53-2012	FED LAW ENF TRUST MISC				
	3 I			TRAILER END CONN	5.65		5.65		5.65	33			1
								33-53-2012	FED LAW ENF TRUST MISC				
	4 I			6 TRAILER ACCESS @ 1.99	11.94		11.94		11.94	33			1
								33-53-2012	FED LAW ENF TRUST MISC				
				* INVOICE TOTALS	38.47		38.47		38.47				
				** VENDOR TOTALS *	38.47		38.47		38.47				
5858 TTK ELECTRONICS LLC													
7461	1 I	10/12/2011	9/15/2011	10 PANASONIC TOUGHBOOK	13560.00		13560.00		13560.00	33			1
				14" HD SCREENS-3 YR WAR									
								33-53-2012	FED LAW ENF TRUST MISC				
				** VENDOR TOTALS *	13560.00		13560.00		13560.00				
				FEDERAL LAW ENF T	13725.42		13725.42		13725.42				
				FEDERAL LAW ENF.	13725.42		13725.42		13725.42				
CAPITAL IMPROVEMENTS													
2360 HAYSVILLE SUN-TIMES													
11342	4 I	10/12/2011	9/30/2011	ORD 979 SPEC ASSESSMENT	192.00		192.00		192.00	36			1
				IMPROVE IND PARK #2									
								36-56-3001	CAP IMPR MISCELLANEOUS PROJECT				
				** VENDOR TOTALS *	192.00		192.00		192.00				
4750 PROFESSIONAL ENGINEERING													
3240889	1 I	10/12/2011	9/22/2011	SO BROADWAY CORRIDOR ST	6598.11		6598.11		6598.11	36			1
				BILLING THROUGH 8/20/11									
								36-56-3001	CAP IMPR MISCELLANEOUS PROJECT				
				** VENDOR TOTALS *	6598.11		6598.11		6598.11				
				CAPITAL IMPROVEME	6790.11		6790.11		6790.11				

HKMESSGE
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Fri Oct 7, 2011 10:27 AM

City of Haysville
SCHEDULED CLAIMS LIST

OPER: DMH

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INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

				CAPITAL IMPROVEME	6790.11		6790.11		6790.11				
				BANK TOTALS	89173.03		89173.03		89173.03				
				TOTAL MANUAL CHECKS					.00				
				TOTAL E-PAYMENTS					.00				
				TOTAL PURCH CARDS					.00				
				TOTAL OPEN PAYMENTS					89173.03				
				GRAND TOTALS	89173.03		89173.03		89173.03				

