

ORDINANCE NO. 2977

AN ORDINANCE OF THE CITY OF PAOLA, KANSAS, APPROVING THE ISSUANCE OF \$3,660,000 AGGREGATE PRINCIPAL AMOUNT OF THE PAOLA, KANSAS PUBLIC BUILDING COMMISSION REVENUE BONDS, SERIES 2008 TO PAY THE COSTS OF RECONSTRUCTING AND EQUIPPING A BUILDING AS A NEW CITY FIRE STATION FACILITY AND RENOVATING AND REPAIRING THE COMMUNITY CENTER; AUTHORIZING THE EXECUTION OF A LEASE OF THE FACILITIES BY THE CITY FROM THE PUBLIC BUILDING COMMISSION; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT AND OTHER NECESSARY DOCUMENTS RELATED TO THE TRANSACTIONS AUTHORIZED HEREIN.

WHEREAS, the Paola, Kansas Public Building Commission (the “Issuer”) has published notice of its intent to issue its \$3,660,000 Revenue Bonds, Series 2008 (the “Bonds”) for the purpose of reconstructing, remodeling and equipping a building for use as a new City fire station facility and renovating and repairing the community center (the “Project”) each to be located in and leased to the City of Paola, Kansas (the “City”) for the public purposes of the City; and

WHEREAS, no petition has been filed in opposition to Resolution No. 2008-2 of the Issuer which was published once a week for two consecutive weeks in *The Miami County Republic*; and

WHEREAS, the City finds and determines that it is necessary and desirable in connection with the issuance of the Bonds (1) to enter into a Lease Agreement dated as of September 15, 2008 (the “Lease”), with the Issuer pursuant to which the City shall lease the Project in consideration of payments of Basic Rent, Additional Rent and other charges provided for therein, (2) to execute and deliver a Bond Purchase Agreement (the “Bond Purchase Agreement”) by and between the Issuer, the City, and Piper Jaffray & Co., as purchaser of the Bonds; (3) to execute and deliver a Continuing Disclosure Undertaking (the “Continuing Disclosure Undertaking”) by and among the Issuer and the City; and (4) to execute and deliver a Tax Compliance Agreement (the “Tax Compliance Agreement”) relating to the Bonds and the Project by and among the Issuer and the City.

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

Section 1. Definition of Terms. All terms and phrases not otherwise defined herein shall have the meanings given them in the Lease.

Section 2. Approval of the Bonds. The governing body of the City approves the issuance of the Bonds by the Issuer.

Section 3. Authorization of the Lease. The City is hereby authorized to enter into and deliver the Lease Agreement dated as of September 15, 2008, by and between the Issuer and the City, in substantially the form presented with this Ordinance.

Section 4. Authorization of Bond Purchase Agreement. The City is hereby authorized to enter into and deliver the Bond Purchase Agreement dated as of September 15, 2008, by and between the Issuer, the City, and Piper Jaffray & Co., Leawood, Kansas (the “Underwriter”), pursuant to which the Bonds shall be sold and delivered to the Underwriter.

Section 5. Authorization of Continuing Disclosure Undertaking. The City is hereby authorized to execute and deliver the Continuing Disclosure Agreement dated as of September 15, 2008, by and between the Issuer and the City, pursuant to which the City agrees to provide certain annual financial information and notices of the occurrence of certain events with respect to the Bonds, if material.

Section 6. Authorization of Official Statement. The City hereby approves the form and content of the Official Statement prepared in the offering and sale of the Bonds, and approves and authorizes the use of the Official Statement (in its entirety) in the reoffering of the Bonds by the Underwriter. The Mayor and City Clerk are authorized to execute the Official Statement for and on behalf of the City.

Section 7. Authorization of Tax Compliance Agreement. The City is hereby authorized to execute and deliver the Tax Compliance Agreement dated as of September 15, 2008, by and between the Issuer and the City, pursuant to which the City agrees to comply with provisions of the Internal Revenue Code of 1986 applicable to the Bonds and the Project.

Section 8. Execution of Documents. The Mayor or the President of the Council is hereby authorized and directed to execute and deliver the Lease, the Bond Purchase Agreement, the Tax Compliance Agreement and the Continuing Disclosure Undertaking 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 such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the purposes and intent of this Ordinance. The City Clerk or any deputy or assistant city clerk, is hereby authorized and directed to attest the execution of the Lease, the Bond Purchase Agreement, the Tax Compliance Agreement and the Continuing Disclosure Undertaking, and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 9. Further Authority. The City shall, and the officers, agents and employees of the City are authorized and directed to take such action and execute such other documents, certificates and instruments (including without limitation any necessary deed, site lease or other instrument of conveyance) as may be necessary or desirable to carry out and comply with the provisions of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Lease, the Bond Purchase Agreement, the Tax Compliance Agreement and the Continuing Disclosure Undertaking, all as necessary to carry out and give effect to the transactions contemplated here and by those documents.

Section 10. 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.

PASSED AND APPROVED by the governing body of the City of Paola, Kansas on September 9, 2008.

CITY OF PAOLA, KANSAS

[seal]

By _____
Artie Stuteville, Mayor

ATTEST:

By _____
Daniel G. Droste, City Clerk