

(Published in the *Miami County Republic* on August 20, 2025)

ORDINANCE NO. 3236

AN ORDINANCE OF THE CITY OF PAOLA, KANSAS AUTHORIZING ISSUANCE OF THE CITY'S GENERAL OBLIGATION BONDS, SERIES 2025, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,050,000, FOR THE PURPOSE OF FINANCING THE COSTS OF CAPITAL IMPROVEMENTS IN THE CITY; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING OTHER RELATED DOCUMENTS AND ACTIONS; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

WHEREAS, the governing body of the City of Paola, Kansas (the "City"), under the authority K.S.A. 65-162a *et seq.*, and particularly K.S.A. 65-163d through 65-163u, as amended and supplemented (the "Water Act"), adopted Ordinance No. 3233 on July 8, 2025, which was published July 16, 2025, which authorizes the making of improvements to the municipal water system in the City (the "Water Project"); and

WHEREAS, the City is authorized by the Water Act and K.S.A. 10-101 to 10-125, inclusive, as supplemented and amended (the "Bond Act"), to issue, sell and deliver its general obligation bonds for the purpose of providing financing for the costs of the Water Project (the "Project"), and has elected to sell such general obligation bonds in a private placement; and

WHEREAS, the notice of the intent to seek private placement of the Bonds (hereinafter defined) will be published in both the official City newspaper and the Kansas Register prior to the sale of the Bonds; and

WHEREAS, the governing body determines it necessary and appropriate to authorize and provide for the issuance of such general obligation bonds for the purpose of providing the necessary funds for the purposes described; and to specify the terms, details, form and conditions of the general obligation bonds.

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

SECTION 1. Authorization of the Bonds. General Obligation Bonds, Series 2025 of the City of Paola, Kansas (the "City") in the not to exceed principal amount of \$1,050,000.00 (the "Bonds") are authorized to be issued for the purpose of providing funds to pay a portion of the costs of the Project.

SECTION 2. Security for the Bonds. The Bonds are general obligations of the City. The full faith, credit and resources of the City are pledged to secure the payment of the principal of and the interest on the Bonds as the same severally become due and payable. The governing body of the City covenants that it shall annually make provision for the payment of the principal of and the

interest on the Bonds as and when the same become due and payable by levying and collecting the necessary ad valorem taxes upon all of the taxable tangible property located within the territorial limits of the City, in such amounts as are necessary to provide for such annual payment.

SECTION 3. 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 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 adopted by the governing body of the City concurrently with this Ordinance (the "Resolution").

SECTION 4. Designation of Paying Agent and Bond Registrar; Issuer/Agent Agreement. Pursuant to K.S.A. 10-620 *et seq.*, the governing body of the City elects to have the provisions of the Kansas Bond Registration Law apply to the Bonds and designates and appoints the Treasurer of the State of Kansas, Topeka, Kansas, as the Bond Registrar and Paying Agent for the Bonds (the "Paying Agent"). The terms, conditions and provisions under which the Paying Agent will perform its duties are set forth in an Agreement between Issuer and Paying Agent dated as of September 30, 2025 (the "Issuer/Agent Agreement"). The form and text of the Issuer/Agent Agreement are approved and accepted by the governing body, and all of the covenants, duties and responsibilities therein to be performed by and on behalf of the City are declared to be the covenants, duties and responsibilities of the City as though fully set forth at this place. The Mayor and City Clerk are authorized to execute and deliver the Issuer/Agent Agreement for and on behalf of the City. The Issuer/Agent Agreement is incorporated in and made a part of this Ordinance as though fully set forth at this place; provided however, the inclusion of the Issuer/Agent Agreement in the publication of this Ordinance shall not be required.

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 upon taxable tangible property within the City in the manner provided by law.

The taxes above referred to shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as other general ad valorem taxes of the City are levied and collected, shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due and the fees and expenses of the Paying Agent. The proceeds derived from said taxes shall be deposited in the Series 2025 Principal and Interest Account, as defined in the Resolution.

If at any time said taxes are not collected in time to pay the principal of or interest on the Bonds when due, the City Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the City and to reimburse said general funds for money so expended when said taxes are collected.

