

**RESOLUTION NO. 2013-05**

**RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2013A, OF THE CITY OF BALDWIN CITY, KANSAS.**

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

<u>Project Description</u>	<u>Ord./Res. No.</u>	<u>Authority</u>	<u>Amount</u>
Main Trafficway Improvements (6 <sup>th</sup> , High and Lawrence Streets)	2011-14 and 2013-03	K.S.A. 12-685 <i>et seq.</i>	\$2,350,000 and \$250,000
Sanitary Sewer improvements (Ames and 6 <sup>th</sup> )	2011-13 and 2013-04	K.S.A. 12-6a01 <i>et seq.</i>	\$155,000
Library expansion	2013-02	12-1736 <i>et seq.</i>	\$510,000
<b>Total:</b>			

; and

**WHEREAS**, the Issuer desires to issue its general obligation bonds in order to permanently finance the costs of such improvements and to retire the following temporary notes of the Issuer, which were issued to temporarily finance a portion of the costs of such improvements (the “Notes”):

<u>Series</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>	<u>Redemption Amount</u>	<u>Redemption Date</u>
2011	12/22/2011	09/01/2013	\$2,325,000	\$2,325,000	\$2,325,000	03/20/2013

; and

**WHEREAS**, the Issuer proposes to issue its general obligation bonds to pay a portion of the costs of the foregoing improvements and to retire the Notes; and

**WHEREAS**, the Issuer has authorized certain other internal improvements described as follows:

<u>Description</u>	<u>Res. No.</u>	<u>Authority</u>	<u>Original Cost</u>
Sewer system improvements	2013-04	Charter Ord. No. 24	\$4,621,161

; and

**WHEREAS**, the Issuer has arranged for financing of such sewer system improvements by the execution of various loan agreements described as follows:

<u>Lender</u>	<u>Loan No.</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>	<u>Redemption Date</u>
KDHE	Project No. 1303-01	\$409,438	\$161,669	03/20/2013
KDHE	Project No. 1571-01	\$2,955,074	\$2,51,700	03/20/2013
KDHE	Project No. 1748-01	\$1,256,649	\$986,474	03/20/2013

\* or as soon thereafter as possible (the “Loans”); and

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

**WHEREAS**, the Issuer has heretofore 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 the debt represented by such general obligation bonds described as follows (jointly, the "Refunded Bonds"):

<u>Description</u>	<u>Series</u>	<u>Dated Date</u>	<u>Years</u>	<u>Amount</u>
General Obligation Bonds	Series A, 1998	02/01/1998	2013	\$40,000
General Obligation Bonds	Series 2007A	10/01/2007	2016 - 2027	\$950,000

; and

**WHEREAS**, the Issuer has selected the firm of Springsted Incorporated, Kansas City, Missouri ("Financial Advisor"), as financial advisor for one or more series of general obligation refunding and improvement bonds of the Issuer to be issued in order to provide funds to permanently finance the aforementioned improvements, to prepay and refund the Loans and to refund the Refunded Obligations; 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 an 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 ("Bond Counsel"), in conjunction with the Clerk, to proceed with the preparation and distribution of an 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 GOVERNING BODY OF THE CITY OF BALDWIN CITY, KANSAS, AS FOLLOWS:**

**Section 1.** The Issuer is hereby authorized to offer for sale the Issuer's General Obligation Refunding and Improvement Bonds, Series 2013A (the "Bonds") described in the Notice of Bond Sale, which is hereby approved in substantially the form presented to the governing body this date.

**Section 2.** The Mayor and Clerk in conjunction with the Financial Advisor and Bond Counsel, are hereby authorized to cause to be prepared an 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 distributing copies of the Notice of Bond Sale and 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 Notice of Bond Sale, 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.** 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 or other appropriate officers of the Issuer are hereby authorized: (a) to approve the form of said Official Statement, and to execute the “Certificate Deeming Official Statement Final” in substantially the form attached hereto as *Exhibit A*, as approval of the 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 carry out the sale of the Bonds. Such officials are also directed and authorized to provide notice of, and make provision for, prepayment of the Loans, redemption of the Notes and redemption of the Series A, 1998 Bonds from proceeds of the Bonds.

