	CITY OF COFFEYVILLE **BOARD OF COMMISSIONERS AGENDA ITEM**	
MEETING DATE	November 24, 2015	
RESOLUTION OR ORDINANCE NUMBER	R-15-145	
AGENDA TITLE	**A RESOLUTION APPROVING THE FORM OF BOND AGREEMENT AMENDMENT NO. 1, AMENDING AND SUPPLEMENTING A CERTAIN BOND AGREEMENT ENTERED INTO BY THE CITY IN CONNECTION WITH THE ISSUANCE BY THE CITY OF ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES 2004 (HARMON PROPERTIES, L.L.C.).**	
REQUESTING DEPARTMENT	Finance Department	
PRESENTER	Stephanie A. Richardson, Finance Director	
FISCAL INFORMATION	Cost as recommended:	$0
	Budget Line Item:	N/A
	Balance Available	N/A
	New Appropriation Required:	[ ] Yes [X] No
PURPOSE	To approve a bond amendment to Harmon Properties Series 2004 IRB's establishing a maximum interest rate on the bonds for five years.	
BACKGROUND	Harmon Properties, L.L.C issued IRB's through the City of Coffeyville in 2004 for the construction of the Best Western Bricktown Lodge. Bonds were issued with an original principal amount of $2 million for the purpose of acquiring, constructing and equipping the hotel facility. Arvest Bank is the holder of 100% of the bonds issued for this project.	
SPECIAL NOTES		

ANALYSIS	Harmon Properties, L.L.C. has negotiated with Arvest Bank to impose a maximum interest rate of 5% on these bonds for the time period from 12/1/15 through 11/30/20. The bonds have an adjustable rate and will float up and down through this time period but will not exceed the 5% agreed to by all parties. The city, as issuer of the bonds, must ratify this agreement in order for the bond agreement to be amended and replacement bonds issued.
PUBLIC INFORMATION PROCESS	N/A
BOARD OR COMMISSION RECOMMENDATION	N/A
STAFF RECOMMENDATION	Staff recommends approval of the resolution.
REFERENCE DOCUMENTS ATTACHED	Resolution Bond Agreement Amendment No. 1 Replacement Bond

RESOLUTION NO. R-15-145

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF COFFEYVILLE, KANSAS APPROVING THE FORM OF BOND AGREEMENT AMENDMENT NO. 1, AMENDING AND SUPPLEMENTING A CERTAIN BOND AGREEMENT ENTERED INTO BY THE CITY IN CONNECTION WITH THE ISSUANCE BY THE CITY OF ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES 2004 (HARMON PROPERTIES, L.L.C.).

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF COFFEYVILLE, KANSAS:

Section 1. Approval of Form of Bond Agreement Amendment No. 1. That the form of Bond Agreement Amendment No. 1 to be entered into between the City of Coffeyville, Kansas (the "Issuer"), Arvest Bank, Nowata, Oklahoma, as bondowner of the Series 2004 Bond (the "Bondowner"), and consented to by Harmon Properties, L.L.C. (the "Tenant") amending a Bond Agreement, dated as of the Issue Date of the Series 2004 Bonds, between the Issuer, the Tenant and the Bondowner, entered into in connection with the issuance by the Issuer of its Taxable Industrial Revenue Bonds, Series 2004 is hereby approved in substantially the form presented to the governing body concurrently with this Resolution.

Section 2. Authorization to Execute and Deliver Documents. The Mayor and City Clerk are hereby authorized to execute and deliver on behalf of the Issuer the Bond Agreement Amendment No. 1 and any other documents or certificates as may be necessary or desirable to carry out the provisions of this resolution upon receipt of the original documents signed on behalf of the Bondowner by a duly authorized officer, and consented to by the Tenant.

Section 3. Effective Date. This Resolution shall take effect from and after its adoption by a majority of the governing body of the Issuer.

Adopted by the City of Coffeyville, Kansas this 24th day of November, 2015.

