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ORDINANCE NO. 403

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF WATER TOWER BONDS, SERIES 1986 OF THE CITY OF WATHENA, KANSAS IN THE PRINCIPAL SUM OF \$38,900 FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COSTS OF CONSTRUCTING A NEW WATER TOWER FOR THE CITY; PRESCRIBING THE DETAILS OF SAID BONDS; AND PROVIDING FOR THE MEANS FOR PAYING THE PRINCIPAL OF AND THE INTEREST ON SAID BONDS.

BE IT ORDAINED by the Governing Body of the City of Wathena, Kansas (the "City") that:

Section 1. For the purpose of paying a portion of the costs of constructing a new water tower for the City as shown by certain plans and specifications now on file in the offices of the City, there shall be and are hereby issued Water Tower Bonds, Series 1986 (the "Bonds") of the City in the total principal amount of \$38,900.

Section 2. The Bonds, shall consist of fully registered certified or uncertificated bonds in the denomination of \$5,000, except the bond maturing in 1993 which will be for \$8,900. All of the bonds shall be dated December 1, 1986, shall become due serially on December 1 of the years and shall bear interest from December 1, 1986 at the rates, as follows:

<u>Maturity Date</u> <u>December 1:</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>
1987	\$5,000	6.75%
1988	5,000	6.75%
1989	5,000	6.75%
1990	5,000	6.75%
1991	5,000	6.75%
1992	5,000	6.75%
1993	8,900	6.75%

Interest shall be payable semi-annually on June 1 and December 1 of each year, commencing June 1, 1987 (the "Interest Payment Dates"), to the registered owners whose names appear on the books maintained by the Bond Registrar at the close of business on the 15th day of the month preceding the Interest Payment Dates (the "Record Dates").

Section 3. The Treasurer of the State of Kansas, in the City of Topeka, Kansas is hereby designated as the City's Paying Agent for the payment of principal of and interest on the Bonds (the "Paying Agent") and as Bond Registrar with respect to the registration, transfer and exchange of the Bonds (the "Bond Registrar"). The Mayor and City Clerk are hereby authorized and empowered to execute on behalf of the City any agreements necessary with the Treasurer for said Treasurer to act as Bond Registrar and Paying Agent.

Section 4. The principal of the Bond shall be payable by check or draft at the office of the Paying Agent upon presentation and surrender of the Bonds as they respectively come due, and the interest on the Bond shall be made payable to the order of the registered owners thereof, mailed by the Bond Registrar to the addresses of such registered owners as they appear on the registration books maintained by the Bond Registrar, or at such other address provided in writing by such registered owner to the Bond Registrar on the Record Dates.

Section 5. So long as any of the Bonds remain outstanding, the City will cause to be kept, at the office of the Bond Registrar, books for the registration, transfer and exchange of the Bonds. Upon presentation of the necessary documents hereinafter described, the Bond Registrar shall transfer or exchange any certificated or uncertificated Bond for new certificated or uncertificated Bonds of the same maturity and for the same aggregate principal amount as the Bonds which are presented for transfer or exchange. All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or exchange, in a form and with guaranty of signatures satisfactory to the Bond Registrar, duly executed by the registered owner thereof or his authorized agent. All certificated bonds presented for transfer or exchange shall be surrendered to the Bond Registrar for cancellation.

Prior to delivery of new Bonds to the transferee, the Bond Registrar shall register the same in the registration books kept by the Bond Registrar for such purpose and shall authenticate each certificated Bond. The City shall pay out of the proceeds of the Bonds the fees of the Bond Registrar for registration and transfer of Bonds and the cost of printing a reasonable supply of registered bond blanks. Any additional costs of fees that might be incurred in any secondary market, other than fees of the Bond Registrar, are the responsibility of the bond owners.

The City, the Bond Registrar and the Paying Agent may deem and treat the person in whose name any Bond shall be registered as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest on said Bond and for all other purposes, and all such payments so made to any such registered owner or upon such registered owner's orders shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum paid, and neither the City nor the Bond Registrar or Paying Agent shall be affected by any notice to the contrary, but such registration may be changed as provided herein.

The Bond Registrar shall not be required to register, nor transfer or exchange any Bond for a period of 15 days next preceding an Interest Payment Date or called for redemption during such period.

