

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 19, 2010

**NEW ISSUE
BOOK ENTRY**

BANK QUALIFIED

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 Series 2010 Bonds, including any original issue discount properly allocable to an owner thereof, is excluded from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is excluded from computation of Kansas adjusted gross income. The Series 2010 Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "LEGAL MATTERS - Opinion of Bond Counsel" herein.

**\$600,000
CITY OF COLWICH, KANSAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS
SERIES 2010**

DATED: Date of Delivery

DUE: October 1, 2010/2030

The General Obligation Refunding and Improvement Bonds, Series 2010 Bonds (the "Series 2010 Bonds" or the "Bonds") are being issued by the City of Colwich, Kansas (the "City") pursuant to an ordinance and supplemental resolution adopted by the City on May 17, 2010 (collectively the "Ordinance"). The Series 2010 Bonds are issuable only as fully registered Bonds, 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 Series 2010 Bonds. Purchases of the Series 2010 Bonds will be made in book-entry form, in the denominations of \$5,000, or any integral multiple thereof (the "Authorized Denominations"). Purchasers will not receive certificates representing their interests in the Series 2010 Bonds purchased. So long as Cede & Co. is the registered owner of the Series 2010 Bonds, as nominee for DTC, references herein to the Series 2010 Bond owners or registered owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (herein defined) of the Series 2010 Bonds. Principal of and interest on the Series 2010 Bonds will be paid from moneys available therefore under the Ordinance by the Office of State Treasurer, Topeka, Kansas, as paying agent and registrar, referred to hereinafter as the "Registrar" or "Paying Agent". So long as DTC or its nominee, Cede & Co. is the Series 2010 Bond owner, such payments will be made directly to such Series 2010 Bond owner. DTC is expected, in turn, to remit such principal and interest payments to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners. Principal of the Series 2010 Bonds will be payable annually on October 1, beginning October 1, 2010. Interest on the Series 2010 Bonds will be payable semi-annually on April 1 and October 1 in each year beginning on October 1, 2010.

**MATURITY SCHEDULE
(See inside cover page)**

The Series 2010 Bonds are subject to redemption and payment prior to maturity. See "The Series 2010 Bonds - Redemption Provisions" herein.

The Series 2010 Bonds constitute general obligations of the City, and shall be paid from ad valorem taxes which may be levied without limitation as to rate or amount upon all taxable tangible property within the territorial limits of the City.

This cover page contains only a brief description of the Series 2010 Bonds and the security therefore. It is not intended to be a summary of material information with respect to the Series 2010 Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2010 Bonds are offered when, as, and if, issued and delivered by the City to the Original Purchaser, subject to the receipt of the approving legal opinion of Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel. It is expected that the Series 2010 Bonds will be available for delivery on or about May 27, 2010.

**FAXED BIDS FOR THE PURCHASE OF THE BONDS WILL BE RECEIVED
ON AN OFFICIAL BID FORM PURSUANT TO THE NOTICE OF SALE:
On or before 2:00 p.m. Central Time on Monday, May 17, 2010.
Documents available at colwichkansas.officialstatement.info**

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. 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 the 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.

\$600,000
CITY OF COLWICH, KANSAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS
SERIES 2010

MATURITY SCHEDULE

Serial Bonds

Maturity Date (October 1)	Principal Amount	Interest Rate	Yield	Base CUSIP ⁽¹⁾ 199723
2010	\$60,000			
2011	65,000			
2012	65,000			
2013	70,000			
2014	50,000			
2015	55,000			
2016	55,000			
2017	60,000			
2018	60,000			
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			

Term Bonds

Maturity Date (October 1)	Principal Amount	Interest Rate	Yield	Base CUSIP ⁽¹⁾ 199723
------------------------------	---------------------	------------------	-------	-------------------------------------

⁽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.

REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the City of Colwich, Kansas (the "City"), or by _____ (the "Underwriter") to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the City or the Underwriter.

This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor will there be any sale of the Series 2010 Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. 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 thereafter shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

The Series 2010 Bonds may be placed by certain dealers (including dealers depositing the Series 2010 Bonds into investment trusts) at prices other than the offering prices shown of the cover page of this Official Statement and the initial offering prices or yields may be changed from time to time by the Original Purchasers.

CITY OF COLWICH, KANSAS

Governing Body

Terrence Spexarth, Mayor
Stephanie Guy, Council Member
Michael Kraus, Council Member
Julie McLain, Council Member
Shawna Glasscock, Council Member
Frank Sullentrop, Council Member

City Clerk

Diana Brooks

City Attorneys

Alison McKenney Brown, Esq.
Lee Parker, Esq.