CITY OF COFFEYVILLE, KANSAS

[SEAL]

_____
Christopher V. Williams, Mayor

ATTEST:

_____
Cindy Price, City Clerk

BOND AGREEMENT AMENDMENT NO. 1

THIS BOND AGREEMENT AMENDMENT NO. 1, is effective as of December 1, 2015 between the **CITY OF COFFEYVILLE**, **KANSAS**, a municipal corporation ("Issuer"); **ARVEST BANK,** Nowata, Oklahoma (the "Bondowner"); and **HARMON PROPERTIES, L.L.C.**, an Oklahoma limited liability company (the "Tenant").

Recitals

A. The Issuer's governing body heretofore passed an ordinance authorizing Issuer to issue its Taxable Industrial Revenue Bonds, Series 2004 (Harmon Properties, L.L.C.) in the original principal amount of $2,000,000 (the "Series 2004 Bond"), for the purpose of acquiring, constructing, and equipping a hotel facility (the "Facility").

B. The Issuer, Tenant and Bondowner are parties to a Bond Agreement, dated as of the Issue Date of the Bonds, prescribing the terms of the Bonds.

C. Pursuant to *Section 8* of the Bond Agreement, the parties desire to amend and supplement the Bond Agreement as provided herein.

D. The Bondowner owns all of the outstanding Series 2004 Bonds.

Agreement

NOW, THEREFORE, in consideration of the foregoing recitals, the covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. *Capitalized Terms*. All capitalized terms not otherwise defined shall have the same meanings as in the Bond Agreement.

2. *Amendment to Bond Agreement and Form of Bond*. The following amendment and such other amendments as necessary to reflect a change in the Issue Date shall be made to the form of the City of Coffeyville, Kansas Taxable Industrial Revenue Bonds (Harmon Properties, L.L.C.), Series 2004, attached as *Exhibit A* to the Bond Agreement and in the originally issued Bonds:

> The "Adjustable Rate" shall mean a rate of interest per annum equal to the New York prime commercial lending rate as published in *The Wall Street Journal* at all times. The Adjustable Rate shall change as often as such published prime commercial lending rate changes, and such rate, as so adjusted, shall be applied to the principal balance outstanding until the next published rate change. The Adjustable Rate shall not exceed a rate of 5.00% per annum from the period of December 1, 2015 through November 30, 2020.

A form of the revised Bond is attached hereto as *Exhibit A*.

3. *Consent of the Bondowner*. Bondowner hereby represents and warrants that it is the Owner of 100% of the aggregate principal amount of all Outstanding Bonds as of the date hereof. Bondowner hereby acknowledges that, except as expressly amended herein, the Bond Agreement and all related documents shall remain in full force and effect.

4. *Ratification of Bond Agreement*. The Issuer, the Bondowner and the Tenant each acknowledges and confirms that the Bond Agreement is in full force and effect as of the date hereof and that none of them knows of the existence of any default under the Bond Agreement. Except as expressly amended herein, the terms of the Bond Agreement and each of the Bonds shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Bond Agreement Amendment No. 1 to be executed.

CITY OF COFFEYVILLE, KANSAS

By: _____
Christopher V. Williams, Mayor

[SEAL]

ATTEST:

By: _____
Cindy Price, City Clerk

ACKNOWLEDGMENT

STATE OF KANSAS)
) ss
COUNTY OF MONTGOMERY)

This instrument was acknowledged before me on the _____ day of November, 2015 by Christopher V. Williams, Mayor, and Cindy Price, City Clerk, of the City of Coffeyville, Kansas, a municipal corporation.

_____
Notary Public

[SEAL]

My Appointment Expires:

_____
Typed or Printed Name of Notary Public

_____

ARVEST BANK
Nowata, Oklahoma

By:_____
Name: Michael Dye
Title: Senior Vice President

ACKNOWLEDGMENT

STATE OF _____)
) ss
COUNTY OF _____)

This instrument was acknowledged before me on the _____ day of November, 2015 by Michael Dye, as Senior Vice President of Arvest Bank, Nowata, Oklahoma.

