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260906 F

RESOLUTION

OF

CITY OF TOPEKA, KANSAS

PASSED

SEPTEMBER 26, 2006

\$32,375,000

COMBINED UTILITY REFUNDING REVENUE BONDS
SERIES 2006-A

\$22,600,000

COMBINED UTILITY REFUNDING REVENUE BONDS
SERIES 2006-B

43 RESOLUTION

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147 **RESOLUTION NO. 7866**

148
149 **A RESOLUTION INTRODUCED BY CITY MANAGER NORTON N.**
150 **BONAPARTE, JR. PRESCRIBING THE FORM AND DETAILS OF BOTH**
151 **THE COMBINED UTILITY REFUNDING REVENUE BONDS, SERIES**
152 **2006-A AND SERIES 2006-B OF THE CITY OF TOPEKA, KANSAS, IN**
153 **THE AGGREGATE PRINCIPAL AMOUNT OF \$54,975,000 THE**
154 **ISSUANCE OF WHICH WAS AUTHORIZED BY THE CITY PURSUANT**
155 **TO ITS ORDINANCE NO. 18717 PASSED AND APPROVED**
156 **SEPTEMBER 26, 2006; AND AUTHORIZING THE EXECUTION OF AN**
157 **ESCROW TRUST AGREEMENT BY AND BETWEEN THE CITY AND**
158 **SECURITY BANK OF KANSAS CITY, KANSAS CITY, KANSAS, AND**
159 **AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN**
160 **CONNECTION WITH THE ISSUANCE OF THE BONDS.**

161
162 **WHEREAS**, the City has heretofore duly authorized, issued and delivered its
163 \$31,440,000 principal amount of Water and Water Pollution Control Utility Revenue Bonds,
164 Series 1998B, dated June 1, 1998, (the "Series 1998B Bonds") pursuant to its Ordinance and
165 Resolution adopted June 16, 1998, in accordance with the requirements of K.S.A. 10-1201
166 et seq., as amended (the "Series 1998B Bond Ordinance"); and

167
168 **WHEREAS**, as of September 1, 2006, there remains outstanding of the Series
169 1998B Bonds the principal amount of \$31,440,000 bearing interest payable semiannually on
170 February 1 and August 1 each year and maturing on August 1, as follows:

(YEAR)		INTEREST
<u>(AUGUST 1)</u>	<u>AMOUNT</u>	<u>RATE</u>
	SERIAL BONDS	
2012	\$ 945,000	4.80%
2013	1,260,000	4.85
2014	1,325,000	4.90
2015	1,395,000	4.90
	TERM BONDS	
2018	\$4,635,000	5.05%
2023	9,525,000	5.10
2028	12,355,000	5.10

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188 **WHEREAS**, pursuant to **Section 301** of the Series 1998B Bond Ordinance, the
189 Series 1998B Bonds maturing on August 1, 2012, and thereafter are subject to redemption
190 and payment at the option of the City on August 1, 2006, and thereafter in whole or in part
191 on any date at the redemption price equal to the principal amount thereof with a premium of
192 one percent of the principal amount redeemed, such premium to decline one-half of one

193 percent (1/2 of 1%) each Interest Payment Date thereafter, plus accrued interest to the date
194 of redemption; and

195

196 **WHEREAS**, the City has heretofore duly authorized, issued and delivered its
197 \$25,365,000 principal amount of Water and Water Pollution Control Utility Revenue Bonds,
198 Series 2001-A, dated December 1, 2001, (the "Series 2001-A Bonds") pursuant to its
199 Ordinance and Resolution adopted December 11, 2001, in accordance with the requirements
200 of K.S.A. 10-1201 et seq., as amended (the "Series 2001-A Bond Ordinance"); and

201

202 **WHEREAS**, as of September 1, 2006, there remains outstanding of the Series 2001-
203 A Bonds the principal amount of \$23,085,000 bearing interest payable semiannually on
204 February 1 and August 1 each year and maturing on August 1, as follows:

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207

MATURITY	PRINCIPAL	INTEREST
<u>(August 1)</u>	<u>AMOUNT</u>	<u>RATE</u>

208

209

SERIAL BONDS

210

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2007	\$ 500,000	6.25%
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2008	520,000	5.25
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214

2009	540,000	5.00
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215

2010	565,000	5.50
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216

2011	585,000	5.50
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2012	615,000	5.50
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218

2013	640,000	4.80
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219

2014	670,000	4.90
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220

2015	700,000	5.00
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221

2016	735,000	5.10
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222

2017	770,000	5.15
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223

2018	810,000	5.25
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224

2019	855,000	5.30
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225

TERM BONDS

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2022	\$ 2,840,000	5.35%
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2031	11,740,000	5.40
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WHEREAS, pursuant to **Section 301** of the Series 2001-A Bond Ordinance, the Series 2001-A Bonds maturing on August 1, 2009, and thereafter are subject to redemption and payment at the option of the City on August 1, 2008, and thereafter in whole or in part on any date at the redemption price equal to the principal amount thereof with a premium of one percent of the principal amount redeemed, such premium to decline one-quarter of one percent (1/4 of 1%) each Interest Payment Date thereafter, plus accrued interest to the date of redemption; and

239 **WHEREAS**, the City has by its Ordinance No. 18717 passed and approved
240 September 26, 2006, (the "Ordinance") authorized the issuance of (1) its Combined Utility
241 Refunding Revenue Bonds, Series 2006-A in the aggregate principal amount of \$32,375,000
242 (the "Series 2006-A Bonds") to currently refund the Series 1998B Bonds maturing on
243 August 1, 2012, through and including August 1, 2028, (i.e. \$31,440,000) (the "Series
244 1998B Refunded Bonds"), and pay the costs of issuing the Series 2006-A Bond and (2) its
245 Combined Utility Refunding Revenue Bonds, Series 2006-B in the aggregate principal
246 amount of \$22,600,000 (the "Series 2006-B Bonds") (the Series 2006-A Bonds and the
247 Series 2006-B Bonds are collectively the "Bonds") to advance refund the Series 2001-A
248 Bonds maturing on August 1, 2009, through and including August 1, 2031, (i.e.
249 \$22,065,000) (the "Series 2001-A Refunded Bonds) (the Series 1998B Refunded Bonds and
250 the Series 2001-A Refunded Bonds are collectively, the "Refunded Bonds") and pay the
251 costs of issuing the Series 2006-B Bonds, all under the authority of K.S.A. 10-1201 et seq.,
252 K.S.A. 10-116a and Article 1 of Chapter 10, Kansas Statutes Annotated, all as amended;
253 and

254
255 **WHEREAS**, as previously herein recited, the City on January 8, 2002, issued its
256 Water and Water Pollution Control Utility Revenue Bonds, Series 2001-A in the amount of
257 \$25,365,000 (the "Series 2001-A Bonds"); and

258
259 **WHEREAS**, on March 25, 2003, the City combined its stormwater utility with the
260 water and water pollution control utility creating a water, water pollution control and
261 stormwater utility system (the "Combined Utility"); and

262
263 **WHEREAS**, the City on February 19, 2004, issued its Combined Utility
264 Improvement and Refunding Revenue Bonds, Series 2004-A in the amount of \$46,180,000
265 (the "Series 2004-A Bonds") which, in part, currently refunded the City's outstanding Series
266 1998A Water and Water Pollution Control Utility Refunding Revenue Bonds dated June 1,
267 1998; and

268
269 **WHEREAS**, the City on December 8, 2005, issued its Combined Utility
270 Improvement Revenue Bonds, Series 2005-A in the amount of \$14,875,000 (the "Series
271 2005-A Bonds"); and

272
273 **WHEREAS**, the Bonds are parity obligations of the City's System and, as such shall
274 have equal lien status with the outstanding Series 2001-A Bonds not defeased in accordance
275 with **Section 701** of Resolution No. 7209 passed and approved by the governing body of the
276 City December 11, 2001, which resolution prescribed, among other things, the details of the
277 Series 2001-A Bonds; the Series 2004-A Bonds; and the Series 2005-A Bonds; and

278
279 **WHEREAS**, the City has authorized certain loans in the maximum authorized
280 amount of \$135,827,633 from the Kansas Department of Health and Environment revolving
281 fund loan program (the "Permitted Loans") and pledged the revenues from the System to the
282 payment of such Permitted Loans and any additional loans which would constitute Permitted
283 Loans under the Resolution hereinafter provided for; and

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"Bonds" means the Combined Utility Refunding Revenue Bonds, Series 2006-A and Series 2006-B, authorized and issued by the City pursuant to the Ordinance and this Resolution.

"Business Day" means a day other than a Saturday, Sunday or holiday on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

"Cede & Co." means Cede & Co., as nominee name of The Depository Trust Company, New York, New York and any successors or assigns thereto.

"City" means the City of Topeka, Kansas, the issuer of the Bonds.

"Clerk" means the duly appointed and/or elected Clerk of the City or, in the Clerk's absence, the duly appointed Deputy Clerk or Acting Clerk of the City, and any successors or assigns thereto.

"Code" means the Internal Revenue Code of 1986, as amended.

"Combined Utility" means the water, water pollution control and stormwater utilities of the City.

"Costs of Issuance" means all costs of issuing the Bonds, including all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code and with the Disclosure Certificate, all expenses, if any, incurred in connection with receiving ratings on the Bonds.

"Dated Date" means October 18, 2006.

"Defaulted Interest" means interest on any Bond which is payable but not paid on any Interest Payment Date.

"Defeasance Obligations" means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling

376 and redemption and the issuer of such obligations has covenanted not to redeem such
377 obligations other than as set forth in such instructions;

378

379 (2) the obligations are secured by cash or United States Government Obligations
380 that may be applied only to principal of, premium, if any, and interest payments on such
381 obligations;

382

383 (3) such cash and the principal of and interest on such United States Government
384 Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the
385 obligations;

386

387 (4) such cash and United States Government Obligations serving as security for
388 the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in
389 trust; and

390

391 (5) such cash and United States Government Obligations are not available to
392 satisfy any other claims, including those against the trustee or escrow agent.