Bond Counsel

Gilmore & Bell, P.C.
Wichita, Kansas

Paying Agent/Note Registrar

Office of State Treasurer
Topeka, Kansas

Financial Advisor

Citycode Financial, LLC
Wichita, Kansas

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.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

TABLE OF CONTENTS

INTRODUCTION.....	1
General Matters	1
Continuing Disclosure.....	1
Additional Information.....	1
THE SERIES 2010 BONDS	2
Authority and Purpose for the Bonds	2
Security for the Bonds.....	2
Description of the Bonds.....	2
Designation of Paying Agent and Registrar	2
Method and Place of Payment of the Bonds	2
Registration, Transfer and Exchange of Bonds	3
Mutilated, Lost, Stolen or Destroyed Bonds	3
Nonpresentment of Bonds	3
Redemption Provisions.....	4
BOOK-ENTRY ONLY SYSTEM	5
RISK FACTORS AND INVESTMENT CONSIDERATIONS	7
Taxation of Interest on the Bonds	7
Lack of Bond Rating	8
Secondary Market	8
Premium on Bonds	8
Legal Matters.....	8
Limitations on Remedies Available to Owners of Bonds	8
Suitability of Investment	9
THE PROJECT	9
THE REFUNDING PLAN.....	9
Series 2003 Bonds.....	9
APPLICATION OF BOND PROCEEDS.....	10
BOND RATING	10
ABSENCE OF LITIGATION.....	10
LEGAL MATTERS.....	10
Approval of the Series 2010 Bonds.....	10
Tax Matters - General.....	10
Tax Matters Applicable to All Bonds.....	11
Opinion of Bond Counsel.....	11
ABSENCE OF LITIGATION.....	12
FINANCIAL ADVISOR	13
INITIAL PURCHASE.....	13
ADDITIONAL INFORMATION.....	13
AUTHORIZATION OF OFFICIAL STATEMENT.....	13
APPENDIX A – FINANCIAL OVERVIEW AND GENERAL INFORMATION ABOUT THE CITY	

(THIS PAGE INTENTIONALLY LEFT BLANK)

\$600,000
CITY OF COLWICH, KANSAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS
SERIES 2010

INTRODUCTION

General Matters

This Official Statement including the cover page and appendices hereto (the “Official Statement”) is provided to furnish information with respect to the City of Colwich, Kansas (the “City”) and the issuance and delivery of its General Obligation Refunding and Improvement Bonds, Series 2010 (the “Series 2010 Bonds” or the “Bonds”), in the aggregate principal amount of \$600,000. The Series 2010 Bonds are being issued pursuant to an ordinance and resolution, adopted by the City on May 17, 2010 (collectively the “Ordinance”). The Series 2010 Bonds are being issued for the purpose of providing permanent financing for various internal improvement projects within the City of Colwich, Kansas.

The Series 2010 Bonds constitute general obligations of the City, and shall be payable as to both principal and interest thereon from ad valorem taxes which may be levied without limitation as to rate or amount upon all taxable tangible property within the territorial limits of the City.

The Series 2010 Bonds will be issued in denominations of \$5,000 or multiples thereof with the Office of State Treasurer, Topeka, Kansas serving as Registrar and Paying Agent for the Series 2010 Bonds. See “THE SERIES 2010 BONDS - Registration and Transfer” herein for additional detail.

The Series 2010 Bonds are subject to optional redemption and payment prior to maturity. See “THE SERIES 2010 BONDS - Redemption Provisions” herein for additional detail.

Except for the information expressly attributed to other sources, all information has been provided by the City. The presentation of information herein, including all tables, is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. 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. Citycode Financial, LLC, Wichita, Kansas, the Financial Advisor to the City of Colwich, has assisted in the preparation of the Official Statement, but has not verified all of the factual information contained herein, nor has it conducted a detailed investigation of the affairs of the City for the purposes of passing upon the accuracy or completeness of this Official Statement. Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel, has not assisted in the preparation of this Official Statement and expresses no opinion as to the accuracy or sufficiency of the information contained herein, except to the extent described under the sections captioned “THE SERIES 2010 BONDS” and “LEGAL MATTERS.”

Continuing Disclosure

Section (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12 (the “Rule”), does not apply to primary offerings of municipal securities with an aggregate principal amount of less than \$1,000,000. Therefore, the City shall not execute an undertaking to provide continuing disclosure regarding the City.

Additional Information

All of the summaries of statutes, opinions, financial and statistical data, and other related reports and documents described in this Official Statement are subject to the actual provisions of such documents. The

summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available for inspection during normal business hours at the City Hall, 310 S 2nd, Colwich, Kansas 67030. Additional information regarding the City or the Series 2010 Bonds may be obtained from Diana Brooks, City Clerk, (316) 796-1025, or from Citycode Financial, LLC, 7701 E. Kellogg, Suite 700, Wichita, Kansas 67207, (316) 685-5911, attention: Larry Kleeman.