_____
Notary Public

[SEAL]

My Appointment Expires:

_____
Typed or Printed Name of Notary Public

_____

HARMON PROPERTIES, L.L.C.

By: _____
Name: Rick E. Harmon
Title: Manager

_____
Name: Angela D. Harmon
Title: Manager

ACKNOWLEDGMENT

STATE OF _____)
) ss
COUNTY OF _____)

This instrument was acknowledged before me on the _____ day of November, 2015 by Rick E. Harmon and Angela D. Harmon, as Managers of Harmon Properties, L.L.C., an Oklahoma limited liability company.

_____
[SEAL] Notary Public

My Appointment Expires: _____
Typed or Printed Name of Notary Public

_____

EXHIBIT A

No. R-__ $_____

UNITED STATES OF AMERICA
STATE OF KANSAS

CITY OF COFFEYVILLE, KANSAS

TAXABLE INDUSTRIAL REVENUE BOND
(HARMON PROPERTIES, L.L.C.)
Series 2004

The City of Coffeyville, Kansas (the "Issuer"), hereby promises to pay, solely out of the sources hereinafter specified, _____, the registered owner hereof, or registered assigns (an "Owner"), the principal sum of

_____ DOLLARS

plus interest on the unpaid balance hereof accruing from the Issue Date until paid, in lawful money of the United States of America, at the rates and payable as follows:

a. The unpaid principal amount of this Bond, together with interest in arrears, shall be paid in monthly installments equal to the Amortization Amount, commencing on the First Payment Date and continuing on each Payment Date thereafter until the first Adjustment Date.

b. On and after the first Adjustment Date, monthly installments of the Amortization Amount, including interest accrued thereon at the Adjustable Rate, being the rate of interest payable on the first Adjustment Date, as adjusted from the Initial Rate on that date, and as subsequently adjusted on each succeeding Adjustment Date for the period of time between Adjustment Dates, commencing on the first Payment Date after the first Adjustment Date and continuing on each Payment Date thereafter until the Final Maturity Date.

c. One final payment in the amount of the entire unpaid balance hereunder (including all accrued and unpaid interest) on the Final Maturity Date.

The "Adjustable Rate" shall mean a rate of interest per annum equal to the New York prime commercial lending rate as published in *The Wall Street Journal* at all times. The Adjustable Rate shall change as often as such published prime commercial lending rate changes, and such rate, as so adjusted, shall be applied to the principal balance outstanding until the next published rate change. The Adjustable Rate shall not exceed a rate of 5.00% per annum from the period of December 1, 2015 through November 30, 2020.

The "Adjustment Date" shall mean the first date after the Issue Date that the New York prime commercial lending rate as published in *The Wall Street Journal* changes, and the date of each such change thereafter until the entire principal balance is paid in full.

The "Amortization Amount" shall mean an amount sufficient to fully amortize and pay, in substantially equal monthly installments of principal and interest over a period of 240 months commencing on the Amortization Commencement Date and ending on the Final Maturity Date, the entire unpaid balance of this Bond with interest at the Adjustable Rate. The Amortization Amount will be modified on each Adjustment Date and a new *Schedule A* will be prepared by the Bank, and attached to this Bond. Copies of the revised schedule of payments shall be sent by the Bank to the Issuer, the Tenant and all owners of the Bonds.

A "Business Day" shall mean a day on which the Bank is open for business at its office in Nowata, Oklahoma.

The “Final Maturity Date” shall be the first day of the 240th month after the “Original Issue Date.”

The "First Payment Date" shall mean the first day of the first calendar month following the Issue Date.

The "Initial Rate" shall mean the prime commercial lending rate as published in the *Wall Street Journal* nearest the Issue Date.