CK #	DATE	PAYEE	DESCRIPTION	DEPARTMENT	AMOUNT
42724	08/26/11	Dave Harper - Void	Travel Expense - Training in Topeka	Wastewater - Training/Educ/Travel	(50.00)
42752	09/23/11	Jennifer Lespagnard	Refund Deposit on Comm. Bldg. Rental 9/17 - Rcpt. #86892	General Revenue - Bldg. Rentals	50.00
42753	09/23/11	Tess Haws	Refund Deposit on Comm. Bldg. Rental 9/7 - Rcpt. #85548	General Revenue - Bldg. Rentals	50.00
42754	09/27/11	Prichard Animal Hospital	Refund for Dog Tag - Outside City Limits	General Revenue - Animal Licenses	10.00
42755	09/27/11	Jeana Morgan	Reimburse for Mileage to MTP-PAC Meeting in Wichita	Planning - Miscellaneous	13.00
42756	09/27/11	Kevin Sexton	Reimburse for Meals at LEEDS - FBI Training	Police - Training/Educ/Travel	43.82
42757	09/27/11	Dorothy Steele	Refund Senior Center Rental Fee Due to Cancellation	General Revenue - Bldg. Rentals	50.00
42758	09/28/11	Party City	Retirement Celebration - Beverly Rodgers	Gen. Emp. Ben. - Retirement	85.00
42759	09/28/11	Things Remembered	Retirement Gift - Beverly Rodgers	Gen. Emp. Ben. - Retirement	110.00
42760	09/28/11	Suzann Whiting	Refund Program Fee - Cheer Class	Recreation Revenue - Programs	66.00
42761	09/28/11	Melody Williams	Refund Program Fee - Cheer Class	Recreation Revenue - Programs	33.00
42762	09/28/11	Tina M. Coster	Restitution Payment - Case #2009-5110	Court Revenue - Restitution	20.00
42763	09/30/11	Tess Haws	Refund Deposit on Comm. Bldg. Rental 9/24 - Rcpt. #85548	General Revenue - Bldg. Rentals	50.00
42764	09/30/11	Joyce Miller	Refund Deposit on Comm. Bldg. Rental 9/20 - Rcpt. #87146	General Revenue - Bldg. Rentals	50.00
42765	09/30/11	Jennifer West	Refund Deposit on Comm. Bldg. Rental 9/18 - Rcpt. #87166	General Revenue - Bldg. Rentals	50.00
42766	10/03/11	Jeana Morgan	Retirement Celebration - Fuel for Travel to Wichita	Gen. Emp. Ben. - Retirement	11.00
42767	10/03/11	Sam's Club	Membership Add-Ons, Vending Machine Product, Coffee Creamer	Vending Machine Expense	43.70
				City Clerk - Miscellaneous	29.17
				Recreation - Miscellaneous	29.17
				Special Funds - Miscellaneous	22.76
42768	10/04/11	Brandie Palmer	Refund Park Shelter Fee - Rcpt. #87238	General Revenue - Miscellaneous	10.00
42769	10/04/11	Dianne Smith	Refund Overpayment of Court Fees - Rcpt. #14149	General Revenue - Miscellaneous	1.00
42770	10/04/11	Charles Drake	Refund Overpayment of Court Fees - Rcpt. #14248	General Revenue - Miscellaneous	3.00
42771	10/04/11	Charles Sawyer	Refund Overpayment of Court Fees - Rcpt. #14153	General Revenue - Miscellaneous	1.00
42772	10/04/11	USD #261 - The Learning Center	Class Fee for Jennifer Jones - CPR-AED	Recreation - Latchkey	35.00
42773	10/05/11	CJ Cross	Refund Park Shelter Fee - Rcpt. #87064	General Revenue - Miscellaneous	20.00
42774	10/06/11	Baysinger Police Supply	Name Tag for Clint Cartwright - Inv. #54348	Police - Uniforms & Equipment	9.95
42775	10/06/11	Wichita Winnelson	Water Service Adapter - Inv. #22959700	Water - Materials	9.34
42776	10/06/11	John Vena	Refund Overpayment of Court Fees - Rcpt. #14247	General Revenue - Miscellaneous	1.00
42777	10/06/11	USPS	Return Pagers to USA Mobility for Insurance Confirmation	Police - Office Expense	17.13
				Wastewater - Postage	8.57
				Water - Postage	8.56
				TOTAL CHECKS WRITTEN	891.17

VENDOR NO NAME	PAYMENT AMT
1325 COX COMMUNICATIONS	760.29
3230 KS GAS SERVICE-PRIMARY	390.91
6407 WESTAR ENERGY	22,958.53
	=====
REPORT TOTAL	24,109.73

FUND	NAME	TOTAL
01	GENERAL FU	4,819.45
10	SEWER FUND	11,733.47
11	WATER FUND	4,112.25
12	MUNICIPAL	338.55
14	STORMWATER	433.31
21	STREET FUN	706.65
30	RECREATION	1,966.05
		=====
	TOTAL	24,109.73