393

394 **"Disclosure Certificate"** means the Continuing Disclosure Certificate attached to
395 the City's Final Certificate as *Exhibit C* and included in the transcript of proceedings
396 pertaining to the issuance of the Bonds.

397

398 **"Director of Public Works"** means the person serving as the director of public
399 works as defined in Section 2-147 of the Code of the City.

400

401 **"Escrow Trust Agreement"** means the Agreement by and between the City and the
402 Escrow Trustee dated as of October 18, 2006.

403

404 **"Escrow Trustee"** means Security Bank of Kansas City, Kansas City, Kansas, and
405 any successors and assigns.

406

407 **"Event of Default"** means each of the following occurrences or events:

408

409 (a) Payment of the principal or the Redemption Price of any of the Bonds shall
410 not be made when the same shall become due and payable, either at Stated Maturity or by
411 proceedings for redemption or otherwise; or

412

413 (b) Payment of any installment of interest on any of the Bonds shall not be made
414 when the same shall become due; or

415

416 (c) The City shall default in the due and punctual performance of any other of
417 the covenants, conditions, agreements and provisions contained in the Bonds or in this
418 Resolution on the part of the City to be performed (other than relating to Rule 15c2-12 as
419 defined in the Disclosure Certificate), and such default shall continue for thirty (30) days
420 after written notice specifying such default and requiring same to be remedied shall have
421 been given to the City by the Owner of any of the Bonds then Outstanding.

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“Expenses” means the sum of (i) ordinary expenses of maintenance, operation and repair, (ii) administrative expenses, (iii) reasonable pension fund contributions, (iv) insurance expense, (v) legal expense and (vi) payments on Permitted Loans; provided, however, Expenses shall not include payments in lieu of taxes, debt service payments on the Bonds and any other obligations of the Combined Utility on a parity with the Bonds, depreciation, amortization or other non-cash items.

“Federal Tax Certificate” means the certificate so named and included in the transcript of proceedings pertaining to the issuance of the Bonds describing the investment and use of the proceeds of the Bonds.

"Fiscal Year" means the twelve month period commencing on January 1 and ending on December 31 of each year.

"Funds and Accounts" means funds and accounts created or referred to in **Section 501** hereof.

“Gross Revenues” means all receipts and revenues derived by the City from the operation of the Combined Utility, including investment earnings but excluding any grants, proceeds of bond issues and/or insurance proceeds.

"Interest Payment Date(s)" means the Stated Maturity of an installment of interest on any Bond which shall be February 1 and August 1 of each year, commencing February 1, 2007.

"Maturity" when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or pursuant to mandatory redemption, or otherwise.

“Maximum Annual Debt Service” means, with respect to the Bonds and/or additional bonds issued on a parity with the Bonds, as of the date of the computation, the greatest amount required in the then current or any future fiscal year to pay the principal of and interest on such bonds.

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

“Moody’s” means Moody’s Investors Service, Inc., New York, New York, and any successors and assigns to the Bond rating functions thereof which is deemed acceptable by the City and Bond Counsel.

“Net Revenues” means Gross Revenues of the Combined Utility minus the sum of (i) Expenses and (ii) any required deposits to the Rebate Fund as provided in **Section 509** hereof.

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“Original Purchaser” means, with respect to the Bonds, Prager, Sealy & Co., LLC, New York, New York.

"Ordinance" means Ordinance No. 18717 adopted and approved September 26, 2006, and published as required by law, pursuant to which the issuance of the Bonds has been authorized.

"Outstanding" means, when used with reference to the Bonds, as of a particular date of determination, all Bonds theretofore authenticated and delivered, except the following Bonds:

(a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of **Section 701** hereof; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

"Owner" when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

"Participants" means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

"Paying Agent" means the State Treasurer, and any successors and assigns thereof to the duties and responsibilities described in this Resolution and in the related agreement between the City and the State Treasurer.

"Permitted Investments" means: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the City's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks located in the county or counties in which the City is located; (f) obligations of the Federal National Mortgage Association, Federal Home Loan Banks or the Federal Home Loan Mortgage Corporation; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements with or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's, Inc. or Standard & Poor's; (i) investments in shares or units of a money market fund or trust the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in

514 K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (1)
515 bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been re-
516 funded in advance of their maturity and are fully secured as to payment of principal and
517 interest thereon by deposit in trust, under escrow agreement with a bank, of securities
518 described in (c) or (f). No Permitted Investment shall include any derivative investment
519 instrument whose market price is derived from the fluctuating value of an underlying asset,
520 index, currency, futures contract, including futures, options and collateralized mortgage
521 obligations.

522

523 **“Permitted Loans”** means any State revolving loans for public drinking water
524 improvements, pollution control improvements, or for stormwater improvements.

525

526 **“Person”** means any natural person, corporation, partnership, joint venture,
527 association, firm, joint-stock company, trust, unincorporated organization, or government or
528 any agency or political subdivision thereof or other public body.

529

530 **“Purchase Price”** means the purchase price of the Bonds as set forth in the *Bid*
531 *Proposal for Purchase of the Bonds* as submitted by the Original Purchaser and accepted by
532 the City, plus accrued interest, if any, from the Dated Date to the date of delivery of the
533 Bonds.

534

535 **“Record Dates”** for the interest payable on any Interest Payment Date means the
536 fifteenth day (whether or not a Business Day) of each month preceding such Interest
537 Payment Date.

538

539 **“Redemption Date”** when used with respect to any Bond to be redeemed means the
540 date fixed for the redemption of such Bond pursuant to the terms of this Resolution.

541

542 **“Redemption Price”** when used with respect to any Bond to be redeemed means
543 the price at which such Bond is to be redeemed pursuant to the terms of this Resolution,
544 including the applicable redemption premium, if any, but excluding installments of interest
545 whose Stated Maturity is on or before the Redemption Date.

546

547 **“Refunded Bonds”** means the Series 1998B Refunded Bonds and the Series 2001-A
548 Refunded Bonds.

549

550 **“Replacement Bonds”** means Bonds issued to the beneficial owners of the Bonds
551 in accordance with **Section 211** hereof.

552

553 **“Representation Letter”** means the Blanket Issuer Letter of Representations from
554 the City to the Securities Depository with respect to the Bonds, substantially in the form
555 attached to this Resolution as *Exhibit B*.

556

557 **“Resolution”** means this resolution relating to the Bonds and any supplemental
558 resolution.

559

560 **“Revenue Fund”** means the Combined Utility Fund for the City’s water, water
561 pollution control and stormwater utility revenue bonds.

562
563 **“Sales Proceeds”** means, with respect to the Bonds, or any additional bonds issued
564 on a parity with the Bonds, as of the issuance of such bonds, the aggregate of the initial
565 offering price of such bonds to the public (exclusive of accrued interest).

566
567 **“Securities Depository”** means, initially, The Depository Trust Company, New
568 York, New York, and its successors and assigns.

569
570 **“Series 1998B Refunded Bonds”** means the City's Water and Water Pollution
571 Control Utility Revenue Bonds, Series 1998B, maturing August 1, 2012, through and
572 including August 1, 2028, (i.e., \$31,440,000) being refunded with the proceeds of the
573 Bonds.

574
575 **“Series 1998B Bond Ordinance”** means the Ordinance of the City authorizing the
576 issuance of and the Resolution of the City setting forth the details of the City's Water and
577 Water Pollution Control Utility Revenue Bonds, Series 1998B.

578
579 **“Series 2001-A Refunded Bonds”** means the City's Water and Water Pollution
580 Control Utility Revenue Bonds, Series 2001-A, maturing August 1, 2009, through and
581 including August 1, 2031, (i.e., \$22,065,000) being refunded with the proceeds of the
582 Bonds.

583
584 **“Series 2001-A Bond Ordinance”** means the Ordinance of the City authorizing the
585 issuance of and the Resolution of the City setting forth the details of the City's Water and
586 Water Pollution Control Utility Revenue Bonds, Series 2001-A.

587
588 **“Series 2006-A Bonds”** means the City’s Combined Utility Refunding Revenue
589 Bonds, Series 2006-A issued pursuant to the Ordinance.

590
591 **“Series 2006-B Bonds”** means the City’s Combined Utility Refunding Revenue
592 Bonds, Series 2006-B issued pursuant to the Ordinance.

593
594 **“Series 2006-A Cost of Issuance Account”** means the Cost of Issuance Account for
595 the Series 2006-A Bonds created herein.

596
597 **“Series 2006-B Cost of Issuance Account”** means the Cost of Issuance Account for
598 the Series 2006-B Bonds created herein.

599
600 **“Series 2006-A Principal and Interest Account”** means the Principal and Interest
601 Account for the Series 2006-A Bonds created herein within the City's Bond and Interest
602 Fund.

603

604 **"Series 2006-B Principal and Interest Account"** means the Principal and Interest
605 Account for the Series 2006-B Bonds created herein within the City's Bond and Interest
606 Fund.

607
608 **"Series 2006-A Rebate Fund"** means the Rebate Fund for the Series 2006-A Bonds
609 created herein.

610
611 **"Series 2006-B Rebate Fund"** means the Rebate Fund for the Series 2006-B Bonds
612 created herein.

613
614 **"Series 2006-A Bond Reserve Account"** means the Bond Reserve Account for the
615 Series 2006-A Bonds created herein.

616
617 **"Series 2006-B Bond Reserve Account"** means the Bond Reserve Account for the
618 Series 2006-B Bonds created herein.

619
620 **"Special Record Date"** means the date fixed by the Paying Agent pursuant to
621 **Section 204** hereof for the payment of Defaulted Interest.