Section 6. Whenever any outstanding certificated bond shall be delivered to the Bond Registrar for cancellation pursuant to this Ordinance, upon payment of the principal amount thereof and interest thereon, or for replacement pursuant to this Ordinance, such Bonds shall be cancelled and destroyed by the Bond Registrar, and a certificate of destruction, describing the Bond, shall be furnished by the Bond Registrar to the City.

Section 7. In the event any certificated Bond is mutilated, lost, stolen or destroyed, the City may execute and the Bond Registrar may authenticate a new Bond of like date, maturity, denomination and interest rate as that mutilated, lost, stolen or destroyed; provided, that in the case of any mutilated certificated Bond, such shall first be surrendered to the City or the Bond Registrar, and in the case of any lost, stolen or destroyed bond, there shall first be furnished to the Bond Registrar and the City evidence of such loss, theft or destruction and an indemnity satisfactory to them. In the event any such Bond shall have matured, then, instead of issuing a duplicate bond, the City and Bond Registrar may pay the same without surrender thereof. The City and Bond Registrar may charge to the registered owner of such Bond their reasonable fees and expenses in connection with replacing any certificated Bond which has been mutilated, lost, stolen or destroyed.

Section 8. Each of the certificated Bonds, including any certificated Bond issued in exchange or as substitution for the bond initially delivered shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and shall have the corporate seal of the City affixed thereon or imprinted thereon. In case any officer whose signature or facsimile thereof appears on any Bond shall cease to be such officer before the delivery of such Bond, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond shall be proper officers to sign such Bond, although at the date of such Bond such persons may not have been such officers.

The Mayor and City Clerk are hereby authorized and directed to prepare and execute the certificated Bonds in the manner

hereinbefore specified, to cause the certificated Bonds to be registered in the office of the City Clerk and the State Treasurer as provided by law, and, when duly executed and registered, to deliver the Bonds to Farmers State Bank,
Wathena, Kansas, the original purchasers of the Bonds, upon receipt by the City of the purchase price of the Bonds, which purchase price shall be not less than 100% of the principal amount of the Bonds plus accrued interest to the date of their delivery.

The Bond shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in Section 9 hereof, which shall be manually executed by the Bond Registrar. No Bond shall be entitled to any security or benefit under this Ordinance nor shall it be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Bond Registrar and Paying Agent. Such executed Certificate of Authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Ordinance. The Certificate of Authentication on any Bond shall be deemed to have been duly executed if signed by any authorized officer or employee of the Bond Registrar, but it shall not be necessary that the same officer or employee sign the Certificate of Authentication on all of the Bonds that may be issued hereunder.

Section 9. The Bond shall be printed in a form required or approved by the Attorney General of the State of Kansas, and shall contain information as required by the Attorney General and pursuant to 2 Kan. Reg. 921 and to K.S.A. 10-101 et seq., in a form substantially as follows:

(FORM OF FULLY REGISTERED CERTIFICATED BOND)

UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF DONIPHAN

CITY OF WATHENA, KANSAS

WATER TOWER BOND
SERIES 1986

REGISTERED
NUMBER R- _____

REGISTERED
\$ _____

Rate of Interest: _____ Maturity Date: _____, _____ Dated: _____, _____ CUSIP Number: _____

Registered Owner: _____
Principal Amount: _____ Thousand Dollars

KNOW ALL MEN BY THESE PRESENTS: That the City of Wathena, Kansas (the "City"), for value received, hereby acknowledges itself to be indebted and promises to pay to the registered owner identified above, or registered assigns, as of the Record Dates as hereinafter provided on the Maturity Date identified above, the Principal Amount identified above, and in like manner to pay interest on such Principal Amount from the date hereof at the rate of interest per annum set forth above, semi-annually on June 1 and December 1 of each year, commencing June 1, 1987 (the "Interest Payment Dates"), until the Principal Amount is paid.

The principal of and interest on this Bond shall be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent" and "Bond Registrar"), mailed to the registered owner thereof at the address appearing on the registration books of the City maintained by the Bond Registrar at the close of business on the 15th day of the month preceding the Interest Payment Dates (the "Record Dates"). The full faith, credit and resources of the City are hereby pledged for the payment of the principal of and interest on this Bond and the issue of which it is a part as the same respectively become due.