**Section 7.** This Resolution shall be in full force and effect from and after its adoption.

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**ADOPTED** by the governing body on January 22, 2013.

(SEAL)

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Mayor

ATTEST:

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Clerk

**EXHIBIT A**

**CERTIFICATE DEEMING  
OFFICIAL STATEMENT FINAL**

January \_\_\_\_, 2013

To:

Re: \$7,510,000\* City of Baldwin City, Kansas, General Obligation Refunding and Improvement Bonds, Series 2013A

The undersigneds are the duly Mayor and acting Clerk of the City of Baldwin City, 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 Official Statement (the "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 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 BALDWIN CITY, KANSAS**

By: \_\_\_\_\_  
Title: Mayor

By: \_\_\_\_\_  
Title: Clerk

**NOTICE OF BOND SALE**

**\$7,510,000\***

**CITY OF BALDWIN CITY, KANSAS**

**GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS  
SERIES 2013A**

(GENERAL OBLIGATION BONDS PAYABLE  
FROM UNLIMITED AD VALOREM TAXES)

**Bids.** Written and electronic (as explained below) bids for the purchase of the above-referenced bonds (the “Bonds”), of the City of Baldwin City, Kansas (the “Issuer”) herein described will be received on behalf of the undersigned Clerk of the Issuer, in the case of written bids, at the address hereinafter set forth, and in the case of electronic bids, via PARITY<sup>®</sup> until 11:00 a.m., Central Standard Time (the “Submittal Hour”), on

**MARCH 4, 2013**

(the “Sale Date”). All bids will be publicly evaluated at said time and place and the award of the Bonds to the successful bidder (the “Successful Bidder”) will be acted upon by the governing body at its meeting to be held at 7:30 p.m. on the Sale Date. No oral or auction bids will be considered. Capitalized terms not otherwise defined herein shall have the meanings set forth in the hereinafter referenced Official Statement relating to the Bonds.

**Terms of the Bonds.** The Bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof (the “Authorized Denomination”). The Bonds will be dated March 19, 2013 (the “Dated Date”), and will become due in principal installments on September 1 in the years as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2014	\$440,000	2024	\$320,000
2015	455,000	2025	330,000
2016	535,000	2026	335,000
2017	540,000	2027	345,000
2018	580,000	2028	260,000
2019	580,000	2029	175,000
2020	565,000	2030	140,000
2021	570,000	2031	140,000
2022	580,000	2032	145,000
2023	325,000	2033	150,000

The Bonds will bear interest from the Dated Date at rates to be determined when the Bonds are sold as hereinafter provided, which interest will be payable semiannually on March 1 and September 1 in each year, beginning on March 1, 2013 (the “Interest Payment Dates”).

**Adjustment of Issue Size.** The Issuer reserves the right to increase or decrease the total principal amount of the Bonds, depending on the purchase price and interest rates bid and the offering prices specified by the successful bidder(s) (the “Successful Bidder”). The principal amount of any maturity may be adjusted by the Issuer in order to properly size the Bond issue based on the premium, discount and interest rates bid on the Bonds. The Successful Bidder may not withdraw its bid or change the interest rates bid as a result of any changes made to the principal amount of the Bonds or principal of any maturity as described herein. If there is an increase or decrease in the final aggregate principal amount of the Bonds or the schedule of principal payments as described above, the Issuer will notify the Successful Bidder by means of telephone or facsimile transmission, subsequently confirmed in writing, no later than 2:00 p.m., Central Standard Time, on the Sale Date. The actual purchase price for the Bonds shall be calculated by applying the percentage of par value bid by the Successful Bidder against the final aggregate principal amount of the Bonds, as adjusted, plus accrued interest from the date of the Bonds to the date of delivery.

