

ORDINANCE NO. 570

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF \$1,000,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, SERIES 2006, OF THE CITY OF WATHENA, KANSAS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

WHEREAS, the City of Wathena, Kansas (the "City") is a city of the third class, duly created, organized and existing under the Constitution and laws of the State; and

WHEREAS, pursuant to K.S.A. 12-1736 *et seq.*, as amended, and other provisions of the laws of the State of Kansas applicable thereto, by proceedings duly had, including but not limited to Resolution No. 06-04 of the City, the governing body of the City has authorized the construction and installation and the remodeling, reconstructing and equipping of the City-owned swimming pool, including, but not limited to, the interior renovation of the bathhouse, constructing and equipping a filter building and providing swimming pool recreational equipment, together with all things necessary and incidental thereto (the "Improvements") to be made in the City; and

WHEREAS, all legal requirements pertaining to the Improvements have been complied with, and the governing body of the City now finds and determines that the total cost of the Improvements and related expenses are at least \$1,000,000 to be paid for by the issuance of general obligation bonds; and

WHEREAS, the governing body of the City is authorized by law to issue general obligation bonds of the City to pay the costs of the Improvements; and

WHEREAS, none of such general obligation bonds heretofore authorized have been issued and the City proposes to issue \$1,000,000 of its general obligation bonds to pay the costs of the Improvements; and

WHEREAS, the governing body of the City has advertised the sale of the Bonds in accordance with the law and at a meeting held in the City on this date, awarded the sale of such Bonds to the best bidder.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WATHENA, KANSAS, AS FOLLOWS:

Section 1. Definition of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms in this Ordinance shall have the following meaning:

"Act" means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.* and K.S.A. 12-1736 *et seq.*, all as amended and supplemented from time to time.

"Bond and Interest Fund" means the Bond and Interest Fund of the City for its general obligation bonds.

"Bond Resolution" means the resolution to be adopted by the governing body of the City prescribing the terms and details of the Bonds and making covenants with respect thereto.

"Bonds" means the Issuer's General Obligation Bonds, Series 2006, in the aggregate principal amount of \$1,000,000 and dated June 15, 2006, authorized by this Ordinance.

"City" means the City of Wathena, Kansas.

"Clerk" means the duly appointed and acting Clerk of the Issuer or, in the Clerk's absence, the duly appointed Deputy Clerk or Acting Clerk.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations proposed or promulgated thereunder of the United States Department of the Treasury.

"Improvements" means the improvements referred to in the preamble to this Ordinance.

"Mayor" means the duly elected and acting Mayor or, in the Mayor's absence, the duly appointed and/or elected Vice Mayor or Acting Mayor of the City.

"Ordinance" means this Ordinance authorizing the issuance of the Bonds.

"State" means the State of Kansas.

Section 2. Authorization of the Bonds. There shall be issued and hereby are authorized and directed to be issued the General Obligation Bonds, Series 2006, of the City in the principal amount of \$1,000,000, for the purpose of providing funds to pay a portion of the costs of the Improvements.

Section 3. 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 hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 4. Terms, Details and Conditions of the Bonds. The Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued and delivered in the manner prescribed and subject to the provisions, covenants and agreements set forth in a resolution hereinafter adopted by the governing body of the City.

Section 5. Levy and Collection of Annual Tax. 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 and/or assessments upon all of the taxable tangible property within the City in the manner provided by law.

Section 6. Tax Covenants. The City covenants and agrees that (a) it will comply with all applicable provisions of the Code, including Code §103 and 141 through 150, necessary to maintain the exclusion from federal gross income of the interest on the Bonds; and (b) it will not use or permit the use of any proceeds of Bonds or any other funds of the City, nor take or permit any other action, or fail to take any action, which would adversely affect the exclusion from federal gross income of the interest on the Bonds. The City will also adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with other applicable future law, in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

Section 7. Designation of Bonds as Qualified Tax-Exempt Obligations. The City designates the Bonds as "qualified tax-exempt obligations" as the term is defined in Section 265(b)(3) of the Code. In addition, the City represents that:

- (a) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds) which will be issued by the City during the calendar year that the Bonds are issued does not exceed \$10,000,000; and

(b) the aggregate principal amount of obligations designated by the City as "qualified tax-exempt obligations" during the calendar year that the Bonds are issued, including the Temporary Notes, does not exceed \$10,000,000.

Section 8. Further Authority. The Mayor, Clerk and other City officials are hereby further authorized and directed to execute any and all documents and taken such actions as they may deem necessary or advisable in order to carry out and perform the purposes of the Ordinance, and to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

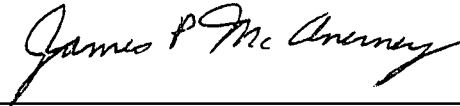
Section 9. Governing Law. This Ordinance and the Bonds shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 10. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the governing body of the City, approval by the Mayor and publication in the official City newspaper.

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PASSED by the governing body of the City on June 5, 2006 and **APPROVED AND SIGNED** by the Mayor.


CITY OF WATHENA, KANSAS



James McAnerney, Mayor

(SEAL)

ATTEST:



Jim Richardson, City Clerk