

(Published in the *Valley Falls Vindicator* on December 24, 2020)

ORDINANCE NO. 2020-3

AN ORDINANCE OF THE CITY OF OZAWKIE, KANSAS, AUTHORIZING ISSUANCE OF THE CITY'S GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$2,755,000, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING RELATED DOCUMENTS AND ACTIONS; AND MAKING COVENANTS WITH TO THE BONDS.

WHEREAS, the City of Ozawkie (the "City") is authorized by K.S.A. 10-427 *et seq.* (the "Refunding Act") to issue general obligation refunding bonds of the City to refund the City's outstanding General Obligation Bonds, Series 2017A (the "Refunded Bonds"); and

WHEREAS, the City is authorized by the Refunding Act, and K.S.A. 10-101 to 10-125, inclusive, as supplemented and amended (collectively, the "Act"), to issue, sell and deliver general obligation refunding bonds to achieve interest cost savings through early redemption and refunding of the Refunded Bonds and to provide an orderly plan of finance for the City.

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

SECTION 1. Authorization of the Bonds. The City's General Obligation Refunding Bonds, Series 2020, in the total principal amount of \$2,755,000.00 (the "Bonds"), are authorized to be issued for the purpose of providing funds to refund the Refunded Bonds and pay the costs of issuing the Bonds.

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 hereafter adopted by the governing body of the City (the "Resolution"). Terms used in this Ordinance but not defined herein shall have the meaning given to them in the Resolution, and this Ordinance and the Resolution shall be read together as a single document authorizing and describing the Bonds.

SECTION 4. Designation of Paying Agent and Bond Registrar: Issuer/Agent Agreement. Pursuant to K.S.A. 10-620 *et seq.*, the governing body 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 December 30, 2020 (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 described 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 2020 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 authorized and directed to pay the principal or interest out of the general funds of the City and to reimburse the general funds for money so expended when such 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, it will not make or permit use of the proceeds thereof which, if such use had been reasonably expected on the date of issuance and delivery of the Bonds 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 applicable rules and regulations of the United States Treasury Department thereunder for so long as any of the Bond 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 issued under the Code.

SECTION 7. Authorization of Official Statement; Continuing Disclosure. The governing body of the City ratifies and confirms its prior approval of the form and content of the “deemed final” Preliminary Official Statement dated December 7, 2020 and the use of the final Official Statement in the reoffering of the Bonds by Raymond James & Associates, Inc., Kansas City, Missouri, as Original Purchaser is approved and authorized; and the Mayor is authorized to execute and the City Clerk to attest the Official Statement on behalf of the City. The City covenants and agrees to provide continuing disclosure as required by Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR part 240, §240.15c2-12) and as set forth in the Continuing Disclosure Undertaking submitted to the governing body with this Ordinance. The Mayor is authorized to execute and the City Clerk to attest the Continuing Disclosure Undertaking on behalf of the City.

SECTION 8. Bond Purchase Agreement. The governing body of the City ratifies and confirms its prior authorization for the Mayor to enter into a Bond Purchase Agreement between the City and Raymond James & Associates, Inc., Kansas City, Missouri, (the “Original Purchaser”) in substantially the same form submitted with this Ordinance, under which the City agrees to sell the Bonds to the Original Purchaser at the purchase price and upon the terms and conditions set forth in the Bond Purchase Agreement, with such changes as shall be approved by the Mayor and the City Clerk, who are authorized to execute the document on behalf of the City.

SECTION 9. 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 10. 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, and documents and actions necessary to call and redeem the Refunded Bonds, all without further action by the governing body.

SECTION 11. Severability. If any section, paragraph, clause or provision of this Ordinance is, for any reason, held invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any remaining provisions of this Ordinance.

SECTION 12. 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 13. 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 Ozawkie, Kansas on
December 14, 2020.

CITY OF OZAWKIE, KANSAS

[seal]

By _____
Loren Lutes, Mayor

ATTEST:

By _____
Mazi Barnes, City Clerk

EXCERPT OF MINUTES

The governing body of the City of Ozawkie, Kansas, met in regular session at the usual meeting place in the City on December 14, 2020, at 7:00 P.M. The Mayor, Loren Lutes, presided, and all members of the governing body were present as follows:

Chris Feuerborn, Kevin Klenklen, Gary Branson, Nancy Leek, and Margie Payne

and the following members were absent:

None

An Ordinance was presented to the governing body entitled:

AN ORDINANCE OF THE CITY OF OZAWKIE, KANSAS, AUTHORIZING ISSUANCE OF THE CITY'S GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$2,755,000, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING RELATED DOCUMENTS AND ACTIONS; AND MAKING COVENANTS WITH TO THE BONDS.

The Ordinance was considered and discussed, and upon the motion of Kevin Klenklen, seconded by Chris Feuerborn, the Ordinance was adopted by a majority vote of the governing body. The Ordinance was assigned No. 2020-3.

A Resolution was presented to the governing body entitled:

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020, IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF \$2,755,000, OF THE CITY OF OZAWKIE, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. 2020-3 OF THE CITY; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY OF THE BONDS; AND AUTHORIZING OTHER RELATED DOCUMENTS AND ACTIONS.

The Resolution was considered and discussed; and on motion of Margie Payne, seconded by Kevin Klenklen, the Resolution was adopted by a majority vote of all members present.

The Resolution was assigned No. 2020-5.

CITY CLERK'S
CERTIFICATION OF EXCERPT OF MINUTES

I hereby certify that the foregoing is a true and correct Excerpt of Minutes of the December 14, 2020 meeting of the governing body of the City of Ozawkie, Kansas.

[seal]

Mazi Barnes, City Clerk