**Place of Payment.** The principal of and interest on the Bonds will be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”). The principal of each Bond will be payable at maturity or earlier redemption to the owners thereof whose names are on the registration books (the “Bond Register”) of the Bond Registrar (the “Registered Owner”) upon presentation and surrender at the principal office of the Paying Agent. Interest on each Bond will be payable to the Registered Owner of such Bond as of the fifteenth day (whether or not a business day) of the calendar month next preceding each Interest Payment Date (the “Record Date”): (a) mailed by the Paying Agent to the address of such Registered Owner as shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds, by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address to which such Registered Owner wishes to have such wire directed.

**Place of Payment.** The principal of and interest on the Bonds will be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”). The principal of each Bond will be payable at maturity or earlier redemption to the owners thereof whose names are on the registration books (the “Bond Register”) of the Bond Registrar (the “Registered Owner”) upon presentation and surrender at the principal office of the Paying Agent. Interest on each Bond will be payable to the Registered Owner of such Bond as of the fifteenth day (whether or not a business day) of the calendar month next preceding each Interest Payment Date (the “Record Date”): (a) mailed by the Paying Agent to the address of such Registered Owner as shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds, by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address to which such Registered Owner wishes to have such wire directed.

**Bond Registration.** The Bonds will be registered pursuant to a plan of registration approved by the Issuer and the Attorney General of the State of Kansas. The Issuer will pay for the fees of the Bond Registrar for registration and transfer of the Bonds and will also pay for printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, will be the responsibility of the Owners.

**Book-Entry-Only System.** The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds. The Bonds will initially be issued exclusively in “book entry” form and shall be initially registered in the name of Cede & Co., as the nominee of DTC and no beneficial owner will receive certificates representing their interests in the Bonds. During the term of the Bonds, so long as the book-entry-only system is continued, the Issuer will make payments of principal of, premium, if any, and interest on the Bonds to DTC or its nominee as the Registered Owner of the Bonds, DTC will make book-entry-only transfers among its participants and receive and transmit payment of principal of, premium, if any, and interest on the Bonds to its participants who shall be responsible for transmitting payments to beneficial owners of the Bonds in accordance with agreements between such participants and the beneficial owners. The Issuer will not be responsible for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the Issuer determines that continuation of the book-entry-only form of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Issuer will discontinue the book-entry-only form of registration with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will cause to be authenticated and delivered to the beneficial owners replacement Bonds in the form of fully registered certificates. Reference is made to the Official Statement for further information regarding the book-entry-only system of registration of the Bonds and DTC.

#### **Redemption of Bonds Prior to Maturity.**

**General.** Whenever the Issuer is to select Bonds for the purpose of redemption, it will, in the case of Bonds in denominations greater than the minimum Authorized Denomination, if less than all of the Bonds then outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such fully registered Bond as though it were a separate Bond in the minimum Authorized Denomination.

**Optional Redemption.** At the option of the Issuer, Bonds maturing on September 1 in the years 2023, and thereafter, will be subject to redemption and payment prior to maturity on September 1, 2022, and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

**Mandatory Redemption.** A bidder may elect to have all or a portion of the Bonds scheduled to mature in consecutive years issued as term bonds (the “Term Bonds”) scheduled to mature in the latest of said consecutive years and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth above, subject to the following conditions: (a) not less than all Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements; and (b) a bidder shall make such an election by completing the applicable paragraph on the Official Bid Form or completing the applicable information on PARITY®.

**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 maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar, the Bond Insurer, if any, and the Successful Bidder. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the registered owners of said Bonds. Each of said written notices shall be deposited in United States first class mail not less than 30 days prior to the date fixed for redemption. All notices of redemption shall state the date of redemption, the redemption price, the Bonds to be redeemed, the place of surrender of Bonds so called for redemption and a statement of the effect of the redemption.

The Issuer shall also give such additional notice as may be required by Kansas law or regulation of the Securities and Exchange Commission in effect as of the date of such notice. If any Bond be called for redemption and payment as aforesaid, all interest on such Bond shall cease from and after the date for which such call is made, provided funds are available for its payment at the price hereinbefore specified.

