

RESOLUTION NO. 310

**WHEREAS**, the governing body of the **City of Burlingame, County of Osage, State of Kansas**, (the "City") has in accordance with the requirements of law heretofore authorized the construction of certain water supply and distribution system improvements together with all things necessary and incidental thereto in the City (the "Improvements") under the statutory authority of K.S.A. 65-163u; and

**WHEREAS**, the total cost of making the Improvements is estimated to be \$1,247,500 which is payable in part with the proceeds of general obligation bonds of the City (the "Bonds") in an amount not exceeding \$847,500, with the balance of such costs to be paid by the City from the proceeds of a \$400,000 community development block grant to the City from the Kansas Department of Commerce and Housing; and

**WHEREAS**, the City has no funds to finance the costs incurred by the City in making the Improvements until Bonds are issued by the City for such purposes; and

**WHEREAS**, under the statutory authority of K.S.A. 10-123 proper and full authority is conferred upon the City to issue its temporary notes to finance on an interim basis the cost of making the Improvements until Bonds are issued by the City to permanently finance the cost of the Improvements.

**NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF BURLINGAME, KANSAS**, that for the purpose of providing funds to pay part of the costs of making the Improvements until Bonds can be issued therefor, the governing body of the City be, and it is hereby, authorized to issue its Temporary Notes Nos. R-1 through R-3, inclusive, Series 2008A, (the "Notes") in the aggregate principal amount not exceeding Three Hundred Fifty Thousand Dollars (\$350,000) with Temporary Note No. R-1 being in the denomination of \$150,000 and Temporary Notes Nos. R-2 and R-3 being in the denomination of \$100,000 each, said Notes being dated September 15, 2008, bearing interest as provided therein at the rate of four and twenty-five hundredths percent (4.25%) per annum and maturing on or before September 15, 2009, being redeemable and cancelable at the time Bonds are issued in lieu

thereof. Interest on the Notes shall be payable at the earlier of the maturity of the Notes on September 15, 2009, or the Redemption Date thereof (the "Interest Payment Date") to the registered owner of the Notes appearing on the books maintained by the Burlingame City Treasurer, hereby designated as the "Paying Agent" and "Note Registrar" as of the 1st day of the month next preceding the applicable interest payment date (the "Record Date"). The principal amount of the Notes shall not exceed the lesser of the amount of Bonds to be issued to permanently finance the costs of making the Improvements or the estimate of the cost of making the Improvements as prepared by the project engineer and approved by the governing body of the City.

**BE IT FURTHER RESOLVED** that the City may call the Notes for redemption and payment prior to maturity in whole or in part at any time (selection of the Notes to be redeemed to be determined by the City), by serving written notice to that effect on the owners thereof at least thirty (30) days before the date of such redemption and payment and it may so redeem such Notes upon payment to the owner thereof of the principal of and interest on the Notes to the date of such redemption. No further interest shall accrue on the Notes so redeemed and paid subsequent to the date of such redemption and payment.

**BE IT FURTHER RESOLVED** that the Notes shall contain recitals and be in the form as prescribed by law.

**BE IT FURTHER RESOLVED** that the Notes shall be signed by the manual signature of the Mayor and attested by the manual signature of the City Clerk or Deputy City Clerk, under the corporate seal of the City and, after such execution and the registration of the Notes by the City Clerk and the Treasurer of the State of Kansas in the City of Topeka, Kansas, they shall be countersigned by the City Clerk or Deputy City Clerk and delivered to the purchaser thereof upon receipt of the purchase price thereof, said purchase price to be not less than the principal amount thereof plus accrued interest. The proceeds of the Notes shall be placed in the City Treasury and applied solely to pay the costs of the Improvements and the costs of issuing the Notes.

**BE IT FURTHER RESOLVED** that the Notes shall be issued and sold to The First State Bank of Burlingame, Burlingame, Kansas, in accordance with the terms and conditions of this Resolution.

**BE IT FURTHER RESOLVED** that the City covenants and agrees that no part of the proceeds of the Notes or other proceeds shall be used, at any time, directly or indirectly in a manner which if such use had been reasonably anticipated on the date of the issuance of the Notes would have caused the Notes to be or become "Arbitrage Bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the Regulations of the Treasury Department thereunder proposed or in effect at the time of such use applicable to obligations issued on the date of issuance of the Notes.

**BE IT FURTHER RESOLVED** that the City is relying on a provision of Rule 15c2-12 of the Securities and Exchange Commission that exempts issues of less than \$1,000,000 aggregate principal amount from the requirements of the Rule and therefore has not covenanted to prepare a preliminary or final official statement for the Notes nor to provide continuous secondary market disclosure.

**BE IT FURTHER RESOLVED** that the Notes are hereby designated as "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

**BE IT FURTHER RESOLVED** that this Resolution shall take effect and be in force from and after its passage and approval.

**IT IS SO RESOLVED.**

**PASSED** and Approved this 15th day of September, 2008.

CITY OF BURLINGAME, KANSAS

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Mayor

ATTEST:

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City Clerk

(SEAL)