The “Issue Date” shall mean the date endorsed by the bond registrar on the Certificate of Authentication on this Bond.

The “Original Issue Date” shall mean July 14, 2004.

The “Payment Date” shall be the first day of each calendar month following the First Payment Date.

Payments of principal of and redemption premium, if any, and interest on this Bond shall be made in immediately available funds no later than 11:00 A.M., Central time, on the Payment Date, at the Bank's business office in Nowata, Oklahoma or such other place as the Bank may from time to time designate in writing, in lawful money of the United States of America. If the principal of or interest on this Bond falls due on a day other than a Business Day, then such due date shall be extended to the next succeeding full Business Day. If payment is made by check, the check must be delivered to the Bank at least 3 Business Days prior to the Payment Date.

If there is a default in the payment of any item or installment when due, the item or installment so in default shall continue as an obligation hereunder until the same shall be fully paid, and such item or installment shall be payable upon demand with interest thereon.

This Bond is issued pursuant to an Ordinance of the governing body of the Issuer and a Bond Agreement dated as of the Original Issue Date (the "Bond Agreement"), between the Issuer, the Bank and Harmon Properties, L.L.C. (the "Tenant"), for the purpose of providing funds for the acquisition, construction, equipping and furnishing of a commercial motel facility located in the City of Coffeyville, Kansas, including buildings, fixtures, improvements, furnishings, machinery, equipment and related support facilities (the "Project"), to be made pursuant to a Lease, dated as of the Original Issue Date (the "Lease"), between the Issuer and the Tenant by the authority of and in conformity with the constitution and statutes of the state of Kansas, including particularly K.S.A. 12-1740 *et seq.*, as

amended, and all other laws of said state applicable thereto. The Tenant will sublease the Project to Harmon Property Management, L.L.C., an Oklahoma limited liability company (the "Subtenant") under a Sublease delivered concurrently with the Lease, pursuant to which the Subtenant assumes all of the obligations of the Tenant under the Lease.

This Bond and the interest and redemption premium, if any, hereon are payable solely out of the revenues derived by the Issuer from the Project and pursuant to the Lease and Sublease. This Bond and the interest hereon do not constitute a debt of the Issuer, or of the State of Kansas, and neither the Issuer nor said state shall be liable thereon, and this Bond shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Tenant's and Subtenant's obligations under the Lease are secured by the Existing Fee Mortgage (as defined in the Bond Agreement) and the "Leasehold Mortgage" (as defined in the Bond Agreement), granted by the Tenant to the Bank, as agent for the owner(s) of the Bonds. To secure the payment of the principal of and redemption premium, if any, and interest on this Bond, the Issuer has assigned to the Bank substantially all its rights under the Lease pursuant to an Assignment of Lease and Security Agreement, dated as of the Original Issue Date of the Bonds (the "Assignment"). In addition, the payment of the principal of and redemption premium, if any, and interest on this Bond has been unconditionally guaranteed by the Tenant, Subtenant, Rick Harmon and Angela Harmon, individually, jointly and severally, pursuant to a Guaranty Agreement, dated as of the Original Issue Date (the "Guaranty Agreement"). Performance of the obligations of the Tenant and Subtenant as guarantors under the Guaranty Agreement is also secured by the Existing Fee Mortgage, the Leasehold Mortgage and by the Assignment of Rents and Leases. Reference is hereby made to the Bond Agreement, the Lease, the Assignment, the Assignment of Rents and Leases, the Existing Fee Mortgage, the Leasehold Mortgage and the Guaranty Agreement for a further description of the Project, the rights, duties and obligations of the Issuer, the Tenant, the Bank and any other owners of the Bonds, the security for this Bond and such obligations hereunder.

In the event of a Change of Circumstances (as defined in the Bond Agreement), this Bond shall be subject to redemption and payment prior to the stated maturity thereof at the option of the Issuer, upon instructions from the Tenant, on any date, at the par value of the principal amount thereof, plus accrued interest thereon to the redemption date, without premium.