622
623 **"Standard & Poor's"** means Standard & Poor's Ratings Services, a Division of The
624 McGraw Hill Companies, Inc., New York, New York, and any successors or assigns to the
625 Bond rating functions thereof which is deemed acceptable by the City and Bond Counsel.

626
627 **"State"** means the State of Kansas.

628
629 **"State Treasurer"** means the duly elected Treasurer or, in the Treasurer's absence,
630 the duly appointed Deputy Treasurer or acting Treasurer of the State of Kansas, and any
631 successors or assigns thereto to the duties contemplated under this Resolution and the
632 related agreement between the City of Topeka and the State Treasurer.

633
634 **"Stated Maturity"** means (i) with respect to any Bond principal payment, the date
635 on which payment or principal is due and payable on any Bond, as specified on that Bond
636 and in this Resolution, and (ii) with respect to any Interest Payment, each February 1 and
637 August 1 of the year in which any Bond is Outstanding, beginning February 1, 2007.

638
639 **"System"** means the combined water, water pollution control and stormwater utility
640 facilities of the City.

641
642 **"Treasurer"** means the duly appointed and/or elected Treasurer of the City or, in
643 the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the
644 City, and any successors or assigns thereto.

645
646 **"United States Government Obligations"** means bonds, notes, certificates of
647 indebtedness, treasury bills or other securities consisting of direct obligations of, or
648 obligations the principal of and interest on which are fully and unconditionally guaranteed
649 as to full and timely payment by, the United States of America, including evidences of a

650 direct ownership interest in the future interest or principal payment on obligations issued by
651 the United States of America (including the interest component of obligations of the
652 Resolution Funding Corporation).

653
654 ARTICLE II

655
656 AUTHORIZATION AND DETAILS OF THE BONDS

657
658 **Section 201. Authorization of the Bonds.** There shall be issued and hereby are
659 authorized and directed to be issued (1) Combined Utility Refunding Revenue Bonds, Series
660 2006-A, of the City in the aggregate principal amount of \$32,375,000 for the purpose of
661 providing funds to currently refund the Series 1998B Refunded Bonds and pay the costs of
662 issuing the Series 2006-A Bonds and (2) Combined Utility Refunding Revenue Bonds,
663 Series 2006-B, of the City in the aggregate principal amount of \$22,600,000 for the purpose
664 of providing funds to advance refund the Series 2001-A Refunded Bonds and pay the costs
665 of issuing the Series 2006-B Bonds, all in accordance with K.S.A. 10-116a and K.S.A. 10-
666 1201 *et seq.*, as amended.

667
668 **Section 202. Description of the Bonds.** The Bonds shall consist of fully registered
669 bonds in the denominations of \$5,000 or any integral multiple thereof and shall be
670 numbered in such manner as the Bond Registrar shall determine. All of the Bonds shall be
671 dated October 18, 2006, shall become due in the amounts on the Stated Maturities (subject
672 to redemption and payment prior to their Stated Maturities as provided in Article III hereof),
673 and shall bear interest at the rates per annum as follows:

674
675 SERIES 2006-A BONDS

676	677 MATURITY	678 PRINCIPAL	679 INTEREST
680	681 <u>(August 1)</u>	682 <u>AMOUNT</u>	683 <u>RATE</u>
684		685 SERIAL BONDS	
686	2021	\$2,490,000	4.250%
687	2022	3,180,000	4.250
688	2023	3,330,000	4.375
689	2024	3,475,000	4.375
690	2025	3,630,000	4.375
691	2026	3,790,000	4.375
692	2027	3,960,000	4.250
693	2028	4,135,000	4.250
694	2029	1,400,000	4.250
695	2030	1,460,000	4.250
	2031	1,525,000	4.250

SERIES 2006-B BONDS

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<u>MATURITY</u> (August 1)	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>
SERIAL BONDS		
2007	\$ 345,000	4.00%
2008	160,000	4.00
2009	705,000	4.00
2010	735,000	4.00
2011	750,000	4.00
2012	770,000	4.00
2013	815,000	5.00
2014	1,875,000	5.00
2015	2,365,000	5.00
2016	2,485,000	4.00
2017	2,595,000	4.00
2018	2,695,000	4.00
2019	2,810,000	4.00
2020	2,935,000	4.00
2021	560,000	4.25

The Bonds shall bear interest at the above specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid, payable on the Interest Payment Dates in the manner set forth in **Section 204** hereof.

Each of the Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be typed or printed in accordance with the format required by the Attorney General of the State and shall be substantially in the form attached hereto as *Exhibit A* or as may be required by the Attorney General pursuant to the Notice of Systems of Registration for Kansas Municipal Bonds, 2 Kan. Reg. 921 (1983), in accordance with the Kansas Bond Registration Law, K.S.A. 10-620 *et seq.*

Section 203. Designation of Paying Agent and Bond Registrar. The Treasurer of the State of Kansas, Topeka, Kansas, is hereby designated as the Paying Agent for the payment of principal of and interest on the Bonds and Bond Registrar with respect to the registration, transfer and exchange of Bonds. The Mayor and Clerk of the City are hereby authorized and empowered to execute on behalf of the City an agreement with the Bond Registrar and Paying Agent for the Bonds.

The City will at all times maintain a Paying Agent and Bond Registrar meeting the qualifications herein described for the performance of the duties hereunder. The City reserves the right to appoint a successor Paying Agent or Bond Registrar by (1) filing with the Paying Agent or Bond Registrar then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent or Bond Registrar and

743 appointing a successor, and (2) causing notice of appointment of the successor Paying Agent
744 and Bond Registrar to be given by first class mail to each Owner. No resignation or
745 removal of the Paying Agent or Bond Registrar shall become effective until a successor has
746 been appointed and has accepted the duties of Paying Agent or Bond Registrar.

747
748 Every Paying Agent or Bond Registrar appointed hereunder shall at all times meet
749 the requirements of K.S.A. 10-501 *et seq.* and K.S.A. 10-620 *et seq.*, respectively.

750
751 **Section 204. Method and Place of Payment of the Bonds.** The principal or
752 Redemption Price of and interest on the Bonds shall be payable in any coin or currency
753 which, on the respective dates of payment thereof, is legal tender for the payment of public
754 and private debts.

755
756 The principal or Redemption Price of each Bond shall be paid at Maturity to the
757 Person in whose name such Bond is registered on the Bond Register at the Maturity thereof,
758 upon presentation and surrender of such Bond at the principal corporate trust office of the
759 Paying Agent.

760
761 The interest payable on each Bond on any Interest Payment Date shall be paid to the
762 Owner of such Bond as shown on the Bond Register at the close of business on the Record
763 Date for such interest (a) by check or draft mailed by the Paying Agent to the address of
764 such Owner shown on the Bond Register or (b) in the case of an interest payment to any
765 Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer
766 to such Owner upon written notice given to the Bond Registrar by such Owner, not less than
767 15 days prior to the Record Date for such interest, containing the electronic transfer in-
768 structions including the bank (which shall be in the continental United States) ABA routing
769 number and account number to which such Owner wishes to have such transfer directed.

770
771 Notwithstanding the foregoing provisions of this Section, any Defaulted Interest
772 with respect to any Bond shall cease to be payable to the Owner of such Bond on the
773 relevant Record Date and shall be payable to the Owner in whose name such Bond is
774 registered at the close of business on the Special Record Date for the payment of such
775 Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this
776 paragraph. The City shall notify the Paying Agent in writing of the amount of Defaulted
777 Interest proposed to be paid on each Bond and the date of the proposed payment (which date
778 shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit
779 with the Paying Agent at the time of such notice an amount of money equal to the aggregate
780 amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements
781 satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment.
782 Following receipt of such funds the Paying Agent shall fix a Special Record Date for the
783 payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days
784 prior to the date of the proposed payment. The Paying Agent shall promptly notify the City
785 of such Special Record Date and, in the name and at the expense of the City, shall cause
786 notice of the proposed payment of such Defaulted Interest and the Special Record Date
787 therefore to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled

788 to such notice at the address of such Owner as it appears on the Bond Register not less than
789 10 days prior to such Special Record Date.

790

791 The Paying Agent shall keep a record of payment of principal and Redemption Price
792 of and interest on all Bonds and at least annually shall forward a copy or summary of such
793 records to the City.

794

795 **Section 205. Registration, Transfer and Exchange of Bonds.** The City covenants
796 that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be
797 kept at the office of the Bond Registrar as herein provided. Each Bond when issued shall be
798 registered in the name of the Owner thereof on the Bond Register.

799

800 Bonds may be transferred and exchanged only on the Bond Register as provided in
801 this Section. Upon surrender of any Bond at the principal corporate trust office of the Bond
802 Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds
803 in any authorized denomination of the same Stated Maturity and in the same aggregate
804 principal amount as the Bond that was presented for transfer or exchange.

805

806 Bonds presented for transfer or exchange shall be accompanied by a written
807 instrument or instruments of transfer or authorization for exchange, in a form and with
808 guarantee of signature satisfactory to the Bond Registrar, duly executed by the Owner
809 thereof or by the Owner's duly authorized agent.

810

811 In all cases in which the privilege of transferring or exchanging Bonds is exercised,
812 the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of
813 this Resolution. The City shall pay the fees and expenses of the Bond Registrar for the
814 registration, transfer and exchange of Bonds provided for by this Resolution and the cost of
815 printing a reasonable supply of registered bond blanks. Any additional costs or fees that
816 might be incurred in the secondary market, other than fees of the Bond Registrar, are the
817 responsibility of the Owners of the Bonds. In the event any Owner fails to provide a correct
818 taxpayer identification number to the Paying Agent, the Paying Agent may make a charge
819 against such Owner sufficient to pay any governmental charge required to be paid as a result
820 of such failure. In compliance with Section 3406 of the Code, such amount may be
821 deducted by the Paying Agent from amounts otherwise payable to such Owner hereunder or
822 under the Bonds.