**Authority, Purpose and Security.** The Bonds are being issued pursuant to K.S.A. 12-6a01 *et seq.*, K.S.A. 12-1736 *et seq.*, K.S.A. 12-685 *et seq.*, K.S.A. 10-427 *et seq.*, and Charter Ordinance No. 24., as amended, and an ordinance and a resolution adopted by the governing body of the Issuer (collectively the “Bond Resolution”) for the purpose of paying a portion of the cost of certain street, sewer, and public building improvements, permanently financing certain sewer system improvements and prepaying and refunding certain loans of the Issuer from the Kansas Department of Health and Environment, which loans initially financed such improvements, and refunding certain outstanding bonds of the Issuer. The Bonds shall be general obligations of the Issuer payable as to both principal and interest in part from special assessments levied upon the property benefited by the construction of certain of said improvements, 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 full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal and interest on the Bonds as the same become due.

**Submission of Bids.** Written bids must be made on forms which may be procured from the Clerk or the Financial Advisor and shall be addressed to the undersigned, and marked “Proposal for General Obligation Refunding and Improvement Bonds, Series 2013A.” Written bids submitted by facsimile should not be preceded by a cover sheet and should be sent only once to (651) 223-3046. Confirmation of receipt of facsimile bids may be made by contacting the Financial Advisor at the number listed below. Electronic bids via PARITY<sup>®</sup> must be submitted in accordance with its Rules of Participation, as well as the provisions of this Notice of Bond Sale. If provisions of this Notice of Bond Sale conflict with those of PARITY<sup>®</sup>, this Notice of Bond Sale shall control. Bids must be received prior to the Submittal Hour on the Sale Date accompanied by the Deposit (as hereinafter defined), which may be submitted separately, provided such Deposit is received by the Issuer prior to the Submittal Hour on the Sale Date. The Issuer shall not be responsible for any failure, misdirection or error in the means of transmission selected by any bidder.

**PARITY<sup>®</sup>.** Information about the electronic bidding services of PARITY<sup>®</sup> may be obtained from i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Phone No. (212) 849-5023.

**Conditions of Bids.** Proposals will be received on the Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: (a) the same rate shall apply to all Bonds of the same maturity year; (b) no interest rate may exceed a rate equal to the daily yield for the 10-year Treasury Bond published by **THE BOND BUYER**, in New York, New York, on the Monday next preceding the day on which the Bonds are sold, plus 6%; and (c) no supplemental interest payments will be considered. No bid shall be for less than 98.9% of the principal amount of the Bonds and accrued interest thereon to the date of delivery will be considered. Each bid shall specify the total interest cost (expressed in dollars) during the term of the Bonds on the basis of such bid, the discount, if any, the premium, if any, offered by the bidder, the net interest cost (expressed in dollars) on the basis of such bid and the average annual net interest rate (expressed as a percentage) and an estimate of the TIC (as hereinafter defined) on the basis of such bid. Each bidder shall certify to the Issuer the correctness of the information contained on the Official Bid Form; the Issuer will be entitled to rely on such certification. Each bidder agrees that, if it is awarded the Bonds, it will provide the certification as to initial offering prices described under the caption “Certification as to Offering Price” in this Notice.

**Good Faith Deposit.** Unless a bidder elects to agree to wire transfer the good faith deposit following the sale in accordance with the procedures described in this Notice, each bid shall be accompanied by a cashier's or certified check drawn on a bank located in the United States of America or a financial surety bond (the "Surety Bond") in the amount of \$150,200, payable to the order of the Issuer to secure the Issuer from any loss resulting from the failure of the bidder to comply with the terms of its bid. If a Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the state of Kansas, and such bond must be submitted to the Issuer before the bid opening or accompany the bid. The Surety Bond should identify each bidder whose good faith deposit is guaranteed by the Surety Bond. If the Bonds are awarded to a bidder using a Surety Bond then the Successful Bidder will be required to submit its good faith deposit to the Issuer by wire transfer of such amount as instructed by the Issuer or delivered in the form of a cashier's check, in either case, not later than 2:00 p.m. on the business day following the sale. If the good faith deposit is not received by that time, the Surety Bond will be drawn on by the Issuer to satisfy the good faith deposit requirement. Good faith checks submitted by unsuccessful bidders will be returned.