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

INTRUST GENERAL FUND													
1325 COX COMMUNICATIONS													
OCT 2011	4	I	10/06/2011	9/29/2011	DATA SERVICES	45.00		45.00	45.00	01			1
								01-01-2002	CITY CLERK TELEPHONE				
					** VENDOR TOTALS *	45.00		45.00	45.00				
					CITY CLERK	45.00		45.00	45.00				
1325 COX COMMUNICATIONS													
OCT 2011	5	I	10/06/2011	9/29/2011	DATA SERVICES	142.00		142.00	142.00	01			1
								01-02-2002	POLICE TELEPHONE				
					** VENDOR TOTALS *	142.00		142.00	142.00				
3230 KANSAS GAS SERVICE													
SEPT 2011	1	I	10/06/2011	9/26/2011	GAS UTILITIES	43.29		43.29	43.29	01			1
								01-02-2013	POLICE ANIMAL CONTROL				
					** VENDOR TOTALS *	43.29		43.29	43.29				
6407 WESTAR ENERGY													
SEPT 2011	1	I	10/06/2011	9/29/2011	MONTHLY ELECTRIC UTILIT	79.12		79.12	79.12	01			1
								01-02-2013	POLICE ANIMAL CONTROL				
					** VENDOR TOTALS *	79.12		79.12	79.12				
					POLICE	264.41		264.41	264.41				
1325 COX COMMUNICATIONS													
OCT 2011	12	I	10/06/2011	9/29/2011	DATA SERVICES	31.80		31.80	31.80	01			1
								01-03-2002	PARK TELEPHONE				
					** VENDOR TOTALS *	31.80		31.80	31.80				
6407 WESTAR ENERGY													
SEPT 2011	2	I	10/06/2011	9/29/2011	MONTHLY ELECTRIC UTILIT	836.96		836.96	836.96	01			1
								01-03-2003	PARK UTILITIES				
					** VENDOR TOTALS *	836.96		836.96	836.96				
					PARK	868.76		868.76	868.76				
1325 COX COMMUNICATIONS													
OCT 2011	6	I	10/06/2011	9/29/2011	DATA SERVICES	4.70		4.70	4.70	01			1
								01-04-2002	PL COMM TELEPHONE				
					** VENDOR TOTALS *	4.70		4.70	4.70				
					PLANNING COMMISSI	4.70		4.70	4.70				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

1325 COX COMMUNICATIONS													
OCT 2011	7 I	10/06/2011	9/29/2011	DATA SERVICES	10.90		10.90		10.90	01			1
								01-06-2002	MUN COURT TELEPHONE				
				** VENDOR TOTALS *	10.90		10.90		10.90				
				MUNICIPAL COURT	10.90		10.90		10.90				
6407 WESTAR ENERGY													
SEPT 2011	3 I	10/06/2011	9/29/2011	MONTHLY ELECTRIC UTILIT	677.29		677.29		677.29	01			1
								01-08-2003	STREET LIGHT UTILITIES				
				** VENDOR TOTALS *	677.29		677.29		677.29				
				STREET LIGHTS	677.29		677.29		677.29				
3230 KANSAS GAS SERVICE													
SEPT 2011	2 I	10/06/2011	9/26/2011	GAS UTILITIES	55.20		55.20		55.20	01			1
								01-09-2003	BLDG & GROUNDS UTILITIES				
				** VENDOR TOTALS *	55.20		55.20		55.20				
6407 WESTAR ENERGY													
SEPT 2011	4 I	10/06/2011	9/29/2011	MONTHLY ELECTRIC UTILIT	2055.70		2055.70		2055.70	01			1
								01-09-2003	BLDG & GROUNDS UTILITIES				
	12 I			VICKER'S ELECTRIC UTILI	78.86		78.86		78.86	01			1
								01-09-2003	BLDG & GROUNDS UTILITIES				
				* INVOICE TOTALS	2134.56		2134.56		2134.56				
				** VENDOR TOTALS *	2134.56		2134.56		2134.56				
				CITY BUILDINGS &	2189.76		2189.76		2189.76				
1325 COX COMMUNICATIONS													
OCT 2011	1 I	10/06/2011	9/29/2011	CABLE TV & DATA SERVICE	102.07		102.07		102.07	01			1
								01-12-2003	SR CENTER UTILITIES				
				** VENDOR TOTALS *	102.07		102.07		102.07				
3230 KANSAS GAS SERVICE													
SEPT 2011	3 I	10/06/2011	9/26/2011	GAS UTILITIES	44.15		44.15		44.15	01			1
								01-12-2003	SR CENTER UTILITIES				
				** VENDOR TOTALS *	44.15		44.15		44.15				
6407 WESTAR ENERGY													
SEPT 2011	5 I	10/06/2011	9/29/2011	MONTHLY ELECTRIC UTILIT	553.31		553.31		553.31	01			1
								01-12-2003	SR CENTER UTILITIES				
				** VENDOR TOTALS *	553.31		553.31		553.31				
				SENIOR CENTER	699.53		699.53		699.53				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