The terms and provisions of this Bond are continued on the reverse hereof and shall for all purposes have the same effect as though fully set forth at this place.

It is hereby declared and certified that all acts, conditions and things required to be done and to exist precedent to and in the issuance of this Bond have been properly done and performed and do exist in due and regular form and manner as required by the Constitution and laws of the State of Kansas, and that the total indebtedness of the City, including this series of bonds, does not exceed any constitutional or statutory limitation.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication and Registration shall have been lawfully executed by the Bond Registrar.

IN WITNESS WHEREOF, the City of Wathena, Kansas, by its governing body, has caused this Bond to be executed by its Mayor, and attested by its City Clerk by their facsimile signatures all as of the first day of December, 1986.

CITY OF WATHENA, KANSAS

(facsimile)

Mayor

ATTEST:

(facsimile)

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This bond is one of a series of Water Tower Bonds, Series 1986 of the City of Wathena, Kansas, described in the within-mentioned Ordinance.

Registration Date _____

OFFICE OF THE STATE TREASURER
Topeka, Kansas, as Bond Registrar
and Paying Agent

By _____

Registration Number _____

FURTHER TERMS AND PROVISIONS

This Bond is one of an authorized series of Bonds of the City designated "Water Tower Bonds, Series 1986" in an aggregate principal amount of \$38,900 (the "Bonds") issued for the purpose of paying a portion of the costs of constructing a water tower for the City as set out in an Ordinance of the City authorizing the Bonds (the "Ordinance"). The Bonds are issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and laws of the State of Kansas, including K.S.A. 12-836 et. seq. and 10-101 et. seq., and all other provisions of the laws of the State of Kansas applicable thereto. The City hereby covenants with the owner of this Bond to keep and perform all covenants and agreements contained in the Ordinance.

The Bonds are issued in fully registered form in the denomination of \$5,000 except the Bond maturing in 1993 which is for \$8,900. This Bond may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity upon the terms provided in the Ordinance.

The City and the Bond Registrar may deem and treat the registered owner hereof as the absolute owner hereof for purposes of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

This Bond is transferable by the registered owner hereof in person or by the registered owner's attorney duly authorized in writing, at the office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance and upon surrender and cancellation of this Bond. The City shall pay out of the proceeds of the Bonds all costs incurred in connection with the issuance, payment and initial registration of the Bonds and the cost of a reasonable supply of bond blanks.

LEGAL OPINION

I, the undersigned, City Clerk of the City of Wathena, Kansas, do hereby certify that the following is a true and correct copy of the approving legal opinion of Cosgrove, Webb & Oman, Attorneys at Law, Topeka, Kansas, on the within Bond and the series of which it is a part, except that it omits the date of such opinion; that said opinion was manually executed and was dated and issued as of the date of delivery of and payment for the Bonds, and is on file in my office.

By _____ (facsimile)
City Clerk

RE: \$38,900 Water Tower Bonds, Series 1986 of the
City of Wathena, Kansas, Dated December 1, 1986

We have acted as Bond Counsel in connection with the issuance by the City of Wathena, Kansas (the "City"), of \$38,900.00 principal amount of Water Tower Bonds, Series 1986, dated December 1, 1986 (the "Bonds"). The Bonds are issuable in the form of fully registered bonds, in the denomination of \$5,000 except the bond maturing in 1993, which is for \$8,900. The bonds become due serially on December 1 of the years and bear interest from December 1, 1986, at the rates, as follows:

<u>Maturity Date</u> <u>December 1:</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>
1987	\$5,000	6.75%
1988	5,000	6.75%
1989	5,000	6.75%
1990	5,000	6.75%
1991	5,000	6.75%
1992	5,000	6.75%
1993	8,900	6.75%

Interest is payable semi-annually on June 1 and December 1 of each year, commencing June 1, 1987. The principal of the Bonds are payable at the office of the State Treasurer in the City of Topeka, Kansas, and the interest on the Bonds are payable by mail to the registered owner thereof.