In lieu of submitting a check or Surety Bond, a bidder may elect to submit the good faith deposit in the amount previously specified by wire transfer of same-day funds to the Financial Advisor as the City's agent according to the following wire instructions:

Wells Fargo Bank, N.A., San Francisco, CA 94104  
ABA #121000248  
For credit to Springsted Incorporated, Account #635-5007954

**The wire transfer of the Good Faith Amount by such bidder must be received no later than 11:00 a.m., Central Standard Time,** on the Sale Date. Contemporaneously with the submission of a wire transfer deposit, such bidder shall send an email to [bond\\_services@springsted.com](mailto:bond_services@springsted.com), including the following information: (a) notification that a wire transfer has been made; (b) the amount of the wire transfer; and (c) return wire transfer instructions in the event such bid is unsuccessful.

If a bid is accepted, the good faith deposit will be held by the Issuer until the bidder has complied with all of the terms and conditions of this Notice at which time the good faith deposit will be returned to the Successful Bidder or deducted from the purchase price at the option of the Issuer. If a bid is accepted but the Issuer fails to deliver the Bonds to the bidder in accordance with the terms and conditions of this Notice the good faith deposit will be returned to the bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this Notice, the good faith deposit will be retained by the Issuer. No interest will be paid upon the Successful Bidder's good faith deposit.

**Basis of Award.** The award of the Bonds will be made on the basis of the lowest true interest cost ("TIC"), which will be determined as follows: the TIC is the discount rate (expressed as a per annum percentage rate) which, when used in computing the present value of all payments of principal and interest to be paid on the Bonds, from the payment dates to the Dated Date, produces an amount equal to the price bid, including any adjustments for premium or discount, if any. Present value will be computed on the basis of semiannual compounding and a 360-day year of twelve 30-day months. Bidders are requested to provide a calculation of the TIC for the Bonds on the Official Bid Form, computed as specified herein on the basis of their respective bids, which shall be considered as informative only and not binding on either the Issuer or the bidder. The Issuer or its Financial Advisor will verify the TIC based on such bids. If there is any discrepancy between the TIC specified and the bid price and interest rates specified, the specified bid price and interest rates shall govern and the TIC specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest TIC

are received, the governing body of the Issuer will determine which bid, if any, will be accepted, and its determination is final.

The Issuer reserves the right to reject any and/or all bids and to waive any irregularities in a submitted bid. Any bid received after the Submittal Hour on the Sale Date will be returned to the bidder. Any disputes arising hereunder shall be governed by the laws of Kansas, and any party submitting a bid agrees to be subject to jurisdiction and venue of the federal and state courts within Kansas with regard to such dispute.

The Issuer's acceptance, including electronic acceptance through PARITY®, of the Successful Bidder's proposal for the purchase of the Bonds in accordance with this Notice of Bond Sale shall constitute a contract between the Issuer and the Successful Bidder for the purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and Rule G-32 of the Municipal Securities Rulemaking Board ("Rule G-32") and a bond purchase agreement for purposes of the laws of the State. The method of acceptance shall be determined solely by the governing body of the Issuer.

**Bond Ratings.** The Issuer has applied to Standard & Poor's for a rating on the Bonds herein offered for sale.

**Optional Bond Insurance.** The Issuer has **not** applied for any policy of municipal bond insurance with respect to the Bonds. If the Bonds qualify for municipal bond insurance, and any bidder desires to purchase such policy, such indication and the name of the desired insurer must be set forth on the bidder's Official Bid Form. The Issuer specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the Issuer. All costs associated with the issuance of such policy and associated ratings and expenses (other than any independent rating requested by the Issuer) shall be paid by the Successful Bidder. Failure of the municipal bond insurer to issue the policy after the award of the Bonds shall not constitute cause for failure or refusal by the Successful Bidder to accept delivery of the Bonds.

**CUSIP Numbers.** CUSIP identification numbers will be assigned and printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Notice. All expenses in relation to the assignment and printing of CUSIP numbers on the Bonds will be paid by the Issuer.