This Bond is also subject to redemption in whole or in part, by the Tenant, on any Payment Date, at the par value of the principal amount thereof, without premium, plus interest accrued to the date of redemption.

Notice of any call for redemption at the option of the Tenant shall be given by the Bank as the Issuer’s bond registrar or the Tenant on behalf of the Issuer to each registered owner (other than the Bank) at its address as it appears on the bond register of the Issuer maintained by the bond registrar by first class mail, postage prepaid, mailed not less than ten (10) days prior to the redemption date.

All portions of this Bond so called for redemption will cease to bear interest on the specified redemption date, provided funds or securities in which such funds are invested for their redemption are on deposit with the paying agent prior to the redemption date, and shall no longer be entitled to the benefits and protection of the Bond Agreement and shall not be deemed to be outstanding.

If this Bond is redeemed in part, it need not be delivered to the bond registrar or the Issuer to note such partial redemption, but the owner of the Bonds may note such partial redemption by

endorsing the acknowledgment provided on this Bond. Any redemption in part of this Bond shall be applied to reduce the installments of principal hereof in inverse order of their maturity.

This Bond is issuable in the form of a fully registered Bond without coupons. This Bond shall be transferable by the owner of the Bonds upon the surrender of the certificate or certificates representing this Bond for transfer or exchange at the offices of the bond registrar, accompanied, in the case of a transfer, by a written instrument of transfer in form satisfactory to the bond registrar duly executed by the owner of the Bonds or its attorney in fact duly authorized in writing and upon payment of any charges prescribed in the Bond Agreement. Upon such surrender, the bond registrar shall cause the Issuer to execute and deliver in the name of the transferee a new registered Bond certificate or certificates in an aggregate principal amount equal to the unpaid principal amount hereof. The Issuer, the Bank, the Tenant and the Guarantors may deem and treat the person in whose name this Bond certificate is registered as the absolute owner of the principal amount of the Bonds represented by this certificate for the purpose of receiving payment of, or on account of, the principal or interest due hereon and for all other purposes. Transfer of this Bond certificate is subject to certain further conditions and restrictions as further endorsed hereon.

In certain events, on the conditions, in the manner and with the effect set forth in the Bond Agreement, the principal of this Bond may be declared due and payable before the stated maturity hereof, together with interest accrued hereon. Modifications or alterations of this Bond may be made only to the extent and in the circumstances permitted by the Bond Agreement.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual signature of the Mayor and attested by the manual signature of the City Clerk and its official seal to be affixed hereto or imprinted hereon, and has caused this Bond to be dated as of the Issue Date.

CITY OF COFFEYVILLE, KANSAS

By:_____
Mayor

[SEAL]

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond certificate evidences ownership of the City of Coffeyville, Kansas Taxable Industrial Revenue Bonds, Series 2004 (Harmon Properties, L.L.C.), as described herein and in the Bond Agreement described herein. The Issue Date of this Bond is December 1, 2015.

ARVEST BANK
Nowata, Oklahoma,
as bond registrar

By:_____
Authorized Officer

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

_____

Print or Type Name and Address of Transferee

the Bonds represented by this certificate and all rights thereunder, and hereby authorizes the transfer of the within Bond on the books kept by the Bank for the registration and transfer of Bonds.

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

[Seal of owner of the Bonds]

_____

(Name of Eligible Guarantor Institution)

By: _____

Title: _____

Signature must be guaranteed by an eligible guarantor institution as defined by S.E.C. Rule 17 Ad-15 (17 C.F.R. 240. 17-Ad-15).

THIS BOND MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS, OR IN A TRANSACTION EXEMPT FROM THE APPLICATION OF FEDERAL AND STATE SECURITIES LAWS.