823

824 The City and the Bond Registrar shall not be required (a) to register the transfer or
825 exchange of any Bond that has been called for redemption after notice of such redemption
826 has been mailed by the Paying Agent pursuant to **Section 303** hereof and during the period
827 of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register
828 the transfer or exchange of any Bond during a period beginning at the opening of business
829 on the day after receiving written notice from the City of its intent to pay Defaulted Interest
830 and ending at the close of business on the date fixed for the payment of Defaulted Interest
831 pursuant to **Section 204** hereof.

832

833 The City and the Paying Agent may deem and treat the Person in whose name any
834 Bond is registered on the Bond Register as the absolute Owner of such Bond, whether such
835 Bond is overdue or not, for the purpose of receiving payment of, or on account of, the
836 principal or Redemption Price of and interest on said Bond and for all other purposes. All
837 payments so made to any such Owner or upon the Owner's order shall be valid and effective
838 to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so
839 paid, and neither the City nor the Paying Agent shall be affected by any notice to the
840 contrary.

841
842 At reasonable times and under reasonable regulations established by the Bond
843 Registrar, the Bond Register may be inspected and copied by the Owners of 10% or more in
844 principal amount of the Bonds then Outstanding or any designated representative of such
845 Owners whose authority is evidenced to the satisfaction of the Bond Registrar.

846
847 **Section 206. Execution, Registration, Authentication and Delivery of Bonds.**

848 Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds
849 initially delivered, shall be executed for and on behalf of the City by the manual or facsimile
850 signature of the Mayor, attested by the manual or facsimile signature of the Clerk and the
851 seal of the City shall be affixed thereto or imprinted thereon. The Mayor and Clerk are
852 hereby authorized and directed to prepare and execute the Bonds in the manner herein
853 specified, and to cause the Bonds to be registered in the office of the Clerk, which
854 registration shall be evidenced by the manual or facsimile signature of the Clerk with the
855 seal of the City affixed thereto or imprinted thereon. The Bonds shall also be registered in
856 the office of the State Treasurer, which registration shall be evidenced by the manual or
857 facsimile signature of the State Treasurer with the seal of the State Treasurer affixed thereto
858 or imprinted thereon. In case any officer whose signature appears on any Bonds ceases to
859 be such officer before the delivery of such Bonds, such signature shall nevertheless be valid
860 and sufficient for all purposes, as if such person had remained in office until delivery. Any
861 Bond may be signed by such persons who at the actual time of the execution of such Bond
862 are the proper officers to sign such Bond although at the date of such Bond such persons
863 may not have been such officers.

864
865 The Bonds shall have endorsed thereon a *Certificate of Authentication* substantially
866 in the form attached hereto as *Exhibit A* hereof, which shall be manually executed by an
867 authorized officer or employee of the Bond Registrar, but it shall not be necessary that the
868 same officer or employee sign the *Certificate of Authentication* on all of the Bonds that may
869 be issued hereunder at any one time. No Bond shall be entitled to any security or benefit
870 under this Resolution or be valid or obligatory for any purpose unless and until such
871 *Certificate of Authentication* has been duly executed by the Bond Registrar. Such executed
872 *Certificate of Authentication* upon any Bond shall be conclusive evidence that such Bond
873 has been duly authenticated and delivered under this Resolution. Upon authentication, the
874 Bond Registrar shall deliver the Bonds to the Purchaser upon instructions of the City or its
875 representative.

876
877 **Section 207. Mutilated, Lost, Stolen or Destroyed Bonds.** If (a) any mutilated
878 Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its

879 satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the
880 City and the Bond Registrar such security or indemnity as may be required by each of them,
881 then, in the absence of notice to the City or the Bond Registrar that such Bond has been
882 acquired by a bona fide purchaser, the City shall execute and, upon the City's request, the
883 Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such
884 mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of
885 like tenor and principal amount.

886

887 If any such mutilated, destroyed, lost or stolen Bond has become or is about to
888 become due and payable, the City, in its discretion, may pay such Bond instead of issuing a
889 new Bond.

890

891 Upon the issuance of any new Bond under this Section, the City may require the
892 payment by the Owner of a sum sufficient to cover any tax or other governmental charge
893 that may be imposed in relation thereto and any other expenses (including the fees and
894 expenses of the Paying Agent) connected therewith.

895

896 Every new Bond issued pursuant to this Section shall constitute a replacement of the
897 prior obligation of the City, and shall be entitled to all the benefits of this Resolution equally
898 and ratably with all other Outstanding Bonds.

899

900 **Section 208. Cancellation and Destruction of Bonds Upon Payment.** All Bonds
901 that have been paid or redeemed or that otherwise have been surrendered to the Paying
902 Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately
903 upon the payment, redemption and surrender thereof to the Paying Agent and subsequently
904 destroyed in accordance with the customary practices of the Paying Agent. The Paying
905 Agent shall execute a certificate in duplicate describing the Bonds so cancelled and
906 destroyed and shall file an executed counterpart of such certificate with the City.

907

908 **Section 209. Preliminary and Final Official Statement.** The *Preliminary Official*
909 *Statement* dated September 19, 2006, is hereby ratified and approved. For the purpose of
910 enabling the Original Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of
911 the Securities and Exchange Commission, the City hereby deems the information regarding
912 the City contained in the *Preliminary Official Statement* to be "final" as of its date, except
913 for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the
914 appropriate officers of the City are hereby authorized, if requested, to provide the Original
915 Purchaser a letter or certification to such effect and to take such other actions or execute
916 such other documents as such officers in their reasonable judgment deem necessary to
917 enable the Original Purchaser to comply with the requirement of such Rule.

918

919 The final *Official Statement* is hereby authorized to be prepared by supplementing,
920 amending and completing the *Preliminary Official Statement*, with such changes and
921 additions thereto as are necessary to conform to and describe the transaction. The Mayor is
922 hereby authorized to execute the final *Official Statement* as so supplemented, amended and
923 completed, and the use and public distribution of the final *Official Statement* by the Original
924 Purchaser in connection with the reoffering of the Bonds is hereby authorized. The proper

925 officials of the City are hereby authorized to execute and deliver a certificate pertaining to
926 such *Official Statement* as prescribed therein, dated as of the date of payment for and
927 delivery of the Bonds.

928

929 The City agrees to provide to the Original Purchaser within seven business days of
930 the date of the sale of Bonds sufficient copies of the final *Official Statement* to enable the
931 Original Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities
932 and Exchange Commission and with the requirements of Rule G-32 of the Municipal
933 Securities Rulemaking Board.

934

935 **Section 210. Sale of the Bonds.** The sale of the Bonds to the Original Purchaser is
936 hereby ratified and confirmed. Delivery of the Bonds shall be made to the Original
937 Purchaser as soon as practicable after the passage of this Resolution, upon payment of the
938 Purchase Price.

939

940 **7Section 211. Book-Entry Bonds; Securities Depository.**

941

942 (a) The Bonds shall initially be registered to Cede & Co., the nominee for the
943 Securities Depository, and no beneficial owner will receive certificates representing its
944 respective interests in the Bonds, except in the event the Bond Registrar issues Replacement
945 Bonds as provided in subsection (b) hereof. It is anticipated that during the term of the
946 Bonds, the Securities Depository will make book-entry transfers among its Participants and
947 receive and transmit payment of principal of, redemption premium, if any, and interest on,
948 the Bonds to the Participants until and unless the Bond Registrar authenticates and delivers
949 Replacement Bonds to the beneficial owners as described in subsection (b).

950

951 (b) (1) If the City determines (A) that the Securities Depository is unable to
952 properly discharge its responsibilities, or (B) that the Securities Depository is no longer
953 qualified to act as a securities depository and registered clearing agency under the Securities
954 and Exchange Act of 1934, as amended, or (C) that the continuation of a book-entry system
955 to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer
956 in the best interests of the beneficial owners of the Bonds, or (2) if the Bond Registrar
957 receives written notice from Participants having interests in not less than 50% of the Bonds
958 Outstanding, as shown on the records of the Securities Depository (and certified to such
959 effect by the Securities Depository), that the continuation of a book-entry system to the
960 exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the
961 best interests of the beneficial owners of the Bonds, then the Bond Registrar shall notify the
962 Owners of such determination or such notice and of the availability of certificates to Owners
963 requesting the same, and the Bond Registrar shall register in the name and authenticate and
964 deliver Replacement Bonds to the beneficial owners or their nominees in principal amounts
965 representing the interest of each, making such adjustments as it may find necessary or
966 appropriate as to accrued interest and previous calls for redemption; provided, that in the
967 case of a determination under (1)(A) or (1)(B) of this subsection (b), the City, with the
968 consent of the Bond Registrar, may select a successor securities depository in accordance
969 with **Section 211(c)** hereof to effect book-entry transfers. In such event, all references to the
970 Securities Depository herein shall relate to the period of time when the Securities

971 Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds,
972 all references herein to obligations imposed upon or to be performed by the Securities
973 Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to
974 the extent applicable with respect to such Replacement Bonds. If the Securities Depository
975 resigns and the City, the Bond Registrar or Owners are unable to locate a qualified successor
976 of the Securities Depository in accordance with **Section 211(c)** hereof, then the Bond
977 Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as
978 provided herein. The Bond Registrar may rely on information from the Securities
979 Depository and its Participants as to the names of the beneficial owners of the Bonds. The
980 cost of printing, registration, authentication and delivery of Replacement Bonds shall be
981 paid for by the City.

982
983 (c) In the event the Securities Depository resigns, is unable to properly
984 discharge its responsibilities, or is no longer qualified to act as a securities depository and
985 registered clearing agency under the Securities and Exchange Act of 1934, as amended, the
986 City may appoint a successor Securities Depository provided the Bond Registrar and the
987 City receive written evidence with respect to the ability of the successor Securities
988 Depository to discharge its responsibilities. Any such successor Securities Depository shall
989 be a securities depository which is a registered clearing agency under the Securities and
990 Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a
991 securities depository upon reasonable and customary terms. The Bond Registrar upon its
992 receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the
993 successor Securities Depository in appropriate denominations and form as provided herein.