**Delivery and Payment.** The Issuer will pay for preparation of the Bonds and will deliver the Bonds properly prepared, executed and registered without cost on or about **MARCH 19, 2013** (the "Closing Date"), to DTC for the account of the Successful Bidder or at such bank or trust company in the contiguous United States of America as may be specified by the Successful Bidder, or elsewhere at the expense of the Successful Bidder. The Successful Bidder will be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the Bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Bonds affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Bonds shall be made in federal reserve funds, immediately available for use by the Issuer. The Issuer will deliver one Bond of each maturity registered in the nominee name of DTC.

**Reoffering Prices.** To provide the Issuer with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), the Successful Bidder will be required to complete, execute and deliver to the Issuer prior to the delivery of the Bonds, a written certification (the "Issue Price Certificate") containing the following: (a) the initial offering price and

interest rate for each maturity of the Bonds; (b) that all of the Bonds were offered to the public in a bona fide public offering at the initial offering prices on the Sale Date; and (c) on the Sale Date the Successful Bidder reasonably expected that at least 10% of each maturity of the Bonds would be sold to the “public” at prices not higher than the initial offering prices. For purposes of the preceding sentence “public” means persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers. However, such Issue Price Certificate may indicate that the Successful Bidder has purchased the Bonds for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Bonds for sale to the public.

***Subsequent to the Submittal Hour, such initial offering prices to the public shall be provided to the Issuer or the Financial Advisor not more than 20 minutes after requested by the Issuer or the Financial Advisor.***

At the request of the Issuer, the Successful Bidder will provide information explaining the factual basis for the Successful Bidder’s Issue Price Certificate. This agreement by the Successful Bidder to provide such information will continue to apply after the Closing Time if: (a) the Issuer requests the information in connection with an audit or inquiry by the Internal Revenue Service (the “IRS”) or the Securities and Exchange Commission (the “SEC”) or (b) the information is required to be retained by the Issuer pursuant to future regulation or similar guidance from the IRS, the SEC or other federal or state regulatory authority.

**Official Statement and Official Statement.** The Issuer has prepared a Official Statement dated February 13 2013, “deemed final” by the Issuer except for the omission of certain information as provided in the Rule, copies of which may be obtained from the Clerk or from the Financial Advisor. Upon the sale of the Bonds, the Issuer will adopt the final Official Statement and will furnish the Successful Bidder, without cost, within seven business days of the acceptance of the Successful Bidder’s proposal, with a sufficient number of copies thereof, which may be in electronic format, in order for the Successful Bidder to comply with the requirements of the Rule and Rule G-32. Additional copies may be ordered by the Successful Bidder at its expense.

**Continuing Disclosure.** In the Bond Resolution, 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 any Registered Owner of the Bonds. For further information, reference is made to the caption “CONTINUING DISCLOSURE” in the Official Statement.

**Assessed Valuation and Indebtedness.** The total assessed valuation of the taxable tangible property within the Issuer for the year 2012 is as follows:

Equalized Assessed Valuation of	
Taxable Tangible Property .....	\$
Tangible Valuation of Motor Vehicles.....	
Equalized Assessed Tangible Valuation	
for Computation of Bonded Debt Limitations .....	\$

The total general obligation indebtedness of the Issuer as of the Dated Date, including the Bonds being sold, is \$\_\_\_\_\_.

**Legal Opinion.** The Bonds will be sold subject to the approving legal opinion of GILMORE & BELL, P.C., WICHITA, KANSAS, Bond Counsel, which opinion will be furnished and paid for by the Issuer, will be printed on the Bonds, if the Bonds are printed, and will be delivered to the Successful Bidder when the Bonds are delivered. Said opinion will also include the opinion of Bond Counsel relating to the interest on the Bonds being excluded from gross income for federal income tax purposes and exempt from income taxation by the State. Reference is made to the Official Statement for further discussion of federal and Kansas income tax matters relating to the interest on the Bonds.