1325 COX COMMUNICATIONS													
OCT 2011	8 I	10/06/2011	9/29/2011	DATA SERVICES	13.20		13.20		13.20	01			1
								01-18-2002	GEN GOVT TELEPHONE/POSTAGE				
	11 I			DATA SERVICES-COMM DEV	4.70		4.70		4.70	01			1
								01-18-2002	GEN GOVT TELEPHONE/POSTAGE				
				* INVOICE TOTALS	17.90		17.90		17.90				
				** VENDOR TOTALS *	17.90		17.90		17.90				
				GENERAL GOVERNMEN	17.90		17.90		17.90				
1325 COX COMMUNICATIONS													
OCT 2011	13 I	10/06/2011	9/29/2011	DATA SERVICES	31.80		31.80		31.80	01			1
								01-20-2002	INSPECTION TELEPHONE				
				** VENDOR TOTALS *	31.80		31.80		31.80				
				INSPECTION	31.80		31.80		31.80				
1325 COX COMMUNICATIONS													
OCT 2011	9 I	10/06/2011	9/29/2011	DATA SERVICES	4.70		4.70		4.70	01			1
								01-21-2002	INFORMATION SYS TELEPHONE				
				** VENDOR TOTALS *	4.70		4.70		4.70				
				INFORMATION SYSTE	4.70		4.70		4.70				
1325 COX COMMUNICATIONS													
OCT 2011	10 I	10/06/2011	9/29/2011	DATA SERVICES	4.70		4.70		4.70	01			1
								01-22-2002	MEDIA SPECIALIST TELEPHONE				
				** VENDOR TOTALS *	4.70		4.70		4.70				
				MEDIA SPECIALIST	4.70		4.70		4.70				
				GENERAL FUND	4819.45		4819.45		4819.45				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

SEWER FUND													
1325 COX COMMUNICATIONS													
OCT 2011	14	I	10/06/2011	9/29/2011	DATA SERVICES	31.80		31.80	31.80	10			1
								10-30-2002	SEWER TELEPHONE				
					** VENDOR TOTALS *	31.80		31.80	31.80				
3230 KANSAS GAS SERVICE													
SEPT 2011	4	I	10/06/2011	9/26/2011	GAS UTILITIES	106.84		106.84	106.84	10			1
								10-30-2003	SEWER UTILITIES				
					** VENDOR TOTALS *	106.84		106.84	106.84				
6407 WESTAR ENERGY													
SEPT 2011	6	I	10/06/2011	9/29/2011	MONTHLY ELECTRIC UTILIT	11594.83		11594.83	11594.83	10			1
								10-30-2003	SEWER UTILITIES				
					** VENDOR TOTALS *	11594.83		11594.83	11594.83				
					SEWER	11733.47		11733.47	11733.47				
					SEWER FUND	11733.47		11733.47	11733.47				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

WATER FUND													
1325 COX COMMUNICATIONS													
OCT 2011	15	I	10/06/2011	9/29/2011	DATA SERVICES	31.80		31.80	31.80	11			1
								11-31-2002	WATER TELEPHONE				
					** VENDOR TOTALS *	31.80		31.80	31.80				
3230 KANSAS GAS SERVICE													
SEPT 2011	5	I	10/06/2011	9/26/2011	GAS UTILITIES	68.55		68.55	68.55	11			1
								11-31-2003	WATER UTILITIES				
					** VENDOR TOTALS *	68.55		68.55	68.55				
6407 WESTAR ENERGY													
SEPT 2011	7	I	10/06/2011	9/29/2011	MONTHLY ELECTRIC UTILIT	4011.90		4011.90	4011.90	11			1
								11-31-2003	WATER UTILITIES				
					** VENDOR TOTALS *	4011.90		4011.90	4011.90				
					WATER	4112.25		4112.25	4112.25				
					WATER FUND	4112.25		4112.25	4112.25				

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City of Haysville
SCHEDULED CLAIMS LIST

OPER: DMH

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INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

MUNICIPAL POOL													
6407 WESTAR ENERGY													
SEPT 2011	8	I	10/06/2011	9/29/2011	MONTHLY ELECTRIC UTILIT	338.55		338.55	338.55	12			1
							12-32-2003		MUNICIPAL POOL UTILITIES				
** VENDOR TOTALS *					338.55		338.55		338.55				
MUNICIPAL POOL					338.55		338.55		338.55				
MUNICIPAL POOL					338.55		338.55		338.55				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