THE SERIES 2010 BONDS

Authority and Purpose for the Bonds

The Bonds are being issued pursuant to and in full compliance with the Kansas Constitution, and statutes of the State of Kansas, including K.S.A. 10-101 *et seq.*, 10-427 *et seq.*, and 12-6a01 *et seq.*, all as amended and supplemented from time to time. The Bonds are being issued pursuant to an ordinance and resolution authorizing their issuance and setting forth the terms, details and conditions of the Bonds, adopted by the governing body of the City on May 17, 2010 (collectively the “Ordinance”), for the purpose of providing permanent financing for the costs related to certain street and drainage improvements of the City (see “THE PROJECT” herein) and to refund the Refunded Bonds (see “THE REFUNDING PLAN” herein).

Security for the Bonds

The Bonds shall be general obligations of the City 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 City. The full faith, credit and resources of the City are irrevocably pledged for the prompt payment of the principal and interest on the Bonds as the same become due. The governing body of the City shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by levying and collecting the necessary taxes upon all of the taxable tangible property within the City in the manner provided by law.

Description of the Bonds

The Bonds will consist of fully registered certificated bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof numbered in such manner as the Bond Registrar shall determine. The Bonds will mature, subject to early redemption, on the dates and in the years and in the principal amounts set forth on the inside cover page of the Official Statement. Interest on the Bonds will be payable semiannually on the dates set forth on the cover page of this Official Statement (the “Interest Payment Dates”). The Bonds shall bear interest (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.

Designation of Paying Agent and Registrar

The City will at all times maintain a paying agent and bond registrar meeting the qualifications set forth in the Ordinance. The Treasurer of the State of Kansas, Topeka, Kansas (the “Bond Registrar” and “Paying Agent”) has been designated by the City as paying agent for the principal of and interest on the Bonds and the bond registrar with respect to registration, transfer and exchange of Bonds.

Method and Place of Payment of the Bonds

The principal of the Bonds is payable in lawful money of the United States of America, by check or draft of the Paying Agent, upon presentation and surrender of the Bonds for payment and cancellation by the registered owners thereof. Interest on the Bonds is payable in lawful money of the United States of America, by check or draft, at the office of the Paying Agent mailed to the person in whose name the Bond is registered, at the address as it appears on the registration books maintained by the Bond Registrar, as of the

fifteenth day of the month (whether or not a business day) preceding any date on which interest is payable (the "Record Dates").

In the case where a stated maturity date, redemption date or Interest Payment Date (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.

SO LONG AS CEDE AND 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 "BOOK-ENTRY ONLY SYSTEM" HEREIN.

Registration, Transfer and Exchange of Bonds

As long as any Bonds remain outstanding, the Bond Registrar will maintain a bond register and all transfers and exchanges of the Bonds will be registered therein. All Bonds presented for transfer or exchange shall be accompanied by a written instrument of transfer in a form, and with guarantee of signature in a form, satisfactory to the Bond Registrar. Bonds may be exchanged for Bonds in the same aggregate principal amount and maturity upon presentation to the Bond Registrar, subject to the terms, conditions and limitations set forth in the Bond Resolution, and upon payment of any tax, fees or other governmental charge required to be paid with respect to any such registration, exchange or transfer.

The City and Bond Registrar shall not be required to issue, register, transfer, or exchange any Bonds during a period beginning on the day following the Record Date preceding any Interest Payment Date and ending on such Interest Payment Date or within 30 days of a date on which Bonds are to be redeemed after proper notice of redemption has been given.

Mutilated, Lost, Stolen or Destroyed Bonds

In the event any certificate representing a Bond is mutilated, lost, stolen or destroyed, the City shall execute, and the Paying Agent shall authenticate and deliver, a new certificate of like date, maturity, denomination and interest rate as that mutilated, lost, stolen or destroyed; provided, that in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Paying Agent, and, in the case of any lost, stolen or destroyed Bond there shall first be furnished to the Paying Agent and the City, evidence of such loss, theft or destruction satisfactory to them, together with an indemnity satisfactory to the City and the Paying Agent. In the event any such Bond shall have matured or is about to mature, or been called for redemption, instead of issuing a duplicate bond the City may pay the same without the surrender thereof. The City and the Paying Agent may require 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 reasonable fees and expenses of the Paying Agent) in connection with the replacement of such Bond or Bonds.

Nonpresentment of Bonds

If any Bond is not presented for payment when the principal thereof becomes due at its stated maturity, and if funds sufficient to pay such Bond have been made available to the Paying Agent, all liability of the City 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 the Ordinance 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 its stated maturity, the Paying Agent shall repay to the City the funds therefore 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 City, and the Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Redemption Provisions

(A) Optional Redemption. The Series 2010 Bonds maturing in the years 2010 to 2015, inclusive, shall become due and payable on their respective maturity dates without the option of prior call for redemption. At the option of the City, the Series 2010 Bonds maturing in the year 2016 or thereafter may be called for redemption and payment prior to their respective maturities on October 1, 2015, or thereafter, in whole or in part at any time, as determined by the City, at a price equal to the principal amount thereof, plus accrued interest to the date established for such redemption and payment, without premium.