**Additional Information.** Additional information regarding the Bonds may be obtained from the undersigned, or from the Financial Advisor, at the addresses set forth below:

**DATED: January 22, 2013.**

**CITY OF BALDWIN CITY, KANSAS**  
By Brad Smith, Acting City Clerk

***Issuer Address:***

Mr. Brad Smith, Acting City Clerk  
803 Eighth St., P.O. Box 86  
Baldwin City, Kansas 66006-0086  
Phone No.: (785) 594-6427; Fax No.: (785) 594-6586  
Email: [bsmith@baldwincity.org](mailto:bsmith@baldwincity.org)

***Financial Advisor – Written and facsimile Bid and Good Faith Deposit Delivery Address:***

Springsted Incorporated  
380 Jackson Street, Suite 300  
St. Paul, Minnesota 55101-2887  
Attn: Bond Services  
Phone No.: (651) 223-3000  
Fax No.: (651) 223-3046  
Email: [bond\\_services@springsted.com](mailto:bond_services@springsted.com)

**OFFICIAL BID FORM**  
**PROPOSAL FOR THE PURCHASE OF CITY OF BALDWIN CITY, KANSAS**  
**GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS**

TO: Brad Smith, Acting City Clerk  
 City of Baldwin City, Kansas

March 4, 2013

For \$7,510,000\* principal amount of General Obligation Refunding and Improvement Bonds, Series 2013A, of the City of Baldwin City, Kansas, to be dated March 19, 2013, as described in the Notice of Bond Sale dated January 22, 2013, said Bonds to bear interest as follows:

<u>Stated Maturity</u> <u>September 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Stated Maturity</u> <u>September 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>
2014	\$440,000	_____ %	2024	\$320,000	_____ %
2015	455,000	_____ %	2025	330,000	_____ %
2016	535,000	_____ %	2026	335,000	_____ %
2017	540,000	_____ %	2027	345,000	_____ %
2018	580,000	_____ %	028	260,000	_____ %
2019	580,000	_____ %	2029	175,000	_____ %
2020	565,000	_____ %	2030	140,000	_____ %
2021	570,000	_____ %	2031	140,000	_____ %
2022	580,000	_____ %	2032	145,000	_____ %
2023	325,000	_____ %	2033	150,000	_____ %

the undersigned will pay the purchase price for the Bonds set forth below, plus accrued interest to the date of delivery.

Principal Amount .....	\$7,510,000*
Less Discount (not to exceed 1.1%).....	_____
Plus Premium (if any) .....	_____
Total Purchase Price .....	\$ _____
Total interest cost to maturity at the rates specified .....	\$ _____
Net interest cost (adjusted for Discount and/or Premium) .....	\$ _____
True Interest Cost .....	_____ %
Average annual net interest rate .....	_____ %

The Bidder elects to have the following Term Bonds:

<u>Maturity Date</u>	<u>Years</u>	<u>Amount*</u>
September 1, _____	_____ to _____	\$ _____
September 1, _____	_____ to _____	\$ _____

\*subject to mandatory redemption requirements in the amounts and at the times shown above.

This proposal is subject to all terms and conditions contained in said Notice of Bond Sale, and if the undersigned is the Successful Bidder, the undersigned will comply with all of the provisions contained in said Notice. A cashier's or certified check, a wire transfer or a qualified financial surety bond in the amount of \$150,200 payable to the order of the Issuer, accompanies this proposal as an evidence of good faith. The acceptance of this proposal by the Issuer shall constitute a contract between the Issuer and the Successful Bidder for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission and a bond purchase agreement for purposes of the laws of Kansas.

Submitted by: \_\_\_\_\_

(LIST ACCOUNT MEMBERS ON REVERSE)

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

Telephone No. (\_\_\_\_) \_\_\_\_\_

**ACCEPTANCE**

Pursuant to action duly taken by the Governing Body of the City of Baldwin City, Kansas, the above proposal is hereby accepted on March 4, 2013.