ACKNOWLEDGMENT OF PARTIAL REDEMPTION
RECORD OF PAYMENTS

Partial prepayments of the principal of this Bond may be made directly to the registered owner hereof without surrender hereof to the Bank, and each registered owner hereof may record such prepayment on the table set forth below. Accordingly, any purchaser or other transferee of this Bond should verify with the Bank the principal hereof outstanding prior to such purchase or transfer, and the records of the Bank shall be conclusive for such purposes.

Payment Date	Amount Paid	Signature	Payment Date	Amount Paid	Signature

No. R-2 $_____

UNITED STATES OF AMERICA
STATE OF KANSAS

CITY OF COFFEYVILLE, KANSAS

TAXABLE INDUSTRIAL REVENUE BOND
(HARMON PROPERTIES, L.L.C.)
Series 2004

The City of Coffeyville, Kansas (the "Issuer"), hereby promises to pay, solely out of the sources hereinafter specified, _____, the registered owner hereof, or registered assigns (an "Owner"), the principal sum of

_____ DOLLARS

plus interest on the unpaid balance hereof accruing from the Issue Date until paid, in lawful money of the United States of America, at the rates and payable as follows:

a. The unpaid principal amount of this Bond, together with interest in arrears, shall be paid in monthly installments equal to the Amortization Amount, commencing on the First Payment Date and continuing on each Payment Date thereafter until the first Adjustment Date.

b. On and after the first Adjustment Date, monthly installments of the Amortization Amount, including interest accrued thereon at the Adjustable Rate, being the rate of interest payable on the first Adjustment Date, as adjusted from the Initial Rate on that date, and as subsequently adjusted on each succeeding Adjustment Date for the period of time between Adjustment Dates, commencing on the first Payment Date after the first Adjustment Date and continuing on each Payment Date thereafter until the Final Maturity Date.

c. One final payment in the amount of the entire unpaid balance hereunder (including all accrued and unpaid interest) on the Final Maturity Date.

The "Adjustable Rate" shall mean a rate of interest per annum equal to the New York prime commercial lending rate as published in *The Wall Street Journal* at all times. The Adjustable Rate shall change as often as such published prime commercial lending rate changes, and such rate, as so adjusted, shall be applied to the principal balance outstanding until the next published rate change. The Adjustable Rate shall not exceed a rate of 5.00% per annum from the period of December 1, 2015 through November 30, 2020.

The "Adjustment Date" shall mean the first date after the Issue Date that the New York prime commercial lending rate as published in *The Wall Street Journal* changes, and the date of each such change thereafter until the entire principal balance is paid in full.

The "Amortization Amount" shall mean an amount sufficient to fully amortize and pay, in substantially equal monthly installments of principal and interest over a period of 240 months commencing on the Amortization Commencement Date and ending on the Final Maturity Date, the entire unpaid balance of this Bond with interest at the Adjustable Rate. The Amortization Amount will be modified on each Adjustment Date and a new *Schedule A* will be prepared by the Bank, and attached to this Bond. Copies of the revised schedule of payments shall be sent by the Bank to the Issuer, the Tenant and all owners of the Bonds.

A "Business Day" shall mean a day on which the Bank is open for business at its office in Nowata, Oklahoma.

The “Final Maturity Date” shall be the first day of the 240th month after the “Original Issue Date.”

The "First Payment Date" shall mean the first day of the first calendar month following the Issue Date.

The "Initial Rate" shall mean the prime commercial lending rate as published in the *Wall Street Journal* nearest the Issue Date.

The “Issue Date” shall mean the date endorsed by the bond registrar on the Certificate of Authentication on this Bond.

The “Original Issue Date” shall mean July 14, 2004.

The “Payment Date” shall be the first day of each calendar month following the First Payment Date.