994
995 (d) The execution and delivery of the Representation Letter to DTC by the
996 Mayor of the City in the form attached hereto as *Exhibit B* with such changes, omissions,
997 insertions and revisions as the Mayor shall deem advisable, is hereby authorized, and
998 execution of the Representation Letter by the Mayor shall be conclusive evidence of such
999 approval. The Representation Letter shall set forth certain matters with respect to, among
1000 other things, notices, consents and approvals by Registered Owners of the Bonds and
1001 Beneficial Owners and payments on the Bonds. The Paying Agent shall have the same
1002 rights with respect to its actions thereunder as it has with respect to its actions under this
1003 Resolution.

1004 1005 ARTICLE III

1006 1007 REDEMPTION OF BONDS

1008
1009 **Section 301. Optional Redemption by City.** The Bonds maturing prior to August
1010 1, 2015, shall become due without the option of prior payment. The Bonds maturing on or
1011 after August 1, 2015, may be called for redemption and payment prior to maturity on
1012 August 1, 2014, and thereafter in whole or in part on any date (Bonds of less than a single
1013 maturity to be selected by lot in multiples of \$5,000 principal amount by the Paying Agent
1014 and Bond Registrar in such equitable manner as they shall designate), at the redemption
1015 price equal to the principal amount thereof, with a redemption premium of one percent of
1016 the principal amount redeemed, such redemption premium to decline one-quarter of one

1017 percent (1/4 of 1%) each Interest Payment Date thereafter, plus accrued interest thereon, if
1018 any, to the date fixed for redemption and payment.

1019

1020 **Section 302. Selection of Bonds to be Redeemed.** Bonds shall be redeemed only
1021 in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the
1022 Bonds of the same maturity are to be redeemed and paid prior to their Stated Maturity, the
1023 Bonds to be redeemed shall be selected by the Bond Registrar in \$5,000 units of principal
1024 amount in such equitable manner as the Bond Registrar may determine.

1025

1026 In the case of a partial redemption of Bonds by lot when Bonds of denominations
1027 greater than \$5,000 are then Outstanding, then for all purposes in connection with such
1028 redemption each \$5,000 of face value shall be treated as though it were a separate Bond of
1029 the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000
1030 units of face value represented by any Bond is selected for redemption, then upon notice of
1031 intention to redeem such \$5,000 unit or units, the Owner or the Owner's duly authorized
1032 agent shall forthwith present and surrender such Bond to the Bond Registrar: (1) for
1033 payment of the Redemption Price and interest to the Redemption Date of such \$5,000 unit
1034 or units of face value called for redemption, and (2) for exchange, without charge to the
1035 Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the
1036 unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond
1037 fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such
1038 Bond shall, nevertheless, become due and payable on the redemption date to the extent of
1039 the \$5,000 unit or units of face value called for redemption (and to that extent only).

1040

1041 **Section 303. Notice and Effect of Call for Redemption.** In the event the City
1042 desires to call the Bonds for redemption prior to maturity, written notice of such intent shall
1043 be provided to the Bond Registrar in accordance with K.S.A. 10-129, as amended, not less
1044 than 45 days prior to the Redemption Date. The Bond Registrar shall call Bonds for
1045 redemption and payment and shall give notice of such redemption as herein provided upon
1046 receipt by it of the City's written notice at least 45 days prior to the Redemption Date. If the
1047 Bonds are refunded more than 90 days in advance of such Redemption Date, any escrow
1048 agreement entered into by the City in connection with such refunding shall provide that such
1049 written instructions to the Paying Agent shall be given by the escrow agent on behalf of the
1050 City not more than 90 days prior to the Redemption Date. The Paying Agent may in its
1051 discretion waive such notice period so long as the notice requirements set forth in **Section**
1052 **303** are met.

1053

1054 Unless waived by any Owner of Bonds to be redeemed, the Bond Registrar shall
1055 give written notice of the redemption of said Bonds on a specified date, the same being
1056 described by maturity, said notice to be mailed by United States first class mail addressed to
1057 the Owners of said Bonds to be redeemed and to the Original Purchaser of the Bonds, each
1058 of said notices to be mailed not less than 30 days prior to the date fixed for redemption. The
1059 City and Bond Registrar shall also give such additional notice as may be required by Kansas
1060 law or regulations of the Securities and Exchange Commission in effect as of the date of
1061 such notice.

1062

1063 All official notices of redemption shall be dated and shall contain the following
1064 information:

1065
1066 (a) the Redemption Date;

1067
1068 (b) the Redemption Price;

1069
1070 (c) if less than all Outstanding Bonds are to be redeemed, the identification
1071 (and, in the case of partial redemption of any Bonds, the respective principal amounts) of
1072 the Bonds to be redeemed;

1073
1074 (d) a statement that on the Redemption Date the Redemption Price will become
1075 due and payable upon each such Bond or portion thereof called for redemption and that
1076 interest thereon shall cease to accrue from and after the Redemption Date; and

1077
1078 (e) the place where such Bonds are to be surrendered for payment of the
1079 Redemption Price, which shall be the principal office of the Paying Agent.

1080
1081 The failure of any Owner to receive notice given as heretofore provided or an
1082 immaterial defect therein shall not invalidate any redemption.

1083
1084 Prior to any Redemption Date, the City shall deposit with the Paying Agent
1085 Defeasance Obligations sufficient to pay the Redemption Price of all the Bonds or portions
1086 of Bonds that are to be redeemed on such Redemption Date.

1087
1088 Official notice of redemption having been given as aforesaid, the Bonds or portions
1089 of Bonds to be redeemed shall become due and payable on the Redemption Date at the
1090 Redemption Price therein specified and, from and after the Redemption Date (unless the
1091 City defaults in the payment of the Redemption Price), such Bonds or portion of Bonds shall
1092 cease to bear interest. Upon surrender of such Bonds for redemption in accordance with
1093 such notice, the Redemption Date shall be payable as herein provided for payment of
1094 interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for
1095 the Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid
1096 principal as provided herein. All Bonds that have been surrendered for redemption shall be
1097 cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

1098
1099 The Paying Agent is also directed to comply with any mandatory or voluntary
1100 standards then in effect for processing redemptions of municipal securities established by
1101 the State or the Securities Exchange Commission. Failure to comply with such standards
1102 shall not affect or invalidate the redemption of any Bond.

1103
1104

1105 ARTICLE IV

1106 SECURITY FOR AND PAYMENT OF BONDS

1107
1108
1109
1110 **Section 401. Security for the Bonds.** The principal and interest on the Bonds shall
1111 be payable solely from the Net Revenues derived by the City from the rates, fees and
1112 charges collected by the City from the operation of the Combined Utility, including all
1113 improvements, extensions and enlargements thereto hereafter constructed or acquired by the
1114 City and not paid for from any other fund or source. The Bonds shall constitute a lien upon
1115 the revenues produced from the operations of the City's Combined Utility. The Bonds and
1116 the interest thereon are payable solely from revenues derived from the rates, fees or charges
1117 collected by the City from the operation of the City's Combined Utility and not from any
1118 other funds or sources. The Bonds will not constitute a general obligation of the City, and
1119 no taxes can be levied by the City to pay either principal or interest thereon.

1120
1121 ARTICLE V

1122 ESTABLISHMENT OF FUNDS AND ACCOUNTS
1123 DEPOSIT AND APPLICATION OF MONEYS

1124
1125
1126 **Section 501. Ratification; Establishment of Funds and Accounts.** The City
1127 hereby covenants and agrees that so long as the Bonds remain outstanding and unpaid, all of
1128 the revenues derived by the City from the operation of the Combined Utility, including all
1129 revenues from all improvements, extensions and enlargements of the System hereinafter
1130 constructed or acquired by the City, shall be paid to the Treasurer of the City and deposited
1131 in the City's Water, Water Pollution Control and Stormwater Utility Revenue Fund (the
1132 "Revenue Fund") heretofore established in the treasury of the City and said Revenue Fund
1133 shall only be used to pay the Expenses of the Combined Utility and to pay the principal of
1134 and the interest on the Bonds and any prior revenue or general obligation bonds or
1135 outstanding and unpaid, as provided by law.

1136
1137 The following funds and accounts presently existing in the treasury of the City are
1138 hereby ratified and affirmed:

- 1139
1140 (a) Water, Water Pollution Control, and Stormwater Utility Revenue Fund (the
1141 "Revenue Fund"); and
1142
1143 (b) Water, Water Pollution Control and Stormwater Utility Renewal and
1144 Replacement Account (the "Renewal and Replacement Account").
1145

1146 Contemporaneous with the issuance of the Bonds, there are hereby created and
1147 ordered to be established in the treasury of the City the following additional funds and
1148 accounts:
1149

- 1150 (a) Series 2006-A Principal and Interest Account for Combined Utility
1151 Refunding Revenue Bonds, Series 2006-A (the "Series 2006-A Principal and
1152 Interest Account");
1153
- 1154 (b) Series 2006-B Principal and Interest Account for Combined Utility
1155 Refunding Revenue Bonds, Series 2006-B (the Series 2006-B Principal and
1156 Interest Account”);
1157
- 1158 (c) Series 2006-A Bond Reserve Account for Combined Utility Refunding
1159 Revenue Bonds, Series 2006-A (the “Series 2006-A Bond Reserve
1160 Account”);
1161
- 1162 (d) Series 2006-B Bond Reserve Account for Combined Utility Refunding
1163 Revenue Bonds, Series 2006-B (the “Series 2006-B Bond Reserve
1164 Account”);
1165
- 1166 (e) Series 2006-A Rebate Fund for Combined Utility Refunding Revenue Bonds,
1167 Series 2006-A (the "Series 2006-A Rebate Fund");
1168
- 1169 (f) Series 2006-B Rebate Fund for Combined Utility Refunding Revenue Bonds,
1170 Series 2006-B (the "Series 2006-B Rebate Fund");
1171
- 1172 (g) Series 2006-A Cost of Issuance Account for Combined Utility Refunding
1173 Revenue Bonds, Series 2006-A (the “Series 2006-A Cost of Issuance
1174 Account”); and
1175
- 1176 (h) Series 2006-B Cost of Issuance Account for Combined Utility Refunding
1177 Revenue Bonds, Series 2006-B (the “Series 2006-B Cost of Issuance
1178 Account”).
1179

