

**ORDINANCE NO. 3085**

AN ORDINANCE OF THE CITY OF PAOLA, KANSAS, APPROVING THE ISSUANCE OF \$15,380,000 AGGREGATE PRINCIPAL AMOUNT OF THE MARAIS DES CYGNES PUBLIC UTILITY AUTHORITY, MIAMI COUNTY, KANSAS (“AUTHORITY”), WATER FACILITIES REFUNDING REVENUE BONDS, SERIES 2015 TO REFUND A PORTION OF THE AUTHORITY’S WATER FACILITIES REVENUE BONDS, SERIES 2007; AUTHORIZING THE EXECUTION OF ANY NECESSARY DOCUMENTS RELATED TO THE TRANSACTIONS AUTHORIZED HEREIN; AND AMENDING, RATIFYING AND CONFIRMING THE CITY’S ORDINANCE NO. 2949.

WHEREAS, pursuant to provisions of K.S.A. 12-2901 *et seq.* (the “Act”), the City of Paola, Kansas (the “City”) entered into an Interlocal Cooperation Agreement with the City of Louisburg, Kansas, to organize and create the Marais Des Cygnes Public Utility Authority (the “Authority”); and

WHEREAS, the governing body of the Authority has previously issued its Water Facilities Revenue Bonds, Series 2007 (Cities of Paola and Louisburg, Kansas Project), dated November 15, 2007 (the “Series 2007 Bonds”); and

WHEREAS, the Series 2007 Bonds were issue to finance the acquisition, construction, furnishing and equipping of a water supply, treatment and distribution system (the “Project”) to provide a long-term wholesale public water supply for the mutual benefit of members of the Authority under the Interlocal Cooperation Agreement (the “Contracting Members”); and

WHEREAS, the City is a Contracting Member in the Authority and owns and operates a separate water utility system (the “City System”); and

WHEREAS, the Series 2007 Bonds are secured in part by revenues generated, and the assignment of the Authority’s rights under, a Water Supply Service Agreement with the City and similar agreements with other Contracting Members; and

WHEREAS, in connection with issuance by the Authority of the Series 2007 Bonds, the City passed and approved its Ordinance No. 2949 on August 14, 2007, in which the City authorized execution of a Water Supply Agreement (the “Agreement”) between the City and the Authority and making agreements and covenants of the City to provide for payment and security of the City’s obligations under the Agreement, including a pledge of the Revenues of the City System to the payment of its Agreement Obligations, all as defined in Ordinance No. 2949; and

WHEREAS, in order to accomplish a comprehensive and more orderly plan of financing for the Project, the Authority and the City, as a Contracting Member of the Authority, have determined it is necessary and desirable to provide for the refunding and redemption of a portion the Series 2007 Bonds in advance of their scheduled maturity; and

WHEREAS, to provide funds to finance the partial refunding of the Series 2007 Bonds, the Authority will issue its Water Facilities Refunding Revenue Bonds, Series 2015 (the “Series 2015 Bonds”), to be secured equally, ratably and on a parity with the Series 2007 Bonds; and

WHEREAS, the City finds and determines it is necessary and desirable in connection with the issuance of the Authority’s Series 2015 Bonds (1) to enter into any necessary amendments to the Agreement by and between the City and the Authority, (2) to execute any and all other documents, certificates and instruments as may be necessary or desirable in connection with issuance and securing of the Series 2015 Bonds, and (3) to ratify and confirm the pledge of Revenues and other covenants of the City with respect to the City’s Agreement Obligations as contained in Ordinance No. 2949.

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

Section 1. Definition of Terms; Amendment. All terms and phrases not otherwise defined herein shall have the meanings given them in Ordinance No. 2949 and the Agreement, as amended and supplemented. The definition of “Purchaser” in Ordinance No. 2949 is amended to read as follows:

“Purchaser” means, with respect to the Series 2007 Bonds and with respect to the Series 2015 Bonds, Piper Jaffray & Co., Leawood, Kansas and George K. Baum & Co., Kansas City, Missouri, the original purchaser of the Series 2007 Bonds and the Series 2015 Bonds, and any successor and assigns.