Payments of principal of and redemption premium, if any, and interest on this Bond shall be made in immediately available funds no later than 11:00 A.M., Central time, on the Payment Date, at the Bank's business office in Nowata, Oklahoma or such other place as the Bank may from time to time designate in writing, in lawful money of the United States of America. If the principal of or interest on this Bond falls due on a day other than a Business Day, then such due date shall be extended to the next succeeding full Business Day. If payment is made by check, the check must be delivered to the Bank at least 3 Business Days prior to the Payment Date.

If there is a default in the payment of any item or installment when due, the item or installment so in default shall continue as an obligation hereunder until the same shall be fully paid, and such item or installment shall be payable upon demand with interest thereon.

This Bond is issued pursuant to an Ordinance of the governing body of the Issuer and a Bond Agreement dated as of the Original Issue Date (the "Bond Agreement"), between the Issuer, the Bank and Harmon Properties, L.L.C. (the "Tenant"), for the purpose of providing funds for the acquisition, construction, equipping and furnishing of a commercial motel facility located in the City of Coffeyville, Kansas, including buildings, fixtures, improvements, furnishings, machinery, equipment and related support facilities (the "Project"), to be made pursuant to a Lease, dated as of the Original Issue Date (the "Lease"), between the Issuer and the Tenant by the authority of and in conformity with the constitution and statutes of the state of Kansas, including particularly K.S.A. 12-1740 *et seq.*, as amended, and all other laws of said state applicable thereto. The Tenant will sublease the Project to Harmon Property Management, L.L.C., an Oklahoma limited liability company (the "Subtenant") under

a Sublease delivered concurrently with the Lease, pursuant to which the Subtenant assumes all of the obligations of the Tenant under the Lease.

This Bond and the interest and redemption premium, if any, hereon are payable solely out of the revenues derived by the Issuer from the Project and pursuant to the Lease and Sublease. This Bond and the interest hereon do not constitute a debt of the Issuer, or of the State of Kansas, and neither the Issuer nor said state shall be liable thereon, and this Bond shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Tenant's and Subtenant's obligations under the Lease are secured by the Existing Fee Mortgage (as defined in the Bond Agreement) and the "Leasehold Mortgage" (as defined in the Bond Agreement), granted by the Tenant to the Bank, as agent for the owner(s) of the Bonds. To secure the payment of the principal of and redemption premium, if any, and interest on this Bond, the Issuer has assigned to the Bank substantially all its rights under the Lease pursuant to an Assignment of Lease and Security Agreement, dated as of the Original Issue Date of the Bonds (the "Assignment"). In addition, the payment of the principal of and redemption premium, if any, and interest on this Bond has been unconditionally guaranteed by the Tenant, Subtenant, Rick Harmon and Angela Harmon, individually, jointly and severally, pursuant to a Guaranty Agreement, dated as of the Original Issue Date (the "Guaranty Agreement"). Performance of the obligations of the Tenant and Subtenant as guarantors under the Guaranty Agreement is also secured by the Existing Fee Mortgage, the Leasehold Mortgage and by the Assignment of Rents and Leases. Reference is hereby made to the Bond Agreement, the Lease, the Assignment, the Assignment of Rents and Leases, the Existing Fee Mortgage, the Leasehold Mortgage and the Guaranty Agreement for a further description of the Project, the rights, duties and obligations of the Issuer, the Tenant, the Bank and any other owners of the Bonds, the security for this Bond and such obligations hereunder.

In the event of a Change of Circumstances (as defined in the Bond Agreement), this Bond shall be subject to redemption and payment prior to the stated maturity thereof at the option of the Issuer, upon instructions from the Tenant, on any date, at the par value of the principal amount thereof, plus accrued interest thereon to the redemption date, without premium.

This Bond is also subject to redemption in whole or in part, by the Tenant, on any Payment Date, at the par value of the principal amount thereof, without premium, plus interest accrued to the date of redemption.

Notice of any call for redemption at the option of the Tenant shall be given by the Bank as the Issuer’s bond registrar or the Tenant on behalf of the Issuer to each registered owner (other than the Bank) at its address as it appears on the bond register of the Issuer maintained by the bond registrar by first class mail, postage prepaid, mailed not less than ten (10) days prior to the redemption date.

