Gilmore & Bell, P.C.
01/~~09~~20/2012

UNIFIED SCHOOL DISTRICT NO. 261,
SEDGWICK COUNTY, KANSAS (HAYSVILLE)

TAX-EXEMPT FINANCING COMPLIANCE ~~POLICY AND~~ PROCEDURE

Dated as of January 23, 2012

TAX-EXEMPT FINANCING COMPLIANCE ~~POLICY AND~~ PROCEDURE

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TAX-EXEMPT FINANCING COMPLIANCE ~~POLICY AND~~ PROCEDURE

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Capitalized words and terms used in this Compliance Procedure have the following meanings:

"**Annual Compliance Checklist**" means a questionnaire and/or checklist described in ***Section 6.1*** that is completed each year for ~~a~~each of the Tax-Exempt ~~Bond issue~~Bonds.

"Annual Report" means the Issuer's audited financial statements (or unaudited financial statements as permitted by the Continuing Disclosure Undertaking for the Tax-Exempt Bonds) and certain other financial information and operating data required to be filed annually with the MSRB for the Tax-Exempt Bonds.

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"**Bond Compliance Officer**" means the Issuer's Assistant Superintendent, Business & Finance, Treasurer or, if said position is vacant, the person appointed or elected to fill the responsibilities of said position for the Issuer.

"**Bond Counsel**" means Gilmore & Bell, P.C., or other firm of nationally recognized bond counsel, selected by the Issuer to provide a legal opinion regarding the tax status of interest on Tax-Exempt Bonds as of the issue date or the law firm selected to advise the Issuer regarding matters referenced in this Compliance Procedure.

"**Bond Restricted Funds**" means the funds, accounts, and investments that are subject to arbitrage rebate and/or yield restriction rules that have been identified in the Tax Compliance Agreement for ~~a~~the Tax-Exempt ~~Bond issue.~~Bonds.

"**Bond Transcript**" means the "transcript of proceedings" or other ~~similar~~similarly titled set of transaction documents assembled by Bond Counsel following the issuance of Tax-Exempt Bonds.

"Code" means the Internal Revenue Code of 1986, as amended.

"**Compliance Procedure**" means this Tax-Exempt Financing Compliance Policy and Procedure.

"Continuing Disclosure Undertaking" means the Continuing Disclosure Agreement(s), Continuing Disclosure Undertaking(s), Continuing Disclosure Instructions or other written certification(s) of the Issuer setting out covenants for satisfying the Issuer's requirements for providing information to the MSRB pursuant to SEC Rule 15c2-12 on an ongoing basis for one or more Tax-Exempt Bond issues.

"**Cost"** or **"Costs**" means all costs and expenses paid for the acquisition, design, construction, equipping or improvement of a Project Facility or costs of issuing Tax-Exempt Bonds for a Project Facility.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

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"**Final Written Allocation"** means the Final Written Allocation of Tax-Exempt Bond proceeds prepared pursuant to ***Section 5.4*** of this Compliance Procedure.

"**Financed Assets**" means that part of a Project Facility treated as financed with Tax-Exempt Bond proceeds as reflected in a Final Written Allocation or, if no Final Written Allocation was prepared, the accounting records of the Issuer and the Tax Compliance Agreement for the Tax-Exempt ~~Bond issue~~Bonds.

"Governing Body" means the Board of Education of the Issuer.

"**Intent Resolution"** means a resolution of the Governing Body stating: (a) the intent of the Issuer to finance all or a portion of the Project Facility~~, stating~~; (b) the expected maximum size of the financing; and ~~stating~~ the intent of the Issuer to reimburse the ~~costs~~Costs of the Project Facility paid by the Issuer from proceeds of the Tax-Exempt Bonds.

"IRS" means the ~~United States~~ Internal Revenue Service.

"Issuer" means Unified School District No. 261, Sedgwick County, Kansas (Haysville), and its successors and assigns, or any body, agency or instrumentality of the State succeeding to or charged with the powers, duties and functions of the Issuer.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the SEC in accordance with Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"**Placed In Service**" means that date (as determined by the Bond Compliance Officer) when the Project Facility is ~~complete and is actually used at a level~~ substantially ~~as originally designed~~complete and in operation at substantially its design level.

