

RESOLUTION NO. 16-5

A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2016, OF THE CITY OF CHERRYVALE, KANSAS.

WHEREAS, the City of Cherryvale, Kansas (the "Issuer"), has arranged for financing of the certain improvements to its water system (the "Improvements") by the execution of loan agreement described as follows:

<u>Lender</u>	<u>Loan No.</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>	<u>Redemption Date*</u>
KDHE	KPWSLF 2553	08/01/2030	\$714,711.02	\$540,769.61	05/25/2016

(the "Loan"); and

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

WHEREAS, the Issuer has previously issued and has outstanding general obligation bonds; and

WHEREAS, due to the current interest rate environment, the Issuer has the opportunity to issue its general obligation refunding bonds in order to achieve an interest cost savings on all or a portion of the debt represented by such general obligation bonds described as follows (collectively the "Refunded Bonds"):

<u>Description</u>	<u>Series</u>	<u>Dated Date</u>	<u>Years</u>	<u>Amount</u>
General Obligation Sewer Utility System Bonds	2003	09/23/2003	2016 to 2043	\$1,277,379
General Obligation Bonds	2007	05/07/2007	2017 to 2047	\$1,319,354

; and

WHEREAS, the City Council of the Issuer (the "Governing Body") hereby selects the firm of Piper Jaffray & Co., Leawood, Kansas (the "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 retire the Loan, and to refund the Refunded Bonds; 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 and Gilmore & Bell, P.C., Wichita, Kansas, the Issuer's bond counsel ("Bond Counsel"), in conjunction with the Clerk to proceed with the preparation and distribution of a preliminary official statement and notice of bond sale and to authorize the distribution thereof and all other preliminary action necessary to sell said general obligation bonds.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHERRYVALE, KANSAS, AS FOLLOWS:

Section 1. There is hereby authorized to be offered for sale the Issuer's General Obligation Refunding and Improvement Bonds, Series 2016 (the "Bonds") described in the Notice of Bond Sale, which is hereby approved in substantially the form presented to the Governing Body this date (the "Notice of Bond Sale"). All proposals for the purchase of the Bonds shall be submitted upon the terms and conditions set forth in the Notice of Bond Sale, and shall be reviewed by the Mayor, Clerk, the Financial Advisor and the Bond Counsel as soon after the submittal hour as possible. The Mayor and Clerk are hereby authorized to award the sale of the Bonds to the submitter of the best proposal as determined pursuant to the provisions of the Notice of Bond Sale or to reject all proposals. All proposals for the purchase of the Bonds shall be delivered to the Governing Body at its meeting to be held on the date referenced in the Notice of Bond Sale, at which meeting the Governing Body shall review such proposals and ratify the award of the sale of the Bonds or the rejection of all proposals.

Section 2. The Mayor and Clerk in conjunction with the Financial Advisor and Bond Counsel are hereby authorized to cause to be prepared a Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"), 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 Bond Counsel, is hereby authorized and directed to give notice of said bond sale by publishing a summary of the Notice of Bond Sale not less than 6 days before the date of the bond sale in a newspaper of general circulation in Montgomery 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 the Notice of Bond Sale, and awarded or rejected in the manner set forth in the Notice of Bond Sale.

Section 4. For the purpose of enabling the purchaser of the Bonds (the "Purchaser") to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the Mayor and Clerk are hereby authorized: (a) to approve the form of the Preliminary Official Statement and to execute the "Certificate Deeming Preliminary Official Statement Final" 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; (b) covenant to provide continuous secondary market disclosure by annually transmitting certain financial information and operating data and other information necessary to comply with the Rule to the Municipal Securities Rulemaking Board; and (c) take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of the Rule.

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 the Rule and 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: (a) carry out the sale of the Bonds; (b) provide for notice of redemption of the Refunded

Bonds; and (c) provide for notice of, and make provision for, the prepayment of the Loan from proceeds of the Bonds.

Section 7. This Resolution shall be in full force and effect from and after its adoption by the Governing Body.

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ADOPTED by the City Council on March 21, 2016.

(SEAL)

John Wright, Mayor

ATTEST:

Hillary Lawrence, City Clerk

EXHIBIT A

**CERTIFICATE DEEMING
PRELIMINARY OFFICIAL STATEMENT FINAL**

April 11, 2016

To: [Purchaser]
[Purchaser City State]

Re: \$3,265,000 City of Cherryvale, Kansas, General Obligation Refunding and Improvement
Bonds, Series 2016

The undersigned are the duly acting Mayor and Clerk of the City of Cherryvale, Kansas (the "Issuer"), and are authorized to deliver this Certificate to the addressee (the "Purchaser") on behalf of the Issuer. The Issuer has previously 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").

For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the "Rule"), the Issuer hereby deems the information regarding the Issuer contained in the Preliminary Official Statement to be final as of its date, except for the omission of such information as is permitted by the Rule, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal per maturity, delivery dates, ratings, identity of the underwriters and other terms of the Bonds depending on such matters.

CITY OF CHERRYVALE, KANSAS

By: _____
Title: John Wright, Mayor

By: _____
Title: Hillary Lawrence, City Clerk