[(B) Sinking Fund Redemption. Each of the Bonds maturing on October 1, 20__ (the “20__ Term Bonds”), shall be subject to mandatory redemption and payment from the sinking fund hereinafter described, beginning October 1, 20__, and continuing on October 1 of each year thereafter pursuant to the redemption schedule hereafter set out, at the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and payment, without premium.

As and for a sinking fund for the retirement of the 20__ Term Bonds, the transfers to the Debt Service Account required by the Ordinance which are to be made for payments commencing October 1, 20__, shall be sufficient to redeem, and the City hereby agrees to redeem, the following principal amounts of the Term Bonds on October 1 in each of the following years:

<u>Redemption Date</u>	<u>Principal Amount</u>
20__	\$ ____,000
20__	____,000
(Leaving \$____,000 to mature on October 1, 20__)	

The 20__ Term Bonds (the “Term Bonds”) to be redeemed and paid pursuant to the operation of the sinking fund shall be selected by the Bond Registrar in such equitable manner as it may designate. The Bond Registrar shall each year in which the Term Bonds are to be redeemed pursuant to the terms of the sinking fund make timely selection of the Term Bonds to be so redeemed and shall give notice thereof to the Owners as hereinafter provided without further instructions from the City.]

(C) Selection of Bonds to be Redeemed. The Bonds shall be redeemed only in face amounts of \$5,000 or integral multiples thereof. If the City elects to call for redemption less than all of the Bonds at the time outstanding, the Bonds shall be redeemed in such equitable manner as the City shall determine, with Bonds of less than a full maturity to be selected by lot in units of \$5,000; and the City shall, in the case of Bonds registered in denominations greater than \$5,000, treat each \$5,000 of face value of a Bond so registered as though it were a separate Bond in the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any fully registered Bond certificate is selected for redemption, then the Owner of such Bond shall forthwith present and surrender such Bond to the Paying Agent for payment of the redemption price of \$5,000 unit or units of face value called for redemption, and 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 of a denomination greater than \$5,000 shall fail 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 principal amount thereof called for redemption (and to that extent only).

(D) Notice of Redemption. The City shall give notice of any call for redemption and payment in

writing to the Paying Agent not less than Forty-Five (45) days prior to the Redemption Date; and the Paying Agent shall give notice of such call for redemption and payment in writing mailed via United States first class mail to the Owners of the Bonds so called not less than Thirty (30) days prior to the Redemption Date, unless any Owner has waived such written notice of redemption. The City shall also give or cause to be given such additional notice of any call for redemption and payment as may be required by the laws of the State which are in effect as of the date of giving any such notice. All notices of redemption shall be dated at least Thirty (30) days prior to the Redemption Date, and shall state (i) the Redemption Date, (ii) the Redemption Price, (iii) if less than all outstanding Bonds are to be redeemed, the identification (and in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (iv) that on the Redemption Date the principal amount, and premium, if any, will become due and payable upon each such Bond or portion thereof which has been selected for redemption, and that the interest thereon shall cease to accrue from and after the Redemption Date and (v) that the Bonds so selected for redemption are to be surrendered to or at the principal office of the Paying Agent for payment.

(E) Deposit of Moneys for and Payment of Redemption Price. Prior to the Redemption Date, the City shall deposit with the Paying Agent sufficient funds to pay the redemption price, together with all unpaid and accrued interest thereon to the Redemption Date, of all Bonds or portions thereof selected for redemption on the Redemption Date. Upon the surrender by the Owners of Bonds selected for redemption, the Paying Agent shall pay the redemption price therefor to the Owners. If one or more, but not all, of the \$5,000 units of face value represented by any Bond is selected for redemption and surrendered and paid, then the Paying Agent shall prepare and furnish to the Owner thereof, a new Bond or Bonds of the same maturity and in the amount of the unredeemed portion of such Bond as provided by (C) above. All Bonds selected, called and surrendered for redemption shall be canceled by the Paying Agent and shall not be reissued.

(F) Effect of Call for Redemption. Whenever any Bond, or one or more of the \$5,000 units of face value represented by any Bond, has been selected for redemption and payment as provided in this Section, all interest on such Bond, or such one or more of the \$5,000 units of face value represented by any such Bond, shall cease from and after the Redemption Date, provided funds are then available for its payment at the price hereinbefore specified.

BOOK-ENTRY ONLY SYSTEM

The Bonds are available in book-entry only form. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Ownership interests in the Bonds will be available to purchasers only through a book-entry system (the “Book-Entry System”) maintained by The Depository Trust Company “DTC”), New York, New York.

The following information concerning DTC and DTC’s book-entry system has been obtained from DTC. The Issuer takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

DTC 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 will be deposited with DTC.

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 Standard & Poor’s highest rating: “AAA.” 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 and www.dtc.org.

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.

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.

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.

Redemption notices will 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.

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).

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 payable 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.

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.