1180 The Funds and Accounts established herein shall be administered in accordance with
1181 the provisions of this Resolution so long as the Bonds are Outstanding.
1182

1183 **Section 502. Disposition of Bond Proceeds.**
1184

1185 (1) The proceeds of the Series 2006-A Bonds, upon issuance and delivery
1186 thereof, shall be deposited as follows:
1187

- 1188 (a) Accrued interest, if any, on the Series 2006-A Bonds will be deposited into
1189 the Series 2006-A Principal and Interest Account established and created in
1190 **Section 501** of this Resolution;
1191
- 1192 (b) \$31,758,820.46 of the proceeds of the Series 2006-A Bonds shall be
1193 deposited with the Treasurer of the State of Kansas, together with other funds
1194 of the City in the amount of \$340,014.00, as described in **Section 503** hereof,

1195 to redeem and pay all of the Series 1998B Refunded Bonds on October 19,
1196 2006; and
1197

1198 From the balance of the proceeds of the sale of the Series 2006-A Bonds, the City
1199 shall next set aside such amount as shall be required for the payment of the costs, fees and
1200 expenses incurred in connection with the issuance of the Series 2006-A Bonds which
1201 amount shall be deposited in the Series 2006-A Cost of Issuance Account to pay such costs.
1202

1203 (2) The proceeds of the Series 2006-B Bonds, upon issuance and delivery
1204 thereof, shall be deposited as follows:
1205

1206 (a) Accrued interest, if any, on the Series 2006-B Bonds will be deposited into
1207 the Series 2006-B Principal and Interest Account established and created in
1208 **Section 501** of this Resolution;
1209

1210 (b) \$22,907,172.96 of the proceeds of the sale of the Series 2006-B Bonds, shall
1211 next set aside with the Escrow Trustee to purchase certain investments to be
1212 held pursuant to the Escrow Trust Agreement hereinafter authorized the
1213 proceeds of which investment shall be sufficient to retire the Series 2001-A
1214 Refunded Bonds of the City as they either mature or are redeemed. Such
1215 moneys and the obligations which are to be invested pursuant to the require-
1216 ments of the Escrow Trust Agreement shall be deposited and held in the
1217 "City of Topeka, Kansas, Escrow Fund for Combined Utility System
1218 Refunding Revenue Bonds Series 2006-B" (sometimes hereinafter referred to
1219 as the "Escrow Fund"), a special irrevocable escrow account created by the
1220 Escrow Trust Agreement, which account shall be held in trust in the custody
1221 of the Escrow Trustee in accordance with the terms and provisions of the
1222 Escrow Trust Agreement. Moneys and obligations in the Escrow Fund and
1223 earnings thereon shall be used and applied, in accordance with the terms of
1224 the Escrow Trust Agreement, solely for the payment of the principal of and
1225 interest on the Series 2001-A Refunded Bonds; and
1226

1227 From the balance of the proceeds of the sale of the Series 2006-B Bonds, the City
1228 shall next set aside such amount as shall be required for the payment of the costs, fees and
1229 expenses incurred in connection with the issuance of the Series 2006-B Bonds which
1230 amount shall be deposited in the Series 2006-B Cost of Issuance Account to pay such costs.
1231

1232 **Section 503. Disposition of Other Moneys.**
1233

1234 (a) That concurrently with the issuance and delivery of the Series 2006-A Bonds,
1235 the City shall pay and credit from moneys held in the bond reserve account
1236 for the Series 1998B Refunded Bonds the sums of (1) \$340,014.00 which
1237 shall be deposited with the Kansas State Treasurer together with proceeds of
1238 the Series 2006-A Bonds in the amount of \$31,758,820.46 as described in
1239 **Section 502** hereof, to redeem and pay all of the Series 1998B Refunded

1240 Bonds on October 19, 2006, and (2) \$2,534,471.00 which shall be deposited
1241 in the Series 2006-A Bond Reserve Account; and

1242

1243 (b) That concurrently with the issuance and delivery of the Series 2006-B Bonds,
1244 the City shall pay and credit from moneys held in the bond reserve account
1245 for the Series 2001-A Refunded Bonds the sum of \$1,708,393.02 which shall
1246 be deposited in the Series 2006-B Bond Reserve Account.

1247

1248 **Section 504. Withdrawals of the Series 2006-A Cost of Issuance Account.** The
1249 Treasurer shall make withdrawals from the Series 2006-A Cost of Issuance Account solely
1250 for the purpose of paying costs of issuing the Series 2006-A Bonds. Such withdrawals shall
1251 be made only on due authorization by the governing body of the City.

1252

1253 **Section 505. Withdrawals of the Series 2006-B Cost of Issuance Account.** The
1254 Treasurer shall make withdrawals from the Series 2006-B Cost of Issuance Account solely
1255 for the purpose of paying costs of issuing the Series 2006-B Bonds. Such withdrawals shall
1256 be made only on due authorization by the governing body of the City.

1257

1258 **Section 506. Surplus in the Series 2006-A Cost of Issuance Account.** All moneys
1259 remaining the Series 2006-A Cost of Issuance Account after 60 days of the issuance of the
1260 Series 2006-A Bonds, shall be transferred immediately to the Series 2006-A Principal and
1261 Interest Account and applied to the next installment of principal due on the Series 2006-A
1262 Bonds.

1263

1264 **Section 507. Surplus in the Series 2006-B Cost of Issuance Account.** All moneys
1265 remaining the Series 2006-B Cost of Issuance Account after 60 days of the issuance of the
1266 Series 2006-B Bonds, shall be transferred immediately to the Series 2006-B Principal and
1267 Interest Account and applied to the next installment of principal due on the Series 2006-B
1268 Bonds.

1269

1270 **Section 508. Application of Moneys in other Funds and Accounts.** Gross
1271 Revenues shall be deposited in the Revenue Fund. The City shall pay from the Revenue
1272 Fund the Expenses of the Combined Utility and keeping the same in good repair and
1273 working order. After paying and providing for the payment of the Expenses and any
1274 required deposits to the Series 2006-A and 2006-B Rebate Funds as provided in **Section 509**
1275 of this Resolution, the City further covenants and agrees that it will allocate, pay and credit
1276 the Net Revenues at the time in the Revenue Fund as follows in such amounts so at all times
1277 the City will have sufficient money to meet and pay the requirements of the Series 2006-A
1278 Principal and Interest Account, Series 2006-B Principal and Interest Account, Series 2006-
1279 A Bond Reserve Account and Series 2006-B Bond Reserve Account and any other
1280 obligations of the Combined Utility on a parity with the Bonds.

1281

1282 (a) There shall first be paid and credited to the Series 2006-A and 2006-B Principal
1283 and Interest Accounts, accrued interest, if any, received by the City upon
1284 delivery of the Bonds, respectively, and to the extent necessary to meet at the
1285 maturity thereof the interest on and the principal of the Series 2006-A and 2006-
B Bonds the following amounts:

- 1286 (1) Beginning on or before November 1, 2006, and continuing on the first day
1287 of each month thereafter an equal pro rata portion of the interest that will
1288 become due on the Bonds on February 1, 2007; and beginning on March 1,
1289 2007, and continuing on the first day of each month thereafter an equal pro
1290 rata portion of the interest that will become due on the Bonds on the next
1291 succeeding Interest Payment Date.
- 1292 (2) Beginning on November 1, 2006, and continuing on the first day of each
1293 month thereafter an equal pro rata portion of the principal of the Bonds that
1294 will become due on August 1, 2007, and continuing on the first day of each
1295 month thereafter an equal pro rata portion of the principal amount of the
1296 Bonds that will become due on the next succeeding principal payment or
1297 mandatory redemption date of the Bonds.
- 1298 All amounts paid and credited to both the Series 2006-A and 2006-B Principal and
1299 Interest Accounts shall be used and expended by the City for the sole purpose of
1300 paying the interest on and principal of the Bonds as and when the same become
1301 due and to pay related fees of the Paying Agent.
- 1302 (b) Monies held in the Series 2006-A Bond Reserve Account shall be used solely to
1303 prevent any default in the payment of the principal of or interest on the Series
1304 2006-A Bonds if at any time the monies in the Series 2006-A Principal and Interest
1305 Account are insufficient to pay the principal of and/or interest on the Series 2006-
1306 A Bonds. Unless all of the Series 2006-A Bonds outstanding at any given time are
1307 called for redemption and payment or are refunded as is provided in this
1308 Resolution, no part of the Series 2006-A Bond Reserve Account shall ever be used
1309 or expended by the City to call and redeem, in part, said Series 2006-A Bonds for
1310 payment prior to their ultimate maturity. So long as the monies and investments in
1311 the Series 2006-A Bond Reserve Account shall aggregate not less than the Bond
1312 Reserve Requirement no payments into said account shall be required, but if at any
1313 time the City shall be compelled to use and expend any part of said Series 2006-A
1314 Bond Reserve Account for any purpose and/or the amount in said account shall be
1315 less than the Series 2006-A Bond Reserve Requirement, then the City, after
1316 making all payments and credits at the time required to be made by it under the
1317 provisions of this Resolution, will make monthly payments or credits to the Series
1318 2006-A Bond Reserve Account in such amounts as are sufficient to replenish the
1319 account to its required balance within eighteen (18) months of the shortfall therein.
- 1320 (c) Monies held in the Series 2006-B Bond Reserve Account shall be used solely to
1321 prevent any default in the payment of the principal of or interest on the Series
1322 2006-B Bonds if at any time the monies in the Series 2006-B Principal and Interest
1323 Account are insufficient to pay the principal of and/or interest on the Series 2006-
1324 B Bonds. Unless all of the Series 2006-B Bonds outstanding at any given time are
1325 called for redemption and payment or are refunded as is provided in this
1326 Resolution, no part of the Series 2006-B Bond Reserve Account shall ever be used
1327 or expended by the City to call and redeem, in part, said Series 2006-B Bonds for
1328 payment prior to their ultimate maturity. So long as the monies and investments in
1329 the Series 2006-B Bond Reserve Account shall aggregate not less than the Bond
1330 Reserve Requirement no payments into said account shall be required, but if at any
1331 time the City shall be compelled to use and expend any part of said Series 2006-B