"**Project Facility**" means all tangible or intangible property financed in whole or in part with Tax-Exempt Bonds that ~~is~~are: (a) functionally related or integrated in use~~, that is~~; (b) located on the same physical site or proximate sites~~,~~; and ~~that is~~(c) expected to be Placed In Service within a one-year period of each other.

"**Rebate Analyst**" means the ~~Rebate Analyst~~rebate analyst for the Tax-Exempt Bonds selected pursuant to the Tax Compliance Agreement.

"Regulations" means all regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to tax-exempt obligations.

"SEC" means the Securities and Exchange Commission.

"**Tax Compliance Agreement**" means the Federal Tax Certificate, Tax Compliance Agreement, Arbitrage Agreement, or other written certification or agreement of the Issuer setting out representations and covenants for satisfying the post-issuance tax compliance requirements for a Tax-Exempt Bond issue.

"**Tax-Exempt Bond(s)**" means any bond, note, installment sale agreement, lease or certificate intended to be a debt obligation of the Issuer Issuer or another political subdivision or government instrumentality, the proceeds of the which are to be loaned or otherwise made available to the Issuer, and the interest on which is: (a) excludable from gross income for federal income tax purposes; or (b) taxable for federal income purposes, but is payable at a lower rate as a result of federal subsidy payments or other

assistance. A list of all Tax-Exempt Bonds outstanding and subject to this Compliance Procedure as of January 23, 2012, is attached as ***Exhibit A*.**

"**Tax-Exempt Bond File**" means documents and records which may consist of paper and electronic medium, maintained for each of the Tax-Exempt Bonds. Each Tax-Exempt Bond File will include the following information if applicable:

(a) Intent Resolution.
(b) Bond Transcript.
(c) Final Written Allocation and/or all available accounting records related to the Project Facility showing expenditures allocated to the proceeds of athe Tax-Exempt BondBonds and expenditures (if any) allocated to other sources of funds.
(d) All rebate and yield reduction payment calculations performed by the Rebate Analyst and all investment records provided to the Rebate Analyst for purposes of preparing the calculation.
(e) IRS Forms 8038-T (Arbitrage Rebate, Yield Reduction Payment and Penalty in Lieu of Arbitrage Rebate) together with proof of filing and payment of rebate.
(f) Investment agreement bid documents (unless included in the Bond Transcript) including:
    (1) Bid bid solicitation, bid responses, certificate of broker;
    (2) Writtenwritten summary of reasons for deviations from the terms of the solicitation that are incorporated into the investment agreement; and
    (3) Copiescopies of the investment agreement and any amendments.
(g) Any item required to be maintained by the terms of the Tax Compliance Agreement involving the use of the Project Facility or expenditures related to tax compliance for the Tax-Exempt Bonds.
(h) Any opinion of Bond Counsel regarding the Tax-Exempt Bonds not included in the Bond Transcript.
(i) Amendments, modifications or substitute agreements to any agreement contained in the Bond Transcript.
(j) Any correspondence with the IRS relating to the Tax-Exempt Bonds including all correspondence relating to an audit or examination by the IRS of the Tax-Exempt Bonds or any proceedings under the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP).
(k) Any available questionnaires or correspondence substantiating the use of the Project Facility in accordance with the terms of the Tax Compliance Agreement for the Tax-Exempt Bond issueBonds.
(l) For refunding bond issues, the Tax-Exempt Bond File for the refunded Tax-Exempt Bonds.

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ARTICLE II

PURPOSE AND SCOPE

Section 2.1. Purpose of Compliance Procedure.

(a) The Issuer uses Tax-Exempt Bonds to fund Costs of a Project FacilitiesFacility. The Issuer understands that in exchange for the right to issue Tax-Exempt Bonds at favorable interest rates and terms, the Code and related regulationsRegulations impose ongoing requirements related to the proceeds of the Tax-Exempt Bonds and the Project Facility financed by the Tax-Exempt Bonds. These

requirements focus on the investment, use and expenditure of proceeds of the Tax-Exempt Bonds and related funds as well as restrictions on the use of the Project Facility.