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, 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), and delivered to DTC (or a successor securities depository), to be held by it as securities depository for Direct Participants. If, however, the system of book-entry-only transfers has been discontinued and a Direct Participant has elected to withdraw its Bonds from DTC (or such successor securities depository), Bond certificates may be delivered to Beneficial Owners in the manner described in the Ordinance.

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.

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 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 City has covenanted in the Ordinance 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 City 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 “LEGAL MATTERS” assumes the compliance by the City 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 City 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.

Lack of Bond Rating

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

Secondary Market

There is no established secondary market for the Bonds, and there is no assurance that a secondary market will develop for the purchase and sale of the Bonds. Prices of municipal bonds traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit market. From time to time it may be necessary to suspend indefinitely secondary market trading in selected issues of municipal bonds as a result of financial condition or market position of broker-dealers, prevailing market conditions, lack of adequate current financial information about the City, or a material adverse change in the financial condition of the City, whether or not the subject bonds are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

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 of Bonds.”

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 City or the taxing authority of the City. Changes in laws effecting the taxing authority of the City could limit the ability of the City to collect revenue sufficient to pay principal and interest on the Bonds.

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 City 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.

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.

THE FOREGOING 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 maybe obtained from the City or the Financial Advisor.

THE PROJECT

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

Project Description	Res./Ord. No.	Authority (K.S.A.)	Amount
Crocker Addition	437	12-6a01 et. seq.	\$193,153.99
Colwich Park Addition	438	12-6a01 et. seq.	71,285.41
Total			\$ 264,439.40

THE REFUNDING PLAN

The Issuer has heretofore issued and has Outstanding a certain series of its general obligation bonds (the "Refunded Bonds") which will be refunded with the proceeds of the Bonds. A description of the Refunded Bonds and the redemption dates for such Refunded Bonds are set forth as follows.

Series 2003 Bonds

As of June 1, 2010, \$495,000 of the Issuer's General Obligation Refunding and Improvement Bonds, Series 2003, dated November 15, 2003, remains Outstanding, all of which will be refunded and redeemed in accordance with the following schedule:

Maturity Amount	Maturity Date	Interest Rate	Redemption Date	Redemption Price
\$55,000	10/1/2010	3.750%	6/1/2010	100%
60,000	10/1/2011	3.900%	6/1/2010	100%
60,000	10/1/2012	4.100%	6/1/2010	100%
65,000	10/1/2013	4.250%	6/1/2010	100%
45,000	10/1/2014	4.750%	6/1/2010	100%
50,000	10/1/2015	4.750%	6/1/2010	100%
50,000	10/1/2016	4.750%	6/1/2010	100%
55,000	10/1/2017	4.750%	6/1/2010	100%
55,000	10/1/2018	4.750%	6/1/2010	100%

APPLICATION OF BOND PROCEEDS

The following table itemizes the sources of funds available for the Project and the Refunding Plan, including the proceeds from the sale of the Bonds, and how such funds are expected to be used, exclusive of accrued interest:

Sources of Funds

Proceeds of the Bonds	600,000.00
Funds of the City	84,500.00
Prepaid special assessments	24,543.41
Total	709,043.41

Uses of Funds

Costs of the Project/Redemption of Series 2009 Notes	184,500.00
Redemption of the Series 2003 Bonds	498,622.92
Costs of Issuance, including allowance for underwriting discount	25,920.49
Total	709,043.41

BOND RATING

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

ABSENCE OF LITIGATION

There is no controversy, suit or other proceedings 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 City 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 the Series 2010 Bonds

Legal matters relating to the authorization and issuance of the Series 2010 Bonds are subject to the approving opinion of Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel. Bond Counsel has not participated in the preparation of the information contained in this Official Statement except for the matters appearing in the sections captioned "THE SERIES 2010 BONDS" and "LEGAL MATTERS". An original approving opinion will be delivered at closing to the Original Purchaser of the Series 2010 Bonds.

Tax Matters - General

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.

Tax Matters Applicable to All Bonds

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.

Opinion of Bond Counsel

Federal Tax Exemption. In the opinion of Bond Counsel, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinions set forth in this paragraph are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded 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 interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. 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.

[Bonds Purchased at a Discount. In the opinion of Bond Counsel, subject to the conditions set forth above, the original issue discount for each Bond, to the extent properly allocable to each owner of such Bond, is excluded from gross income for federal income tax purposes with respect to such owner. Original issue discount on each Bond is the excess of the "stated redemption price at maturity" of such Bond, over the initial offering price to the public (excluding underwriters and intermediaries) at which price a substantial amount of such Bonds were sold. 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"). For the Bonds, the original issue discount is the selling price of each Bond originally sold at a price of less than 100% as set forth on the inside cover hereof. The Bonds originally sold at a price of less than 100% as set forth on the inside cover hereof are the "OID Bonds."

Under Code § 1272 and 1288, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues during any accrual period generally equals (a) the issue price of such OID Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (b) the yield to maturity of such OID Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (c) any interest payable on such OID Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the owner's tax basis in such OID Bond. Owners of OID Bonds should consult with their individual tax advisors to determine whether they are required to include, for State and local income tax purposes, an amount of interest on the OID Bonds as income even though no corresponding cash interest payment is actually received during the tax year.]