SECTION 6. Tax Covenants. The governing body of the City covenants that so long as any of the Bonds remain outstanding and unpaid, no use will be made of the proceeds thereof which, if such use had been reasonably expected on the date of issuance and delivery, would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 103(b)(2) of the Internal

Revenue Code of 1986, as amended (the "Code"); and that it will comply with all applicable requirements of Section 148 of the Code and the Rules and Regulations of the United States Treasury Department thereunder for so long as any of the Bonds remain outstanding and unpaid. The governing body further covenants to take all such action in its power as may be required from time to time in order to ensure the continued tax-exempt status of the interest on the Bonds, and to comply with all provisions of the Code, as the same be amended, and any applicable Rules and Regulations of the United States Treasury Department thereunder.

SECTION 7. Designation as Qualified Tax-Exempt Obligations. The governing body of the City designates the Bonds as "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code.

SECTION 8. Further Authority. The City and its officers, agents and employees are authorized and directed to, take such actions, expend such moneys and execute such other documents, certificates and instruments as may be necessary or desirable in order to carry out and comply with this Ordinance and to give effect to the transactions contemplated hereby, including final certificates required to be included in the official Transcript of Proceedings relating to the authorization and issuance of the Bonds, all without further action by the governing body.

SECTION 9. Severability. If any provision of this Ordinance shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatsoever.

SECTION 10. Governing Law. This Ordinance and the Bonds shall be governed exclusively by and construed in accordance with the applicable laws of the State of Kansas.

SECTION 11. Effective Date. This Ordinance shall be in force and take effect from and after its adoption and approval and its publication one time in the City's official newspaper.

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ADOPTED AND APPROVED by the governing body of the City of Paola, Kansas on August 12, 2025.

CITY OF PAOLA, KANSAS



By Leigh House
Leigh House, Mayor

ATTEST:

By Stephanie Marler
Stephanie Marler, City Clerk

EXCERPT OF MINUTES

The governing body of the City of Paola, Kansas met in regular session at the usual meeting place in the City on August 12, 2025, at 6:00 p.m., with Mayor Leigh House presiding, and the following members of the governing body present: Council Members McMahon, Hugo, Brown and Shields.

The following members were absent: None

Upon motion of Council Member Hugo, seconded by Council Member Shields, it was determined that the Bonds should be privately placed with:

RURAL WATER FINANCING AGENCY
Bowling Green, Kentucky

Subject to the execution of a Bond Purchase Agreement for the Bonds which results in a true interest cost for the Bonds not exceeding 4% and the required publication of the Notice Intent to Seek Private Placement, the Mayor and City Clerk were authorized and directed to execute and return a copy of the Bond Purchase Agreement for the Bonds (at a principal amount not exceeding \$1,050,000, adjusted to account for any premium included in the sale).

An Ordinance was then presented to the governing body entitled:
AN ORDINANCE OF THE CITY OF PAOLA, KANSAS AUTHORIZING
ISSUANCE OF THE CITY'S GENERAL OBLIGATION BONDS, SERIES
2025, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED
\$1,050,000, FOR THE PURPOSE OF FINANCING THE COSTS OF CAPITAL
IMPROVEMENTS IN THE CITY; PROVIDING FOR THE LEVY AND
COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE
PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING OTHER
RELATED DOCUMENTS AND ACTIONS; AND MAKING CERTAIN
COVENANTS WITH RESPECT THERETO.

The Ordinance was considered and discussed, and upon the motion of Council Member McMahon, seconded by Council Member Hugo, the Ordinance was adopted by a majority vote of the governing body, and it was assigned No. 3236.

A Resolution was then presented to the governing body a Resolution entitled:

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND
AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF
GENERAL OBLIGATION BONDS, SERIES 2025, IN THE TOTAL
AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,050,000, OF
THE CITY OF PAOLA, KANSAS PREVIOUSLY AUTHORIZED BY

ORDINANCE NO. 3236 OF THE CITY; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

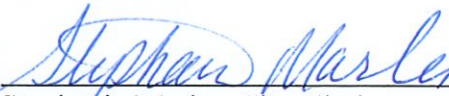
The Resolution was considered and discussed; and on motion of Council Member Shields, seconded by Council Member Hugo, the Resolution was adopted by a majority vote of all members present.

The Resolution was assigned No. 2025-016 .

CITY CLERK'S
CERTIFICATION OF EXCERPT OF MINUTES

I certify that the foregoing is a true and correct Excerpt of Minutes of the August 12, 2025 meeting of the governing body of the City of Paola, Kansas.




Stephanie Marler, City Clerk