

OFFICIAL NOTICE OF BOND SALE

CITY OF WOODBINE, KANSAS

\$220,000

**GENERAL OBLIGATION BONDS
SERIES 2009**

**(GENERAL OBLIGATION BONDS PAYABLE FROM UNLIMITED
AD VALOREM TAXES)**

Sealed Bids. Sealed or telefacsimile bids for the purchase of \$220,000 principal amount of General Obligation Bonds, Series 2009 (the "Bonds"), of the City of Woodbine, Kansas, (the "Issuer") herein described will be received by the undersigned City Clerk of the Issuer at the address hereinafter set forth, until 5:00 p.m., Central Daylight Savings Time (the "Submittal Hour"), on

Tuesday, August 18, 2009.

All bids will be publicly opened, read and evaluated and the award of the Bonds will be acted upon by the governing body at the Issuer's regular meeting to be held at 7:00 p.m. on August 18, 2009. No oral or auction bids or bids for less than the separate issues of Bonds will be considered.

Terms of the Bonds. The Series 2009 Bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing in each year. The Bonds will be dated September 10, 2009 (the "Dated Date"), and will become due in principal installments on February 15 in the years as follows:

Series 2009			
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2012	\$ 5,000	2022	\$10,000
2013	\$ 5,000	2023	\$10,000
2014	\$ 5,000	2024	\$15,000
2015	\$10,000	2025	\$15,000
2016	\$10,000	2026	\$15,000
2017	\$10,000	2027	\$15,000
2018	\$10,000	2028	\$15,000
2019	\$10,000	2029	\$20,000
2020	\$10,000	2030	\$20,000
2021	\$10,000		

The Bonds will bear interest from the Dated Date thereof at rates to be determined when the Bonds are sold as hereinafter provided, which interest will be payable semiannually on February 15 and August 15 in each year, beginning August 15, 2010 (the "Interest Payment Dates") until the Bonds are paid in full.

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") 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.

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 bondowners.

Optional Book-Entry-Only System. The successful bidder may elect to have the Bonds registered under a book-entry-only system administered through Depository Trust Company (DTC), New York, New York, at the bidder's expense.

Redemption of Bonds Prior to Maturity.

General. Whenever the Issuer is to select Series 2009 Bonds for the purpose of redemption, it will, in the case of Bonds in denominations greater than \$5,000, if less than all of the Bonds then outstanding are to be called for redemption, treat each \$5,000 of face value of each such fully registered Bond as though it were a separate Bond in the denomination of \$5,000.

Optional Redemption. The Series 2009 Bonds maturing February 15, 2012 through February 15, 2018, inclusive, become due without option of prior payment. At the option of the Issuer, the Bonds or portions thereof maturing on or after February 15, 2019, will be subject to redemption and payment prior to maturity on February 15, 2018 and thereafter in whole at any time, or in part as determined by the City on any interest payment date (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the City in such equitable manner as it may determine), at a redemption price equal to the par value of the principal amount thereof, plus accrued interest to the redemption date.

Mandatory Redemption. A bidder may elect to have all or a portion of the Bonds scheduled to mature in consecutive years issued as one or more 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: (i) not less than all Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements and (ii) a bidder shall make such an election by completing the applicable paragraph on the Official Bid Form.

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 and the original purchaser of the Bonds. 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 forty-five (45) 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 Series 2009 Bonds are being issued pursuant to K.S.A. 12-621 *et seq.* The Series 2009 Bonds are being issued pursuant to an ordinance adopted by the governing body of the Issuer (the "Bond Ordinance") for the purpose of paying the cost of certain improvements to the City-owned sewer treatment facility and all things necessary and incidental thereto (the "Improvements").

The Bonds shall be general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer.

The full faith, credit and resources of the Issuer are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Submission of Bids. All bids must be made on forms which may be procured from the Clerk. No additions or alterations in such forms shall be made and any erasures may cause rejection of any bid. Bids must be submitted in sealed envelopes addressed to the undersigned Clerk, and marked "Proposal for General Obligation Bonds, Series 2009". Bids may be submitted by mail, facsimile or delivered in person to the undersigned and must be received by the undersigned prior to the Submittal Hour on August 18, 2009.