[Bonds Purchased at a Premium. Certain maturities of the Bonds have an initial offering price which exceeds the stated redemption price at maturity as set forth on the inside cover hereof. The excess of the purchase price of a Bond over its stated redemption price at maturity constitutes premium on such Bond. A purchaser of a Bond must amortize any premium over such Bond's term using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the amount of tax-exempt interest deemed received by the purchaser and the purchaser's basis in such Bond are reduced by a corresponding amount. The adjustment to a purchaser's tax basis will result in an increase in the gain (or decrease in the loss) to be recognized for federal income purposes upon a sale or disposition of such Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed.

Purchasers of any Bonds at a premium, whether at the time of initial issuance or afterward, should consult with their own tax advisors as to the determination and treatment of premium for federal income tax purposes and state and local tax consequences of owning such Bonds.]

Kansas Tax Exemption. The interest on the Bonds is excluded from computation of Kansas adjusted gross income and is exempt from the tax imposed by Kansas counties, cities or townships upon the gross earnings derived from money, notes and other evidence of debt.

Other Tax Consequences. Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds. However, prospective purchasers of the Bonds should be aware that there may be tax consequences of purchasing the Bonds other than those discussed under the caption "Opinion of Bond Counsel," including the following: (a) Code §265 denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, except with respect to certain financial institutions (within the meaning of Code §265(b)(5)); (b) with respect to insurance companies subject to the tax imposed by Code §831, Code §832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Bonds; (c) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Code §884; (d) passive investment income, including interest on the Bonds, may be subject to federal income taxation under Code §1375 for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year, if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; and (e) Code §86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the Bonds. Purchasers of the Bonds should consult their own tax advisors as to the applicability of these tax consequences.

ABSENCE OF LITIGATION

There is no controversy, suit or other proceedings 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 issuing municipality or its boundaries, or the right or title of any of its officers to their respective offices,

or the legality of any official act shown to have been done in the Transcript leading up to the issuance of the Series 2010 Bonds, or the constitutionality or validity of the indebtedness represented by the Series 2010 Bonds shown to be authorized in said Transcript, or the validity of the Series 2010 Bonds or any of the proceedings in relation to the issuance or sale thereof, or the levy and collection of a tax.

FINANCIAL ADVISOR

Citycode Financial, LLC, Wichita, Kansas, has acted as Financial Advisor to the City in connection with the sale of the Bonds. The fees of the Financial Advisor are contingent upon the issuance of the Bonds.

INITIAL PURCHASE

On May 17, 2010, the Issuer received _____ () sealed bids for the purchase of the Bonds. The Bonds were awarded by the Issuer's Governing Body to _____, _____, _____, (the "Underwriter"). The Underwriter submitted the lowest bid for the purchase of the Bonds with a net effective interest rate of ____%. The Bonds were purchased at a net interest cost to the Issuer of \$_____ over the life of Bonds.

ADDITIONAL INFORMATION

Additional information with respect to the City and the Series 2010 Bonds may be obtained upon request from the City of Colwich, Kansas, 310 S 2nd, Colwich, Kansas 67030.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the City and the Bondowners.

This Official Statement is submitted only in connection with the sale and delivery of the Series 2010 Bonds and may not be reproduced or used in whole or in part for any other purpose.

AUTHORIZATION OF OFFICIAL STATEMENT

The preparation of this Official Statement, and its distribution, has been authorized by the City. This Official Statement is hereby duly approved by the governing body of the City as of the date shown on the cover page hereof.

CITY OF COLWICH, KANSAS

By _____
Terrence Spexarth, Mayor

ATTEST:

Diana Brooks, City Clerk

APPENDIX A

FINANCIAL OVERVIEW AND GENERAL INFORMATION ABOUT THE CITY

(THIS PAGE INTENTIONALLY LEFT BLANK)

GENERAL INFORMATION

Government and Organization

The City is a city of the third class under the laws of the State of Kansas and has a Mayor-Council form of government. The Mayor and five Councilmembers are elected at large to staggered two (2) year terms.

Location and Population

The City of Colwich is located in Sedgwick County, approximately 10 miles northwest of Wichita. Being located in one of the richest agricultural and petroleum producing areas in the state, the city's economy is diversified among agricultural production, oil production and industrial development of the greater Wichita area.