1332 Bond Reserve Account for any purpose and/or the amount in said account shall be
1333 less than the Series 2006-B Bond Reserve Requirement, then the City, after
1334 making all payments and credits at the time required to be made by it under the
1335 provisions of this Resolution, will make monthly payments or credits to the Series
1336 2006-B Bond Reserve Account in such amounts as are sufficient to replenish the
1337 account to its required balance within eighteen (18) months of the shortfall therein.
1338 (d) After making all payments and credits from the Revenue Fund at the time required
1339 to be made under provisions of paragraphs (a) through (c) of this Section, all
1340 remaining monies in the Revenue Fund which shall not be required for the
1341 operation and maintenance of the System for the ensuing forty-five (45) day period
1342 shall be deposited into the Renewal and Replacement Account and may be used by
1343 the City for any one or more of the following purposes as determined by both the
1344 Director of Public Works and the Director of Financial Services of the City:
1345 (1) to pay the cost of extraordinary repairs and maintenance of the System;
1346 (2) for capital improvements to the System; and
1347 (3) to pay Expenses of the Combined Utility if sufficient funds are not available
1348 in the Revenue Fund.
1349

1350 **Section 509. Application of Moneys in the Series 2006-A Rebate Fund and**
1351 **Series 2006-B Rebate Fund.**
1352

1353 (a) There shall be transferred to the Series 2006-A Rebate Fund and Series
1354 2006-B Rebate Fund from the Revenue Fund such amounts as are required to be deposited
1355 therein pursuant to the Arbitrage Instructions. All money at any time deposited in the Series
1356 2006-A and 2006-B Rebate Funds shall be held in trust, to the extent required to pay
1357 rebatable arbitrage to the United States of America, and neither the City nor the Owner of
1358 any Series 2006-A Bond or Series 2006-B Bond shall have any rights in or claim to such
1359 money. All amounts deposited into or on deposit in the Series 2006-A and 2006-B Rebate
1360 Funds shall be governed by this Section and the Arbitrage Instructions.
1361

1362 (b) The City shall periodically determine the rebatable arbitrage, if any, under
1363 Section 148(f) of the Code in accordance with the Arbitrage Instructions, and the City shall
1364 make payments to the United States of America at the times and in the amounts determined
1365 under the Arbitrage Instructions. Any moneys remaining in the Series 2006-A Rebate Fund
1366 after redemption and payment of all of the Series 2006-A Bonds and payment and
1367 satisfaction of any rebatable arbitrage, or provision made therefore, shall be deposited into
1368 the Series 2006-A Principal and Interest Account. Any moneys remaining in the Series
1369 2006-B Rebate Fund after redemption and payment of all of the Series 2006-B Bonds and
1370 payment and satisfaction of any rebatable arbitrage, or provision made therefore, shall be
1371 deposited into the Series 2006-B Principal and Interest Account.
1372

1373 (c) Notwithstanding any other provision of this Resolution, including in
1374 particular Article VII hereof, the obligation to pay rebatable arbitrage to the United States of
1375 America and to comply with all other requirements of this Section and the Arbitrage
1376 Instructions shall survive the defeasance or payment in full of the Bonds.
1377

1378 (d) The Arbitrage Instructions may be amended or replaced if, in the opinion of
1379 Bond Counsel, such amendment or replacement will not adversely affect the exclusion from
1380 gross income for federal income tax purposes of interest on the Bonds.
1381

1382 **Section 510. Deposits and Investment of Moneys.** Moneys in each of the Funds
1383 and Accounts shall be deposited in accordance with the requirements of K.S.A. 10-131, as
1384 amended. All such deposits shall be continuously and adequately secured by the financial
1385 institutions holding such deposits as provided by the laws of the State. All moneys held in
1386 the Funds and Accounts shall be kept separate and apart from all other funds of the City so
1387 that there shall be no commingling of such funds with any other funds of the City.
1388

1389 Moneys held in the funds and accounts herein created or established in conjunction
1390 with the issuance of the Bonds may be invested by the City in Permitted Investments or in
1391 other investments allowed by Kansas law in such amounts and maturing at such times as
1392 shall reasonably provide for moneys to be available when required in said accounts or funds;
1393 provided, however, that no such investment shall be made for a period extending longer than
1394 to the date when the moneys invested may be needed for the purpose for which such fund or
1395 account was created. All interest on any Permitted Investment held in any fund or account
1396 (except amounts required to be deposited in the Series 2006-A Rebate Fund and Series
1397 2006-B Rebate Fund in accordance with the Arbitrage Instructions) shall accrue to and
1398 become a part of the Revenue Fund. In determining the amount held in any fund or account
1399 under the provisions of the Resolution, Permitted Investments shall be valued at their par
1400 value or at their then redemption value, whichever is lower.
1401

1402 **Section 511. Nonpresentment of Bonds.** If any Bond is not presented for payment
1403 when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond
1404 have been made available to the Paying Agent, all liability of the City to the Owner thereof
1405 for the payment of such Bond shall forthwith cease, determine and be completely
1406 discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, with-
1407 out liability for interest thereon, for the benefit of the Owner of such Bond, who shall
1408 thereafter be restricted exclusively to such funds for any claim of whatever nature on his
1409 part under this Resolution or on, or with respect to, said Bond. If such funds shall have
1410 remained unclaimed for five (5) years after such principal or interest has become due and
1411 payable, such funds shall be paid to the City; and all liability of the Paying Agent to the
1412 Owner thereof for the payment of such Bond shall forthwith cease, terminate and be
1413 completely discharged. The obligations of the Paying Agent under this Section to pay any
1414 such funds to the City shall be subject to any provisions of law applicable to the Paying
1415 Agent or to such funds providing other requirements for disposition of unclaimed property.
1416

1417
1418 **ARTICLE VI**

1419
1420 **DEFAULT AND REMEDIES**

1421
1422 **Section 601. Remedies.** The provisions of the Resolution, including the covenants
1423 and agreements herein contained, shall constitute a contract between the City and the

1424 Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or
1425 Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall
1426 have the right for the equal benefit and protection of all Owners of Bonds similarly situated:
1427

1428 (a) by mandamus or other suit, action or proceedings at law or in equity to
1429 enforce the rights of such Owner or Owners against the City and its officers, agents and
1430 employees, and to require and compel duties and obligations required by the provisions of
1431 the Resolution or by the Constitution and laws of the State;

1432
1433 (b) by suit, action or other proceedings in equity or at law to require the City, its
1434 officers, agents and employees to account as if they were the trustees of an express trust;
1435 and
1436

1437 (c) by suit, action or other proceedings in equity or at law to enjoin any acts or
1438 things which may be unlawful or in violation of the rights of the Owners of the Bonds.
1439

1440 **Section 602. Limitation on Rights of Owners.** The covenants and agreements of
1441 the City contained herein and in the Bonds shall be for the equal benefit, protection, and
1442 security of the Owners of any or all of the Bonds, all of which Bonds shall be of equal rank
1443 and without preference or priority of one Bond over any other Bond in the application of the
1444 funds herein pledged to the payment of the principal of and the interest on the Bonds, or
1445 otherwise, except as to rate of interest, date of maturity and right of prior redemption as
1446 provided in this Resolution. No one or more Owners secured hereby shall have any right in
1447 any manner whatever by his or their action to affect, disturb or prejudice the security
1448 granted and provided for herein, or to enforce any right hereunder, except in the manner
1449 herein provided, and all proceedings at law or in equity shall be instituted, had and
1450 maintained for the equal benefit of all Outstanding Bond Owners.
1451

1452 **Section 603. Remedies Cumulative.** No remedy conferred herein upon the Owners
1453 is intended to be exclusive of any other remedy, but each such remedy shall be cumulative
1454 and in addition to every other remedy and may be exercised without exhausting and without
1455 regard to any other remedy conferred herein. No waiver of any default or breach of duty or
1456 contract by the Owner of any Bond shall extend to or affect any subsequent default or
1457 breach of duty or contract or shall impair any rights or remedies thereon. No delay or
1458 omission of any Owner to exercise any right or power accruing upon any default shall
1459 impair any such right or power or shall be construed to be a waiver of any such default or
1460 acquiescence therein. Every substantive right and every remedy conferred upon the Owners
1461 of the Bonds by this Resolution may be enforced and exercised from time to time and as
1462 often as may be deemed expedient. If action or proceedings taken by any Owner on account
1463 of any default or to enforce any right or exercise any remedy has been discontinued or
1464 abandoned for any reason, or shall have been determined adversely to such Owner, then,
1465 and in every such case, the City and the Owners of the Bonds shall be restored to their
1466 former positions and rights hereunder, respectively, and all rights, remedies, powers and
1467 duties of the Owners shall continue as if no such suit, action or other proceedings had been
1468 brought or taken.
1469