(b) The Issuer recognizes that the IRS has stated that all issuers of Tax-Exempt Bonds should have ~~a~~ *separate* written ~~policy and procedure~~procedures regarding ongoing compliance with the federal tax requirements for Tax-Exempt Bonds.

(c) The Issuer is required under the Continuing Disclosure Undertaking to provide disclosures of certain financial information and operating data and to file notices of certain material events to the marketplace to facilitate informed secondary market trading in Tax-Exempt Bonds issued by the Issuer. The Issuer is committed to full compliance with the tax-~~exempt bond~~ and securities law requirements for all of its outstanding and future tax-exempt financings. This Compliance Procedure is adopted by the Governing Body to comply with the IRS and SEC directive and to improve tax compliance and documentation.

Section 2.2. Scope of Compliance Procedure; Conflicts. This Compliance Procedure applies to all Tax-Exempt Bonds currently outstanding and ***all*** Tax-Exempt Bonds issued in the future. If the provisions of this Compliance Procedure conflict with a Tax Compliance Agreement or any other specific written instructions of Bond Counsel, the terms of the Tax Compliance Agreement or specific written instructions of Bond Counsel will supersede and govern in lieu of this Compliance Procedure. Any exception to this Compliance Procedure required by Bond Counsel as part of a future issue of Tax-Exempt Bonds will be incorporated in the Tax Compliance Agreement for the future issue. Any requirements imposed on the Issuer in the Tax Compliance Agreement, will be noted by the Bond Compliance Officer and incorporated into the Annual Compliance Checklist. The Issuer acknowledges that the Continuing Disclosure Undertaking may also apply to one or more issues of taxable securities issued by the Issuer.

Section 2.3. Amendments and Publication of Compliance Procedure. This Compliance Procedure may be amended from time-to-time by the Governing Body. Copies of this Compliance Procedure and any amendments will be included in the permanent records of the Issuer.

ARTICLE III

BOND COMPLIANCE OFFICER; TRAINING

Section 3.1. Bond Compliance Officer Duties. The Bond Compliance Officer is responsible for implementing this Compliance Procedure. The Bond Compliance Officer will work with other employees that use the Project Facility to assist in implementing this Compliance Procedure. The Bond Compliance Officer will consult with Bond Counsel, legal counsel to the Issuer, accountants, tax return preparers and other outside experts to the extent necessary to carry out the purposes of this Compliance Procedure. The Bond Compliance Officer will report to the Governing Body as necessary, and at least annually, regarding implementation of this Compliance Procedure and any recommended changes or amendments to this Compliance Procedure.

Section 3.2. Training. When appropriate, the Bond Compliance Officer and/or other employees of the Issuer under the direction of the Bond Compliance Officer will attend training programs offered by the IRS or other industry professionals regarding tax-exempt financing that are relevant to the Issuer. At the time the individual acting as the Bond Compliance Officer passes the responsibilities for carrying out the provisions of this Compliance Procedure to another individual, the outgoing Bond Compliance Officer will be, or make arrangement for another Issuer employee to be, responsible for

training the incoming individual acting as Bond Compliance Officer to ensure the Issuer's continued compliance with the provisions of this Compliance Procedure and all Tax Compliance Agreements for any outstanding Tax-Exempt Bonds.

ARTICLE IV

TAX-EXEMPT BONDS CURRENTLY OUTSTANDING

Section 4.1. Tax-Exempt Bonds Covered by Article IV Procedures. This ***Article IV*** applies to all Tax-Exempt Bonds issued prior to the date of this Compliance Procedure that are currently outstanding. These Tax-Exempt Bonds are listed on ***Exhibit A***.

Section 4.2. Tax-Exempt Bond File. As soon as practical, the Bond Compliance Officer will attempt to assemble as much of the Tax-Exempt Bond File as is available for each Tax-Exempt Bond that is listed on ***Exhibit A***.