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

<u>Year</u>	City of Colwich <u>Population</u>	Sedgwick County <u>Population</u>
1960	703	343,231
1970	879	350,694
1980	935	367,088
1990	1,091	403,662
2000	1,229	452,869
2008	1,407	490,864

ECONOMIC INFORMATION

Labor Force

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

Sedgwick County

<u>Year</u>	Total <u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	Unemployed <u>Rate</u>
2000	235,385	225,321	10,064	4.3%
2001	233,692	223,941	9,751	4.2%
2002	239,819	224,244	15,575	6.5%
2003	242,312	223,721	18,591	7.7%
2004	243,225	228,029	15,196	6.6%
2005	244,567	230,787	13,780	5.6%
2006	245,814	234,670	11,144	4.5%
2007	251,018	240,890	10,128	4.0%
2008	256,106	245,153	10,953	4.3%

State of Kansas

<u>Year</u>	<u>Total</u>			<u>Unemployed</u>
	<u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Rate</u>
2000	1,405,100	1,352,000	53,100	3.8%
2001	1,408,100	1,347,700	60,400	4.3%
2002	1,424,000	1,350,900	73,100	5.1%
2003	1,445,000	1,364,000	80,600	5.6%
2004	1,460,900	1,380,000	80,900	5.5%
2005	1,465,900	1,391,400	74,500	5.1%
2006	1,470,800	1,407,100	63,700	4.3%
2007	1,485,237	1,425,049	60,188	4.1%
2008	1,496,943	1,431,340	65,603	4.4%

Agriculture

The following table lists the total value of field crops and cattle/milk produced in Sedgwick County for the years listed.

<u>Year</u>	<u>Total Value of Field Crops</u>	<u>Total Value of Cattle/Milk</u>	<u>Total</u>
2001	45,652,200	\$17,867,800	63,520,000
2002	59,414,025	16,392,200	75,806,225
2003	56,002,449	18,209,400	74,211,849
2004	61,006,700	21,232,900	82,239,600
2005	58,466,500	17,365,300	75,831,800
2006	81,152,400	15,690,000	96,842,400
2007	58,069,700	20,711,800	78,781,500

Financial and Banking Institutions

There are currently 39 banks with 162 banking locations in Sedgwick County. For the years listed, deposits of the banks located in Sedgwick County are as follows:

<u>Year</u>	<u>Total Bank Deposits</u>
2000	\$5,159,184,000
2001	5,553,064,000
2002	5,985,571,000
2003	6,304,436,000
2004	6,542,086,000
2005	6,912,000,000
2006	7,540,000,000
2007	7,623,000,000
2008	7,933,000,000

Personal Income

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

	Sedgwick County	Sedgwick County	State of Kansas
	Total Personal	Per Capita	Per Capita
<u>Year</u>	<u>Income</u>	<u>Personal Income</u>	<u>Personal Income</u>
2000	\$12,746,898,000	\$28,445	\$27,693
2001	13,569,154,000	30,823	28,713
2002	14,225,331,000	30,622	28,979
2003	14,269,519,000	30,950	29,799
2004	15,103,109,000	33,153	30,992
2005	16,175,401,000	34,703	32,130
2006	18,211,277,000	38,318	34,525
2007	18,916,121,000	39,811	36,525

FINANCIAL INFORMATION REGARDING THE CITY

Financial Overview

The following table summarizes key statistics with regard to the City's general obligation debt.

Assessed Valuation (including Motor Vehicle valuation)	\$ 12,042,036.00
Population (2008 U.S. Census Bureau estimate)	1,407
Outstanding General Obligation Bonds	\$ 2,345,000.00
General Obligation Bonded Debt Per Capita	\$1,666.67
Ratio of General Obligation Debt to Assessed Valuation	19.47%
Direct and Overlapping Debt	\$ 6,245,879.20
Direct and Overlapping Debt Per Capita	\$4,439.15
Ratio of Direct and Overlapping Debt to Assessed Valuation	51.87%

Authority to Incur Debt

Pursuant to Kansas law, the City is authorized to incur applicable bonded debt of 30% of the current years' Assessed Tangible Valuation, including the City's valuation of motor vehicles. Colwich's current applicable bonded debt is 7.15% of its Assessed Tangible Valuation for computation of bond debt limitation.

Assessed Tangible Valuation (2009)	\$10,323,707
Motor Vehicle Valuation (2009)	1,718,329
Total Valuation for computation of Bonded Indebtedness Limitations	<u>\$12,042,036</u>
Legal limitation of Bonded Debt (30%)	\$3,612,611
Applicable general obligation debt	<u>860,680</u>
Additional Debt Capacity	\$2,751,931

History of Assessed Valuation of Taxable Tangible Property

The following table summarizes Assessed Valuation of Taxable Tangible Property for the years indicated.

<u>Year</u>	City's Assessed Valuation (including <u>motor vehicles</u>)	Increase (or decrease) over <u>Previous Year</u>
2002	\$8,913,693	
2003	\$10,075,333	13.03%
2004	\$10,504,282	4.26%
2005	\$11,941,450	13.68%
2006	\$12,548,234	5.08%
2007	\$13,915,508	10.90%
2008	\$12,517,592	-10.05%
2009	\$12,042,036	-3.80%

Current Indebtedness of the City

The following table shows the outstanding general obligation debt as of the date of issuance, and includes this issue of Bonds:

General Obligation Bonds				
<u>Issue</u>	<u>Date of Indebtedness</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>	<u>Amount Included in Debt Limit</u>
* GO Bonds, Series 2003	n/a	n/a	n/a	n/a
GO Bonds, Series A, 2008	7/15/2008	10/1/2023	\$1,330,000	\$251,370
GO Bonds, Series B, 2008	11/15/2008	11/15/2008	415,000	228,250
GO Refunding and Improvement Bonds, Series ** 2010	5/27/2010	10/1/2030	\$600,000	\$381,060

* Being refunded by this issue.