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) each interest rate specified shall be a multiple of 1/8 or 1/20 of 1%; (c) 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 3%, no bid for less than par value of the Bonds and accrued interest thereon from the Dated Date to the delivery date shall be considered; and (d) no supplemental interest payments will be considered. The difference between the highest rate specified and the lowest rate specified cannot exceed 3%. Each bid shall specify the total interest cost (expressed in dollars) during the term of the Bonds on the basis of such bid, 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) 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. Each bid shall be accompanied by a good faith deposit (the "Deposit") in the amount of \$4,400 for the Series 2009 Bonds (2% of the principal amount of the Bonds), 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. The Deposit may be in the form of a certified or cashier's check drawn on a bank located in the United States of America or a financial surety bond (the "Surety Bond"). All Surety Bonds must be from an insurance or surety company rated "AAA" by Standard and Poor's Ratings Group and "Aaa" by Moody's Investors Service, Inc. and licensed to issue such a surety bond in the State of Kansas. The Surety Bond must be submitted to the Issuer prior to the Submittal Hour on August 18, 2009, and must identify each bidder whose deposit is guaranteed by such Surety Bond. Good Faith checks submitted by unsuccessful bidders will be returned. If the sale of the Bonds is awarded to a bidder utilizing a Surety Bond, the successful bidder is required to submit to the Issuer a cashier's or certified check or wire transfer of immediately available federal funds to such financial institution requested by the Issuer, not later than 5:00 p.m., Central Daylight Savings Time on the next business day following the date of sale. If such funds are not received by such time, the Surety Bond may be drawn on by the Issuer to satisfy the Deposit requirement. No interest on the Deposit will be paid by the Issuer. If a bid is accepted, the Deposit, or the proceeds thereof, will be held by the Issuer until the successful bidder has complied with all of the terms and conditions of this Notice at which time the amount of said Deposit shall 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 successful bidder in accordance with the terms and conditions of this Notice, said Deposit, or the proceeds thereof, will be returned to the successful bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this Notice, the proceeds of such Deposit will be retained by the Issuer as and for liquidated damages.

Basis of Award. The award of the Bonds will be made on the basis of the lowest net interest cost (expressed in dollars), which shall be determined by deducting the amount of the premium bid, if any, from the total interest costs to the City. If there is any discrepancy between the net interest cost specified and the interest rates specified, the specified net interest cost shall govern and the interest rates specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest net interest cost 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 date of sale will be returned to the bidder unopened.

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 printing the Bonds and will deliver the same properly prepared, executed and registered without cost to the successful bidder on or about September 10, 2009. Issuer will deliver the bonds to DTC for the account of the successful bidder or at such bank or trust company in the contiguous United States 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 denominations of the Bonds and the names, addresses and social security or taxpayer identification numbers of the registered owners shall be submitted in writing by the successful bidder to the Bond Registrar at least one week prior to the date of delivery of the Bonds. In the absence of such information, the Issuer will deliver one Bond of each maturity registered in the name of the manager of the successful bidder.

Certification as to Offering 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 certificate regarding the "issue price" of the Bonds (as defined in Section 148 of the Code), reflecting the initial offering prices (excluding accrued interest and expressed as dollar prices) at which a substantial amount (i.e., 10% or more) of the Bonds of each maturity have been

or are expected to be sold to the public. The term "public" excludes bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers. Such certificate shall state that 10% or more of the Bonds of each maturity have been or are expected to be sold to the public at prices no higher than such initial offering prices. However, such certificate may indicate that the successful bidder will not offer the Bonds for sale to the public.

Preliminary Official Statement and Official Statement. The Issuer has prepared a Preliminary Official Statement dated August 18, 2009, "deemed final" by the Issuer except for the omission of certain information as provided in Securities and Exchange Commission Rule 15c2-12, copies of which may be obtained from the Clerk. Upon the sale of the Bonds, the Issuer will adopt the final Official Statement and will furnish the successful bidder, without cost, within seven (7) business days of the acceptance of the successful bidder's proposal, with a sufficient number of copies thereof in order to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and Rule G-32 of the Municipal Securities Rulemaking Board (jointly the "Rules"). Additional copies may be ordered by the successful bidder at its expense. The Issuer's acceptance of the successful bidder's proposal for the purchase of the Bonds shall constitute a contract between the Issuer and the successful bidder for purposes of the Rules.

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

Assessed Valuation of Taxable Tangible Property (2008).....	\$762,070
Tangible Valuation of Motor Vehicles (2008).....	<u>\$208,776</u>
Equalized Assessed Tangible Valuation for Computation of Bonded Debt Limitations.....	\$970,846

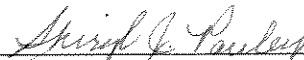
The total general obligation indebtedness of the Issuer as of the date of delivery of the Bonds, including the Bonds being sold, is \$400,000.

Legal Opinion. The Bonds will be sold subject to the approving legal opinion of Cosgrove, Webb & Oman, Topeka, 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 exclusion of the interest on the Bonds from gross income for federal income tax purposes and from computation of Kansas adjusted gross income. Reference is made to the Preliminary 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 City Clerk or from the financial advisor, Cooper Malone McClain, Inc., P. O. Box 23565, Overland Park, KS 66283, Attention: Rick Ensz, (913) 681-8185, fax (913) 681-8185, e-mail: rensz@cmmci.com.

DATED July 27, 2009.

CITY OF WOODBINE, KANSAS

By 
Sheryl Pauley
City Clerk
1 S. Broadway
P. O. Box 11
Woodbine, Kansas 67492-0144
(Phone: 785/257-3359)
(Fax: 785/257-3359)