Section 4.3. Annual Compliance Checklists. As soon as practical following the adoption of this Compliance Procedure, the Bond Compliance Officer will work with Bond Counsel and/or legal counsel to the Issuer and cause Annual Compliance Checklists to be completed for all outstanding Tax-Exempt Bonds and will follow the procedures specified in ***Article VI*** to complete the Annual Compliance Checklists and thereafter include each completed Annual Compliance Checklist in the Tax-Exempt Bond File. A sample form of Annual Compliance Checklist for issues described on ***Exhibit A*** is attached hereto as ***Exhibit B***.

Section 4.4. Correcting Prior Deficiencies in Compliance. In the event the Bond Compliance Officer determines any deficiency in compliance with a Tax Compliance Agreement for an outstanding Tax-Exempt Bond listed on ***Exhibit A,*** the Bond Compliance Officer will follow the procedures described in ~~Treasury~~ the Regulations or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Issuer to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after reporting the violation to the Governing Body and obtaining its approval.

ARTICLE V

COMPLIANCE PROCEDURE FOR NEW TAX-EXEMPT BOND ISSUES

Section 5.1. Application. This ***Article V*** applies to Tax-Exempt ~~Bond financings~~Bonds issued on or after the date of ~~adoption of~~ this Compliance Procedure.

Section 5.2. Prior to Issuance of Tax-Exempt Bonds.

(a) ***Intent Resolution***. The Governing Body will authorize and approve the issuance of Tax-Exempt Bonds. Prior to or as a part of this authorizing resolution or ordinance, the Governing Body may adopt an Intent Resolution.

(b) ***Directions to Bond Counsel***. The Bond Compliance Officer will provide a copy of this Compliance Procedure to Bond Counsel with directions for Bond Counsel to structure the documentation and procedural steps taken prior to issuing the Tax-Exempt Bonds so that they conform to the requirements of this Compliance Procedure, except to the extent Bond Counsel determines that different

procedures are required. The Bond Compliance Officer will consult with Bond Counsel so that appropriate provisions are made to fund or reimburse the Issuer's costs and expenses incurred to implement this Compliance Procedure.

(c) ***Tax Compliance Agreement***. ~~Each Tax-Exempt Bond issue will include~~For each issuance of Tax-Exempt Bonds, a Tax Compliance Agreement will be signed by the Bond Compliance Officer. The Tax Compliance Agreement will: (1) describe the Project Facility and the anticipated Financed Assets, (2) identify all Bond Restricted Funds and provide for arbitrage and rebate compliance, (3) for new money financings ~~—~~require a Final Written Allocation, and (4) contain a form of the Annual Compliance Checklist for the Tax-Exempt ~~Bond issue~~Bonds. The Bond Compliance Officer will confer with Bond Counsel and the Issuer's counsel regarding the meaning and scope of each representation and covenant contained in the Tax Compliance Agreement.

(d) ***Preliminary Cost Allocations***. ~~The~~For each issuance of Tax-Exempt Bonds, the Bond Compliance Officer in consultation with Bond Counsel, will prepare a preliminary cost allocation plan for the Project Facility. The preliminary cost allocation plan will identify the assets and expected costs for the Project Facility, and, when necessary, will break-out the portions of Costs that the Issuer expects to finance with Tax-Exempt Bonds (the "Financed Assets") from the portions expected to be financed from other sources.

(e) ***Tax Review with Bond Counsel***. Prior to the sale of the Tax-Exempt Bonds, the Bond Compliance Officer and Bond Counsel will review this Compliance Procedure together with the draft Tax Compliance Agreement to ensure that any tax compliance issues in the new financing are adequately addressed by this Compliance Procedure and/or the Tax Compliance Agreement. ~~In the event~~If Bond Counsel determines that this Compliance Procedure conflicts with the Tax Compliance Agreement, or must be supplemented to account for special issues or requirements for the Tax-Exempt Bonds, the Bond Compliance Officer will ask Bond Counsel to include the written modifications or additions in the final Tax Compliance Agreement. The Bond Compliance Officer will request Bond Counsel to prepare a form of Annual Compliance Checklist for use in monitoring the ongoing compliance requirements for the Tax-Exempt ~~Bond issue~~Bonds.