STORMWATER SEWER													
6407 WESTAR ENERGY													
SEPT 2011 13 I		10/06/2011	9/29/2011	RIVER FOREST WELL PUMP	433.31		433.31		433.31	14			1
					14-34-2012		STORMWATER MISCELLANEOUS						
** VENDOR TOTALS *					433.31		433.31		433.31				
STORMWATER DEPART					433.31		433.31		433.31				
STORMWATER SEWER					433.31		433.31		433.31				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ

STREET FUND													
1325 COX COMMUNICATIONS													
OCT 2011	16	I	10/06/2011	9/29/2011	DATA SERVICES	31.80		31.80	31.80	21			1
								21-41-2002	STREET TELEPHONE				
					** VENDOR TOTALS *	31.80		31.80	31.80				
3230 KANSAS GAS SERVICE													
SEPT 2011	6	I	10/06/2011	9/26/2011	GAS UTILITIES	41.81		41.81	41.81	21			1
								21-41-2003	STREET UTILITIES				
					** VENDOR TOTALS *	41.81		41.81	41.81				
6407 WESTAR ENERGY													
SEPT 2011	9	I	10/06/2011	9/29/2011	MONTHLY ELECTRIC UTILIT	633.04		633.04	633.04	21			1
								21-41-2003	STREET UTILITIES				
					** VENDOR TOTALS *	633.04		633.04	633.04				
					STREET	706.65		706.65	706.65				
					STREET FUND	706.65		706.65	706.65				

INVOICE#/LN	TY	DUE DATE	INV DATE	REFERENCE	GROSS	DISCOUNT	NET	DISCOUNT TAKEN	PAYMENT AMOUNT	DIST	MAN	CHCK	CK SQ
RECREATION DEPARTMENT													
1325 COX COMMUNICATIONS													
OCT 2011	2	I	10/06/2011	9/29/2011	CABLE TELEVISION	110.32		110.32	110.32	30			1
								30-50-2003	RECREATION DEPT UTILITIES				
	3	I			DATA SERVICES	159.00		159.00	159.00	30			1
								30-50-2002	RECREATION DEPT TELEPHONE				
					* INVOICE TOTALS	269.32		269.32	269.32				
					** VENDOR TOTALS *	269.32		269.32	269.32				
3230 KANSAS GAS SERVICE													
SEPT 2011	7	I	10/06/2011	9/26/2011	GAS UTILITIES	31.07		31.07	31.07	30			1
								30-50-2003	RECREATION DEPT UTILITIES				
					** VENDOR TOTALS *	31.07		31.07	31.07				
6407 WESTAR ENERGY													
SEPT 2011	10	I	10/06/2011	9/29/2011	MONTHLY ELECTRIC UTILIT	1554.23		1554.23	1554.23	30			1
								30-50-2003	RECREATION DEPT UTILITIES				
	11	I			MONTHLY ELECTRIC UTILIT	111.43		111.43	111.43	30			1
								30-50-3065	RECREATION DEPT P-C UTILITIES				
					* INVOICE TOTALS	1665.66		1665.66	1665.66				
					** VENDOR TOTALS *	1665.66		1665.66	1665.66				
					RECREATION DEPART	1966.05		1966.05	1966.05				
					RECREATION DEPART	1966.05		1966.05	1966.05				
					BANK TOTALS	24109.73		24109.73	24109.73				
					TOTAL MANUAL CHECKS				.00				
					TOTAL E-PAYMENTS				.00				
					TOTAL PURCH CARDS				.00				
					TOTAL OPEN PAYMENTS				24109.73				
					GRAND TOTALS	24109.73		24109.73	24109.73				