All portions of this Bond so called for redemption will cease to bear interest on the specified redemption date, provided funds or securities in which such funds are invested for their redemption are on deposit with the paying agent prior to the redemption date, and shall no longer be entitled to the benefits and protection of the Bond Agreement and shall not be deemed to be outstanding.

If this Bond is redeemed in part, it need not be delivered to the bond registrar or the Issuer to note such partial redemption, but the owner of the Bonds may note such partial redemption by endorsing the acknowledgment provided on this Bond. Any redemption in part of this Bond shall be applied to reduce the installments of principal hereof in inverse order of their maturity.

This Bond is issuable in the form of a fully registered Bond without coupons. This Bond shall be transferable by the owner of the Bonds upon the surrender of the certificate or certificates representing this Bond for transfer or exchange at the offices of the bond registrar, accompanied, in the case of a transfer, by a written instrument of transfer in form satisfactory to the bond registrar duly executed by the owner of the Bonds or its attorney in fact duly authorized in writing and upon payment of any charges prescribed in the Bond Agreement. Upon such surrender, the bond registrar shall cause the Issuer to execute and deliver in the name of the transferee a new registered Bond certificate or certificates in an aggregate principal amount equal to the unpaid principal amount hereof. The Issuer, the Bank, the Tenant and the Guarantors may deem and treat the person in whose name this Bond certificate is registered as the absolute owner of the principal amount of the Bonds represented by this certificate for the purpose of receiving payment of, or on account of, the principal or interest due hereon and for all other purposes. Transfer of this Bond certificate is subject to certain further conditions and restrictions as further endorsed hereon.

In certain events, on the conditions, in the manner and with the effect set forth in the Bond Agreement, the principal of this Bond may be declared due and payable before the stated maturity hereof, together with interest accrued hereon. Modifications or alterations of this Bond may be made only to the extent and in the circumstances permitted by the Bond Agreement.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual signature of the Mayor and attested by the manual signature of the City Clerk and its official seal to be affixed hereto or imprinted hereon, and has caused this Bond to be dated as of the Issue Date.

CITY OF COFFEYVILLE, KANSAS

By:_____
Mayor

[SEAL]

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond certificate evidences ownership of the City of Coffeyville, Kansas Taxable Industrial Revenue Bonds, Series 2004 (Harmon Properties, L.L.C.), as described herein and in the Bond Agreement described herein. The Issue Date of this Bond is December 1, 2015.

ARVEST BANK
Nowata, Oklahoma,
as bond registrar

By:_____
Authorized Officer

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

_____

Print or Type Name and Address of Transferee

the Bonds represented by this certificate and all rights thereunder, and hereby authorizes the transfer of the within Bond on the books kept by the Bank for the registration and transfer of Bonds.

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

[Seal of owner of the Bonds]

_____

(Name of Eligible Guarantor Institution)

By: _____

Title: _____

Signature must be guaranteed by an eligible guarantor institution as defined by S.E.C. Rule 17 Ad-15 (17 C.F.R. 240. 17-Ad-15).

THIS BOND MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS, OR IN A TRANSACTION EXEMPT FROM THE APPLICATION OF FEDERAL AND STATE SECURITIES LAWS.

ACKNOWLEDGMENT OF PARTIAL REDEMPTION
RECORD OF PAYMENTS

Partial prepayments of the principal of this Bond may be made directly to the registered owner hereof without surrender hereof to the Bank, and each registered owner hereof may record such prepayment on the table set forth below. Accordingly, any purchaser or other transferee of this Bond should verify with the Bank the principal hereof outstanding prior to such purchase or transfer, and the records of the Bank shall be conclusive for such purposes.

Payment Date	Amount Paid	Signature	Payment Date	Amount Paid	Signature