Section 5.3. Accounting and Recordkeeping.

(a) ***Accounting for New Money Projects***. The Bond Compliance Officer will be responsible for accounting for the investment and allocation of proceeds of the Tax-Exempt Bonds. The Bond Compliance Officer will establish separate accounts or subaccounts to record expenditures for Costs of the Project Facility. Where appropriate, the Bond Compliance Officer may use accounts established as part of the Issuer's financial records for this purpose. In recording Costs for the Project Facility, the Bond Compliance Officer will ~~insure~~ensure that the accounting system will include the following information: (1) identity of person or business paid, along with any other available narrative description of the purpose for the payment, (2) date of payment, (3) amount paid, and (4) invoice number or other identifying reference.

(b) ***Accounting for Refunded Bonds and Related Refunded Bond Accounts***. For Tax-Exempt Bonds that refund prior issues, the Tax Compliance Agreement will set out special accounting and allocation procedures for the proceeds of the financing, and if necessary proceeds of the refinanced debt.

(c) ***Tax-Exempt Bond File***. The Bond Compliance Officer will be responsible for assembling and maintaining the Tax-Exempt Bond File. The Annual Reports, other reports and notices of

certain material events filed by the Issuer with the MSRB will be publicly available on EMMA and need not be separately maintained in the Tax-Exempt Bond File.

Section 5.4. Final Allocation of Bond Proceeds.

(a) ***~~Bond Compliance Officer Responsible for~~ Preparation of Final Written Allocation; Timing***. The Bond Compliance Officer is responsible for making a written allocation of proceeds of Tax-Exempt Bonds to expenditures and identifying the ~~identification of~~ Financed Assets. This process will be memorialized in the Final Written Allocation. For a new money financing, the Bond Compliance Officer will commence this process as of the earliest of (1) the requisition of all Tax-Exempt Bond proceeds from any segregated Tax-Exempt Bond funded account, (2) the date the Project Facility has been substantially completed or (3) four and one/half years following the issue date of the Tax-Exempt Bonds. For Tax-Exempt Bonds issued only to refund a prior issue of Tax-Exempt Bonds, the Bond Compliance Officer will work with Bond Counsel to prepare and/or document the Final Written Allocation for the Project Facility financed by the refunded Tax-Exempt Bonds ~~in accordance with the advice of Bond Counsel~~ and include it in the Tax Compliance Agreement.

(b) ***Contents and Procedure***. The Bond Compliance Officer will consult the Tax Compliance Agreement and, if necessary, contact Bond Counsel to seek advice regarding any special allocation of Tax-Exempt Bond proceeds and other money of the Issuer to the Costs of the Project Facility. If no special allocation is required or recommended, the Bond Compliance Officer will allocate Costs of the Project Facility to the proceeds of the Tax-Exempt Bonds in accordance with the Issuer's accounting records. Each Final Written Allocation will contain the following: (1) a reconciliation of the actual sources and uses to Costs of the Project Facility, (2) the percentage of the cost of the Project Facility financed with proceeds of the Tax-Exempt Bonds (sale proceeds plus any investment earnings on those sale proceeds), (3) the Project Facility's Placed in Service date, (4) the estimated economic useful life of the Project Facility, and (5) any special procedures to be followed in completing the Annual Compliance Checklist (e.g., limiting the Annual Compliance Checklist to specific areas of the Project Facility that the Final Written Allocation or the Tax Compliance Agreement treats as having been financed by Tax-Exempt Bonds).

(c) ***Finalize Annual Compliance Checklist***. As part of the preparation of the Final Written Allocation, the Bond Compliance Officer will update the draft Annual Compliance Checklist contained in the Tax Compliance Agreement. The Bond Compliance Officer will include reminders for all subsequent arbitrage rebate computations required for the Tax-Exempt Bonds in the Annual Compliance Checklist.