** This issue.

Overlapping Indebtedness

The following table sets forth the overlapping indebtedness as of the date of issuance attributable to the City (on the basis of assessed valuation).

<u>Taxing Jurisdiction</u>	<u>Assessed Valuation</u>	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to Issuer</u>	<u>Amount Applicable to Issuer</u>
Sedgwick County	\$4,782,786,868	\$82,730,000	0.25%	\$208,296
USD 267 (Renwick)	101,030,174	30,980,000	11.92%	3,692,583
				<u>\$3,900,879</u>

Property 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 penalized at a statutorily prescribed rate until paid or until the property is sold for taxes. Real estate bearing unpaid taxes is advertised for sale in July 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 property 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, 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 taxpayers' tax levy unit.

Budgeting Procedures

Applicable Kansas statutes require that budgets be legally adopted for all funds (including debt service and enterprise funds) unless exempted by a specific statute. All budgets are prepared utilizing the modified accrual basis 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 statutes provide that the budget for the succeeding calendar year must be prepared on or before August 1 and published on or before August 5 of each year. A public hearing is required to be held on or before August 15, with the final budget being adopted on or before August 25 of each year. Original appropriations may be modified by supplemental appropriations and transfers among budget categories. The governing body must approve all significant changes.

Kansas law prohibits cities and other governmental units from creating indebtedness unless there is money on hand in the proper fund unencumbered by previous commitments with which to pay the indebtedness. The execution of a contract, or the issuing of a purchase order, automatically encumbers the money in the fund for the payment of the amount represented by the commitment. It makes no difference that the amount may not have to be paid until more moneys are in the fund or until the following year. An exception to this cash basis law is the issuance of debt, in the form of bonds, notes, or warrants, pursuant to statutory authority, referendum or the State Board of Tax Appeals. In the event debt is issued, funds need not be on hand for future payments.

Appraisal and Assessment Procedures

The determination of appraised and assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines the appraised valuation of property located in the County. The Appraiser's determination is based on a number of criteria established by Kansas statute. All property, with the exception of agricultural land, is appraised based on estimated fair market value. Agricultural property is appraised based on productivity value. Kansas statutes require that each parcel of real property be reviewed and inspected by the

county appraiser once every four years for taxation purposes. Once appraised valuations have been determined, they are multiplied by the applicable statutory assessment rates to arrive at the assessed valuations. The total assessed valuation is then used to establish property tax rates.

Property Assessment Rates

In order to determine the assessed valuation of a parcel of property for taxation purposes, the county appraiser multiplies the appraised value of the parcel by the applicable assessment rate. Current property assessment rates were established in 1986, effective in 1989, and slightly modified in 1992. The most significant 1992 modifications involved lowering the assessment rate on commercial and industrial real property from 30% to 25% and on residential property from 12% to 11.5%. The following table shows the current assessment rates for the different classes of taxable tangible property within the State of Kansas.

Real Property:

Residential	11.5%
Commercial and Industrial-Real Property	25.0%
Agricultural Land (1)	30.0%
Agricultural Improvements	25.0%
Vacant Lots	12.0%
Not-for-Profit (2)	12.0%
All Other	30.0%

Personal Property (3):

Mobile Homes	11.5%
Mineral Leaseholds (large)	30.0%
Mineral Leaseholds (small)	25.0%
Commercial & Industrial Machinery & Equipment	25.0%
All Other	30.0%

Utilities:

Railroads	federally mandated rate
All Other Public Utilities	33.0%

Motor Vehicles:

22.0%

Property Exempt:

Property used for the following purposes, or portions thereof, are exempt from taxation provided certain statutory requirements are met: religious, educational, literary, scientific, benevolent, alumni associations, veterans' organizations, or charitable purposes, including parsonages and community service organizations providing humanitarian services.

- (1) Agricultural land is valued based on the productivity value of the property and not estimated market valuation.
- (2) A bill passed by the Kansas Legislature in 1994 clarified this class of property to include all property owned and operated by not-for-profit organizations not subject to federal income taxation pursuant to paragraphs (2), (3), (4), (7), (8), or (10) of Subsection C of Section 501 of the federal internal revenue code. This bill specifically established that private, not-for-profit country clubs would be assessed at 12% for all land which does not accommodate buildings or improvements.
- (3) 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.

(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)



Citycode Financial, LLC
7701 E. Kellogg, Suite 700
Wichita, KS 67207

316.685.5911

www.citycode.com