Section 2. Authorization of the First Supplemental Water Supply Agreement. The City First Supplemental Water Supply Agreement dated as of June 10, 2015 (the “Supplemental Agreement”), by and between the Authority and the City is authorized and approved and the Mayor and the City Clerk are authorized and directed to execute the Supplemental Agreement on behalf of the City, in substantially the form presented with this Ordinance, with such changes as may be approved by the Mayor and Bond Counsel. The Agreement and the Supplemental Agreement are referred to collectively hereafter as the “Agreement”. The City acknowledges that and agrees that the Authority has assigned its interests in the Agreement to the Trustee as security for the Series 2007 Bonds, the Series 2015 Bonds and Additional Bonds issued under the Indenture and such assignment is here approved by the City.

Section 3. Agreement Obligations. The governing body of the City acknowledges and approves the issuance of the Series 2015 Bonds by the Authority and acknowledges that payments with respect to the Series 2015 Bonds are secured in part by the City’s Agreement Obligations as defined in the Agreement.

Section 4. Official Statement; Continuing Disclosure. The City approves the form and content of Appendix A-2 of the Preliminary Official Statement prepared in the offering and sale of the Series 2015 Bonds, and approves and authorizes the use of the Appendix A-2 containing information regarding the City in the Preliminary Official Statement and the Final Official Statement prepared by the Authority in connection with the Series 2015 Bonds. For

purposes of permitting the Purchaser to comply with requirements of Rule 15c2-12 (b)(1) of the Securities and Exchange Commission (the “Rule”), the City deems the information contained in Appendix A-2 of the Preliminary Official Statement to be “final” as of its date, except for the omission of such information as is permitted by the Rule, and appropriate officers of the City are authorized, if requested, to provide the Purchaser of the Series 2015 Bonds with a certification to such effect and take such other actions or execute other documents as such officers in their reasonable judgment determine necessary to enable the Purchaser to comply with the Rule.

The City covenants with the Purchaser and the Beneficial Owners of the Bonds (as defined in the Indenture) to provide and disseminate such information as is required by the Rule as set forth in the Continuing Disclosure Undertaking for the Series 2015 Bonds and the form of the Continuing Disclosure Undertaking, in substantially the form shown as Appendix B to the Official Statement, is approved and the Mayor and City Clerk are authorized and directed to execute it on behalf of the City.

Section 5. Execution of Documents; Further Authority. The Mayor or the President of the Council is authorized and directed to execute and deliver the documents authorized by this Ordinance, for and on behalf of and as the act and deed of the City, with such minor corrections or amendments as the Mayor or President of Council shall approve, which approval shall be evidenced by her or his execution thereof, and any other documents, certificates and instruments as may be necessary or desirable to carry out and perform the duties of the City with respect to the Agreement and comply with the purposes and intent of this Ordinance and carry out the transactions contemplated here and by such documents. The City Clerk or any deputy or assistant city clerk, is authorized and directed to attest the execution of documents authorized to be executed by the Mayor by this Ordinance, and to execute and attest any other documents, certificates and instruments as may be necessary or desirable to carry out and perform the duties of the City with respect to the Agreement and comply with the purposes and intent of this Ordinance and carry out the transactions contemplated here and by such documents.

Section 6. Ratification of Ordinance No. 2949. This Ordinance supplements and amends Ordinance No. 2949 of the City only to the extent and for the purposes stated herein. The provisions of Ordinance No. 2949 are incorporated herein by this reference as if fully set forth herein. Except as specifically amended, supplemented or modified by this Ordinance, Ordinance No. 2949 is ratified and confirmed by the City.

Section 7. Effective Date. This Ordinance shall take effect and be in full force from and after its adoption by the governing body of the City and publication once in the official newspaper of the City.

*[Remainder of Page Intentionally Left Blank]*

PASSED AND APPROVED by the governing body of the City of Paola, Kansas on May 12, 2015.

CITY OF PAOLA, KANSAS

[seal]

By \_\_\_\_\_  
Artie Stuteville, Mayor

ATTEST:

By \_\_\_\_\_  
Daniel G. Droste, City Clerk