(d) ***Review of Final Written Allocation and Annual Compliance Checklist***. Each Final Written Allocation and Annual Compliance Checklist will be reviewed by legal counsel to the Issuer or Bond Counsel for sufficiency and compliance with the Tax Compliance Agreement and this Compliance Procedure. Following the completion of the review, the Bond Compliance Officer will execute the Final Written Allocation.

ARTICLE VI

ONGOING MONITORING PROCEDURES

Section 6.1. Annual Compliance Checklist. An Annual Compliance Checklist will be completed by the Bond Compliance Officer each year following completion of the Final Written Allocation. Each Annual Compliance Checklist will be designed and completed for the purpose of identifying potential noncompliance with the terms of the Tax Compliance Agreement or this Compliance

Procedure and obtaining documents (such as investment records, arbitrage calculations, or other documentation for the Project Facility) that are required to be incorporated in the Tax-Exempt Bond File. The Bond Compliance Officer will refer any responses indicating a violation of the terms of the Tax Compliance Agreement to legal counsel to the Issuer or Bond Counsel and, if recommended by counsel, will follow the procedure set out in ***Section 4.4*** to remediate the non-compliance.

Section 6.2. Arbitrage and Rebate Compliance. The Bond Compliance Officer will monitor the investment of Bond Restricted Funds and provide investment records to the Rebate Analyst on a timely basis. The Bond Compliance Officer will follow the directions of the Rebate Analyst with respect to the preparation of and the timing of rebate or yield reduction computations.

ARTICLE VII

CONTINUING DISCLOSURE

Section 7.1. Annual Disclosure Filings. For each issuance of Tax-Exempt Bonds, the Bond Compliance Officer will review the Continuing Disclosure Undertaking to determine the financial information and operating data required to be included in the Annual Report to be filed by the Issuer with the MSRB on EMMA. The Bond Compliance Officer will cause the Annual Report to be filed with the MSRB on EMMA within the timeframe provided in the Continuing Disclosure Undertaking for the Tax-Exempt Bonds.

Section 7.2. Material Event Disclosure Filings. For each outstanding issue of Tax-Exempt Bonds, the Bond Compliance Officer will review the Continuing Disclosure Undertaking to determine the "material events" that require prompt notice to be filed with the MSRB. Generally, the occurrence of any of the following events with respect to the Tax-Exempt Bonds represents a "material event:"

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of bondholders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the obligated person;
(13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive

agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

After obtaining actual knowledge of the occurrence of any event that the Bond Compliance Officer believes may constitute an event requiring disclosure, the Bond Compliance Officer will contact Bond Counsel to determine if notice of the event is required to be given to the MSRB under the Continuing Disclosure Undertaking. If it is determined that notice should be provided to the MSRB or is required to be provided to the MSRB by the Continuing Disclosure Undertaking, the Bond Compliance Officer will cause the appropriate notice to be filed with the MSRB on EMMA within 10 business days after the occurrence of the event or as otherwise directed by Bond Counsel.

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CERTIFICATE

I, hereby certify that the above and foregoing is a true and correct copy of the Tax-Exempt Financing Compliance ~~Policy and~~ Procedure, adopted by the governing body of Unified School District No. 261, Sedgwick County, Kansas (Haysville) on January 23, 2012 as the same appears of record in my office.

DATED: January 23, 2012.

_____
Clerk

EXHIBIT A

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LIST OF OUTSTANDING TAX-EXEMPT BONDS
COVERED BY THIS COMPLIANCE PROCEDURE
(as of January 23, 2012)

GENERAL OBLIGATION BONDS

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Description of Indebtedness	Date of Indebtedness	Final Maturity	Original Principal Amount	Amount Outstanding
General Obligation Refunding, Series 2004	~~4~~04/01/04	11/01/18	$ 6,880,000	$ 4,655,000
General Obligation Refunding, Series 2005	~~3~~03/01/05	11/01/19	8,060,000	6,675,000
General Obligation School Building, Series 2005[1]	10/15/05	11/01/30	20,000,000	18,160,000
General Obligation Ref & School Imp., Series 2007	~~2~~02/01/07	11/01/32	29,585,000	28,090,000
General Obligation Refunding, Series 2012	~~2~~02/01/12	11/01/20	2,~~225~~220,000~~*~~	2,~~225~~220,000~~*~~
Total				~~***$ 59,805,000****~~***$59,800,000***