Attest:

\_\_\_\_\_  
 Clerk

\_\_\_\_\_  
 Mayor

**NOTE:** No additions or alterations in the above proposal form shall be made, and any erasures may cause rejection of any bid. Sealed bids may be filed with the Financial Advisor, Springsted Incorporated, Attn: Bond Services, 380 Jackson Street, Suite 300, St. Paul, Minnesota 55101-2887, Fax No. (651) 223-3046, Email: [bond\\_services@springsted.com](mailto:bond_services@springsted.com), or electronic bids may be submitted via **PARITY**®, at or prior to 11:00 a.m., Central Standard Time, on March 4, 2013. Any bid received after such time will not be accepted or shall be returned to the bidder.

**NOTICE OF CALL FOR REDEMPTION  
TO THE OWNERS OF  
CITY OF BALDWIN CITY, KANSAS  
GENERAL OBLIGATION TEMPORARY NOTES  
SERIES 2011, DATED DECEMBER 22, 2011  
(THE "NOTES")**

Notice is hereby given that pursuant to the provisions of Resolution No. 2011-19 the "Resolution" of the City of Baldwin City, Kansas (the "Issuer") that, all of the above mentioned Notes which are scheduled to mature on September 1, 2013, and bearing interest at the rate of 1.500% per annum, have been called for redemption and payment on March 20, 2013 (the "Redemption Date"), at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent").

On such Redemption Date there shall become due and payable, upon the presentation and surrender of each such Note, the redemption price thereof equal to 100% of the principal amount of each Note together with interest accrued to the Redemption Date. Interest shall cease to accrue on the Notes so called for redemption from and after the Redemption Date, provided such funds for redemption are on deposit with the Paying Agent.

Under the provisions of Section 3406(a)(1) of the Internal Revenue Code of 1986, as amended, paying agents making payments of principal on municipal securities may be obligated to withhold a 28% tax on the payment of principal to registered owners who have failed to provide the paying agent with a valid taxpayer identification number. Registered Owners of the Notes who wish to avoid the imposition of the tax should provide a certified taxpayer identification number to the Paying Agent when presenting the Notes for payment.

**CITY OF BALDWIN CITY, KANSAS**

BY: \_\_\_\_\_  
Clerk

\*\*\*\*\*

This Notice of Call for Redemption shall be mailed to the Paying Agent, the Owners of the Notes and the original purchaser of the Notes, not less than 45 days prior to the Redemption Date. Notice shall also be given to certain Repositories in order to comply with the provisions of Rule 15c2-12 of the Securities and Exchange Commission. Notice may also be given in accordance with guidelines set forth in Securities and Exchange Commission Release No. 34-23856, but such notice is not required by law.

**EVENT NOTICE PURSUANT TO SEC RULE 15c2-12(b)(5)(C)**

TO: The Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system for municipal securities disclosures ([www.emma.msrb.org](http://www.emma.msrb.org))

**Issuer/Obligated Person:** City of Baldwin City, Kansas (the "Obligated Person")

**Issue(s) to which this Report Relates:** General Obligation Temporary Notes, Series 2011, dated December 22, 2011

**CUSIP Numbers for Issue to which this Report relates:** 057813 EV5

**Event Reported:** Redemption of above-referenced Notes on March 20, 2013; see attached *Exhibit A*.

**The information contained in this Notice has been submitted by the Obligated Person pursuant to contractual undertakings the Obligated Person made in accordance with SEC Rule 15c2-12. Nothing contained in the undertaking or this Notice is, or should be construed as, a representation by the Obligated Person that the information included in this Notice constitutes all of the information that may be material to a decision to invest in, hold or dispose of any of the securities listed above, or any other securities of the Obligated Person.**

**For additional information, contact:**

City of Baldwin City, Kansas  
803 Eighth St., P.O. Box 86  
Baldwin City, Kansas 66006  
Attention: Clerk  
Phone No. (785) 594-6427  
Fax No. (785) 594-6586

Date Submitted: \_\_\_\_\_.

**CITY OF BALDWIN CITY, KANSAS**

By: \_\_\_\_\_  
Brad Smith, Interim City Clerk

Enclosure  
cc: Piper Jaffray & Co., Leawood, Kansas