INVOICE NO DUE DATE TYPE

LINE SEQ REFERENCE GROSS DISCOUNT NET GL ACCOUNT NUMBER PO NUMBER PO REFERENCE GL ACCOUNT NAME DISTID

3351 KANSAS STATE TREASURER

DEBIT MEMO #3 9/30/11

LINE SEQ	REFERENCE	GROSS	DISCOUNT	NET	GL ACCOUNT NUMBER	PO NUMBER	PO REFERENCE	DISTID
PO 12300	09/30/2011 I							
1	1 DEBIT MEMO #3-BOND EXPENSE	184546.00	.00	184546.00	01-24-3006		BOND EXPENSE	01
	** E-PAYMENT **		.00	184546.00			EPAY 930113 DT 9/30/2011	
2	1 B&I ON COUPONS	139574.63	.00	139574.63	41-61-2051		BOND & INTEREST INT ON COUP	41
	** E-PAYMENT **		.00	139574.63			EPAY 930113 DT 9/30/2011	
3	1 B&I PRINCIPAL	1140000.00	.00	1140000.00	41-61-2052		BOND & INTEREST PRINCIPAL	41
	** E-PAYMENT **		.00	1140000.00			EPAY 930113 DT 9/30/2011	
4	1 WW REV&RFDG BOND DEBT SERV P&I	354012.50	.00	354012.50	53-66-3005		WW REV & RFDG BD DEBT SER P	53
	** E-PAYMENT **		.00	354012.50			EPAY 930113 DT 9/30/2011	
	** INVOICE TOTAL**	1818133.13	.00	1818133.13				
	VENDOR TOTAL	1818133.13	.00	1818133.13				
	GRAND TOTAL	1818133.13	.00	1818133.13				
	** E-PAYMENTS **		.00	1818133.13				

INVOICE TYPE CODES:

I - INVOICE E - ENCUMBRANCE L - LIQUIDATION LP - PARTIAL LIQUIDATION B - ENCUMBRANCE & LIQUIDATION

ACCOUNT NUMBER	ACCOUNT TITLE	DEBITS	CREDITS	NET
01-00-0010	GENERAL CASH BALANCE	.00	184546.00	184546.00-
01-24-3006	BOND EXPENSE	184546.00	.00	184546.00
41-00-0010	BOND & INTEREST CASH BALANCE	.00	1279574.63	1279574.63-
41-61-2051	BOND & INTEREST INT ON COUPONS	139574.63	.00	139574.63
41-61-2052	BOND & INTEREST PRINCIPAL	1140000.00	.00	1140000.00
53-00-0010	WW REV & RFDG BD DBT SERV CASH	.00	354012.50	354012.50-
53-66-3005	WW REV & RFDG BD DEBT SER P&I	354012.50	.00	354012.50
TRANSACTION TOTALS		1818133.13	1818133.13	.00
FUND	NAME	DEBITS	CREDITS	
01	GENERAL FUND	184546.00	184546.00	
41	BOND & INTEREST	1279574.63	1279574.63	
53	96 W/W REV BD DEBT SERVIC	354012.50	354012.50	
TOTALS		1818133.13	1818133.13	

SEPTEMBER TRANSFERS

TRANSFER TO:	DESCRIPTION	FUND	AMOUNT	TOTAL
Capital Improvements	Transfer 1/2 Sales/Use Tax/August Collection	General Fund	56,568.59	56,568.59
General - Office Rent	Transfer for September 2011	Wastewater Water	150.00 150.00	300.00
W/W Revenue Bond Debt Service	Transfer for September 2011	Wastewater	32,752.12	32,752.12
W/W G.O. Bond Debt Service Fund	Transfer for September 2011	Wastewater	5,878.29	5,878.29
Recreation	Transfer of Personnel Portion - September 2011	General Fund	983.97	983.97
General	Transfer Employee Benefits - September 2011	Wastewater	5,860.08	5,860.08
General	Transfer Employee Benefits - September 2011	Water	7,384.32	7,384.32
General	Transfer Employee Benefits - September 2011	Street	3,981.40	3,981.40
General	Transfer Employee Benefits - September 2011	Stormwater	607.29	607.29
Special Park Improvement Reserve	Transfer 10% Building Permits	General Fund	464.20	464.20
Bond & Interest	Transfer for 2010 Bond Payment due 10/01/11	Cap. Impr.	146,125.34	146,125.34

Thank You



Tricklin



It's hard to find words

that would even begin

To thank you enough

for how thoughtful

you've been.

Thank you for the beautiful clock and the retirement celebration. I truly enjoyed my years with the City. I appreciate all the City has done for me.

*With warm regards,
Buddy Rodgers*

No Supporting Documents