[1] Amount outstanding excludes portion refunded from proceeds of the Series 2012 Bonds
~~*Preliminary, subject to change~~

EXHIBIT B

FORM OF ANNUAL COMPLIANCE CHECKLIST

$[Amount of Issue]
UNIFIED SCHOOL DISTRICT NO. 261,
SEDGWICK COUNTY, KANSAS (HAYSVILLE)
[BOND DESCRIPTION] BONDS
SERIES [_____]
DATED [DATED DATE]
ISSUE DATE: [CLOSING DATE]

The Bond Compliance Officer is the person that the Issuer has identified in the Tax Compliance Procedure who is primarily responsible for working with other Issuer officials, departments and administrators and for consulting with Bond Counsel, other legal counsel and outside experts to the extent necessary to carry out the Post-Issuance Tax Requirements for the Bonds. On the Issue Date, the Issuer identified certain assets financed in whole or in part by the Bonds (the "Financed Improvements"), as evidenced on *Exhibit D* to the Federal Tax Certificate. Please complete this checklist within 90 days after the conclusion of the Issuer's Fiscal Year. Should you have questions or need assistance in completing the checklist, please contact Bond Counsel at the address below. A completed copy of this annual checklist should be placed in the Tax-Exempt Bond File and retained in the Issuer's permanent records for at least 3 years after the final maturity of (1) the Bonds or (2) any obligation issued to refund the Bonds.

Bond Compliance Officer Name: [_____]
Bond Compliance Officer Signature: [_____]
Date of Report: [_____]
Annual Period Covered by Report: [_____]

****If the answers to any of the following questions identify any compliance deficiencies, the Bond Compliance Officer should immediately contact Bond Counsel and take actions required in the Tax Compliance Procedure.****

Item	Question	Response
1 Ownership	Were all of the Financed Improvements owned by the Issuer during the entire Annual Period?	☐ Yes ☐ No
	If answer above was "No," was an Opinion of Bond Counsel obtained prior to the transfer? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	☐ Yes ☐ No

Item	Question	Response
2 Leases & Other Rights to Possession	During the Annual Period, was any part of the Financed Improvements leased at any time pursuant to a lease or similar agreement for more than 50 days?	☐ Yes ☐ No
	If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into the lease or other arrangement? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	☐ Yes ☐ No
3 Management or Service Agreements	During the Annual Period, has the management of all or any part of the operations of the Financed Improvements (e.g., cafeteria, gift shop, etc.) been assumed by or transferred to another entity?	☐ Yes ☐ No
	If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into the management agreement? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	☐ Yes ☐ No
4 Other Use	Was any other agreement entered into with an individual or entity that grants special legal rights to the Financed Improvements?	☐ Yes ☐ No
	If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into the agreement? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	☐ Yes ☐ No
5 Proceeds & Investments		
	Have any Gross Proceeds of the Bonds been invested in a Guaranteed Investment Contract?	☐ Yes ☐ No
	Has the Issuer entered into an Interest Rate Swap Agreement with respect to the Bonds?	☐ Yes ☐ No
	Has any sinking or reserve fund for the payment of the Bonds been established (other than funds and accounts created in the Bond Resolution)?	☐ Yes ☐ No
	Have any of the Bonds been redeemed or refunded in advance of their scheduled maturities?	☐ Yes ☐ No
	If answer to any of the above questions was "Yes," notify Bond Counsel with such information and place a copy of documentation in the Tax-Exempt Bond File.	

Item	Question	Response
6 Arbitrage & Rebate	Have all rebate and yield reduction calculations mandated in the Tax Compliance Agreement been prepared for the current year?	☐ Yes ☐ No
	If No, contact Rebate Analyst and incorporate report or include description of resolution in the Tax-Exempt Bond File.	

Bond Counsel: Gilmore & Bell, P.C.
100 N. Main, Suite 800
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