We have examined a certified transcript of proceedings relating to the authorization and issuance of the Bonds. We have also examined the Constitution and statutes of the State of Kansas, insofar as the same relate to the authorization and issuance of the Bonds, and also an executed, registered, authenticated Bond of the issue so authorized.

Based upon such examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds are in proper form and have been duly authorized and issued in accordance with the Constitution and statutes of the State of Kansas.
2. The Bonds are valid and legally binding general obligations of the City, payable as to both principal and interest from ad valorem taxes which may be levied without limit as to rate or amount upon all the taxable tangible property, real or personal, within the City.
3. Under existing law, the Bonds are exempt from Kansas intangible personal property taxes.
4. The Internal Revenue Code of 1986 ("1986 Code") imposes requirements and restrictions which must be complied with subsequent to the issuance of the Bonds in order to preserve the federal tax-exempt status of the Bonds. The City has covenanted in the Ordinance authorizing the issuance of the Bonds to comply with the provisions of the 1986 Code and with any other applicable future laws, regulations, and published rulings and judicial decisions with respect to, and in order to preserve, the federal tax-exempt status of the Bonds, to the extent that such compliance and actions can be performed and taken by the governing body of the City. Assuming the continuing compliance with and performance of such covenants by the City, the interest on the Bonds is exempt from Federal income taxation, except as such interest may be included in the measure of income for computing alternative minimum taxes imposed on corporations.
5. The Bonds are not "arbitrage bonds" within the meaning of Section 148 of the 1986 Code.

Very truly yours,

COSGROVE, WEBB & OMAN

By:

BOND ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell,
assign and transfer to

(Name and address)

(Social Security or Taxpayer Identifying Number)

the Bond to which this assignment is affixed in the outstanding principal amount of \$_____, standing in the name of the undersigned on the books of the Treasurer of the State of Kansas (the Bond Registrar). The undersigned do(es) hereby irrevocably constitute and appoint _____ as agent to transfer said Bond on the books of said Bond Registrar with full power of substitution in the premises.

Name

Social Security or Taxpayer
Identification No.

Signature
(Sign here exactly as name(s)
appear on the face of
Certificate)

Signature guarantee:

(FORM OF CITY CLERK CERTIFICATE)

STATE OF KANSAS)
) ss.
COUNTY OF DONIPHAN)

I, the undersigned, City Clerk of Wathena, Kansas, hereby certify that the within Water Tower Bond, Series 1986, has been duly registered in my office according to law.

WITNESS my hand and official seal this

_____.

(facsimile)

City Clerk

(Facsimile seal)

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

I, JOAN FINNEY, Treasurer of the State of Kansas, do hereby certify that a transcript of the proceedings leading up to the issuance of this Bond has been filed in my office, and that this Bond was registered in my office according to law on

_____.

WITNESS my hand and official seal.

Treasurer of the State of Kansas

(Facsimile Seal)

By _____
Assistant State Treasurer

Section 10. The City covenants and agrees that it will:

A. Use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purpose for which the Bonds are issued as provided in Section 1 hereof and no part of the proceeds of the Bonds shall be invested in any securities or obligations except for a temporary period pending such use, nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Bonds, would have caused any of the Bonds to be or become "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986 ("1986 Code"), and regulations promulgated thereunder.

B. Comply with the provisions of the 1986 Code (including but not limited to the information reporting requirements of Section 149(e) of the 1986 Code and regulations promulgated thereunder) and with any other future laws, regulations, and published rulings and judicial decisions with respect to, and in order to preserve, the Federal tax-exempt status of the Bonds, to the extent that such compliance and actions can be performed and taken by the Governing Body of the City.

Section 11. The City designates the Bonds as "qualified tax-exempt obligations" as identified in Section 265(b)(3) of the 1986 Code.

Section 12. The City shall cause to be accomplished an annual levy and collection of special assessments and taxes to be made in the manner provided by law, sufficient for the payment of principal of and interest on the Bonds as the same become due.

Section 13. This Ordinance shall take effect and be in full force after its passage, approval and publication in the official city newspaper of the City.

Passed by the governing body of the City of Wathena, Kansas
and approved by the Mayor this 9th day of December,
1986.

W. F. Feuerbacher II
Mayor

(Seal)

Attest:

Ronald V. Gabriel
City Clerk