1470 ARTICLE VII

1471
1472 DEFEASANCE

1473
1474 **Section 701. Defeasance.** When any or all of the Bonds or scheduled interest
1475 payments thereon have been paid and discharged or provision for their payment and
1476 discharge has been made pursuant to Article III hereof, then the requirements contained in
1477 this Resolution and the pledge of security hereunder and all other rights granted hereby shall
1478 terminate with respect to the Bonds or scheduled interest payments thereon so paid and dis-
1479 charged. Bonds or scheduled interest payments thereon shall be deemed to have been paid
1480 and discharged within the meaning of this Resolution if there has been deposited with the
1481 Paying Agent, or other legally qualified commercial bank or trust company and having full
1482 trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the
1483 interest payments thereon, in trust for and irrevocably appropriated thereto, Defeasance
1484 Obligations which, together with the interest to be earned on any such Defeasance
1485 Obligations, will be sufficient for the payment of the principal of said Bonds and/or interest
1486 accrued to the Stated Maturity or Redemption Date, or if default in such payment has
1487 occurred on such date, then to the date of the tender of such payments; provided, however,
1488 that if any such Bonds are to be redeemed prior to their Stated Maturity, (1) the City has
1489 elected to redeem such Bonds, and (2) either notice of such redemption has been given, or
1490 the City has given irrevocable instructions, or shall have provided for an escrow agent to
1491 give irrevocable instructions, to the Bond Registrar to give such notice of redemption in
1492 compliance with **Section 303** of this Resolution. Any Defeasance Obligations that at any
1493 time shall be deposited with the Paying Agent or other commercial bank or trust company
1494 by or on behalf of the City, for the purpose of paying and discharging any of the Bonds,
1495 shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank
1496 or trust company in trust for the respective Owners of the Bonds, and such moneys shall be
1497 and are hereby irrevocably appropriated to the payment and discharge thereof. All
1498 Defeasance Obligations deposited with the Paying Agent or such bank or trust company
1499 shall be deemed to be deposited in accordance with and subject to all of the provisions of
1500 this Resolution.

1501
1502 ARTICLE VIII

1503
1504 TAX COVENANTS

1505
1506 **Section 801. General Covenants.**

1507
1508 (a) The City covenants and agrees that (1) it will comply with all applicable
1509 provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain
1510 the exclusion from gross income for federal income tax purposes of the interest on the
1511 Bonds, and (2) it will not use or permit the use of any proceeds of Bonds or any other funds
1512 of the City in a manner which would adversely affect the exclusion from gross income of
1513 the interest on the Bonds, and (3) will not take or permit any other action, or fail to take any
1514 action, if any such action or failure to take action would adversely effect the exclusion from
1515 gross income of the interest on the Bonds. The City will, in addition, adopt such other

1516 ordinances or resolutions and take such other actions as may be necessary to comply with
1517 the Code and with all other applicable future laws, regulations, published rulings and
1518 judicial decisions, in order to ensure that the interest on the Bonds will remain excluded
1519 from federal gross income, to the extent any such actions can be taken by the City.

1520

1521 (b) The City covenants and agrees that (1) it will use the proceeds of the Bonds
1522 as soon as practicable and with all reasonable dispatch for the purposes for which the Bonds
1523 are issued, and (2) it will not invest or directly or indirectly use or permit the use of any
1524 proceeds of the Bonds or any other funds of the City in any manner, and will not take or
1525 omit to take any action, that would cause the Bonds to be "arbitrage bonds" within the
1526 meaning of Section 148(a) of the Code.

1527

1528 (c) The City covenants and agrees that it will not use any portion of the
1529 proceeds of the Bonds, including any investment income earned on such proceeds, directly
1530 or indirectly, in a manner that would cause any Bond to be a "private activity bond" within
1531 the meaning of Section 141(a) of the Code.

1532

1533 **Section 802. Rebate Covenant.** The City covenants and agrees that it will pay or
1534 provide for the payment of, from time to time all amounts required to be rebated to the
1535 United States pursuant to Section 148(f) of the Code and the Arbitrage Instructions. This
1536 covenant shall survive payment in full or defeasance of the Bonds. The Arbitrage
1537 Instructions may be amended or replaced if, in the opinion of Bond Counsel such
1538 amendment or replacement will not adversely affect the exclusion from gross income for
1539 federal income tax purposes of interest on the Bonds.

1540

1541 **Section 803. Survival of Covenants.** The covenants contained in this Article shall
1542 remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to
1543 Article VII hereof or any other provision of this Resolution until the final maturity date of
1544 all Bonds Outstanding.

1545

1546 **Section 804. Qualified Tax-exempt Obligations.** The Bonds are not designated as
1547 "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code.

1548

1549

ARTICLE IX

1550

CONTINUING DISCLOSURE REQUIREMENTS

1551

1552
1553 **Section 901. Disclosure Requirements.** The City hereby covenants with the
1554 Original Purchaser and the Beneficial Owners (as defined in the Disclosure Certificate) to
1555 provide and disseminate such information as is required by Rule 15c2-12 (as defined in the
1556 Disclosure Certificate) and is further set forth in the Disclosure Certificate. Such covenant
1557 shall be for the benefit of and enforceable by the Original Purchaser and such Beneficial
1558 Owners.

1559

1560 **Section 902. Failure to Comply with Continuing Disclosure Requirements.** In
1561 the event the City fails to comply in a timely manner with its covenants contained in the

1562 preceding section, the Original Purchaser and/or any such Beneficial Owner may make
1563 demand for such compliance by written notice to the City. In the event the City does not
1564 remedy such noncompliance within 10 days of receipt of such written notice, the Original
1565 Purchaser or any such Beneficial Owner may in its discretion, without notice or demand,
1566 proceed to enforce compliance by a suit or suits in equity for the specific performance of
1567 such covenant or agreement contained in the preceding section or for the enforcement of any
1568 other appropriate legal or equitable remedy as the Original Purchaser and/or any such
1569 Beneficial Owner shall deem effectual to protect and enforce any of the duties of the City
1570 under such preceding section.

1571
1572 ARTICLE X

1573
1574 MISCELLANEOUS PROVISIONS

1575
1576 **Section 1001. Particular Covenants of the City.** That the City covenants with the
1577 Original Purchasers and Owners of the Bonds that, so long as the Bonds remain outstanding
1578 and unpaid:

1579
1580 (a) The City will faithfully perform at all times any and all covenants,
1581 agreements, undertakings and provisions contained in the Ordinance, this Resolution and the
1582 Bonds.

1583
1584 (b) The City will operate and maintain the System in an efficient manner and at
1585 reasonable cost and will keep the same in good repair and working order.

1586
1587 (c) The City will fix, establish, maintain and collect such rates, fees or charges
1588 for service furnished by and through the Combined Utility including all extensions,
1589 improvements and enlargements thereto thereafter constructed or acquired by the City,
1590 which rates, fees or charges shall be sufficient to pay the Expenses of the Combined Utility
1591 and to pay the principal of and interest on the Bonds and all other Combined Utility revenue
1592 bonds of the City hereafter issued and standing on a parity with the Bonds as and when the
1593 same become due, and to create and maintain reasonable reserves as hereinafter specified;
1594 provided, however, that such rates, fees and charges of the water, water pollution control
1595 and stormwater utilities shall not be set or otherwise established so that the rates, fees or
1596 charges of one such division subsidize the other. The City further covenants and agrees that
1597 it will at all times maintain and collect rates, fees or charges for the use of or services
1598 rendered by the Combined Utility which will be sufficient to enable the City to have in each
1599 fiscal year Net Revenues from the Combined Utility in an amount which will be not less
1600 than 125% of the amount required to be paid by the City in the next succeeding fiscal year
1601 on account of both principal of and interest on all Combined Utility revenue bonds of the
1602 City at that time outstanding. As soon as possible after the end of each fiscal year, the
1603 annual audit and report made for such year by the City's officers pursuant to provisions of
1604 this Resolution shall be presented to and considered by the City's Governing Body and if it
1605 shall appear that an increase in existing rates, fees or charges for the services of the
1606 Combined Utility is necessary in order to satisfy the obligations of the City under provisions
1607 of this Resolution, the Governing Body shall promptly make such increase and shall cause

1608 the same to be effective within ninety (90) days thereafter. If prior to the end of the then
1609 current fiscal year, any interim operating statements of the Combined Utility shall indicate
1610 that an increase in the existing rates, fees or charges is necessary to satisfy the obligations of
1611 the City under provisions of this Resolution, the Governing Body shall promptly make such
1612 increase and shall cause the same to be effective within ninety (90) days thereafter.

1613

1614 (d) None of the facilities or services afforded by the Combined Utility will be
1615 furnished to any user without a reasonable charge being made therefore.

1616

1617 (e) The City will not mortgage, pledge or otherwise encumber the System or
1618 any part thereof, or any extension, improvement or betterment thereof nor will it sell, lease
1619 or otherwise dispose of the System or any material part thereof. The City may, however,
1620 dispose of any property which has become obsolete and non-productive or otherwise
1621 unusable to the advantage of the City. Any cash proceeds derived from the City's sale of
1622 such property shall be used by the City to improve, extend or enlarge the System.

1623

1624 (f) The City will carry and maintain a reasonable amount of all risk insurance
1625 upon the properties forming part of the System insofar as they are of an insurable nature, the
1626 amount of such insurance being the amount as would normally be carried by a municipal
1627 corporation engaged in a similar type of utility enterprise. In the event of loss or damage,
1628 the City, with all reasonable dispatch, will use the proceeds of such insurance to reconstruct
1629 and replace the property damaged or destroyed or, if such reconstruction or replacement be
1630 unnecessary, then either to improve, extend or enlarge the System or to redeem or purchase
1631 in the open market the outstanding Bonds. The City in operating the Combined Utility will
1632 carry and maintain public liability and worker's compensation insurance in such amounts as
1633 would normally be maintained by a municipal corporation engaged in a similar type of
1634 utility enterprise and the proceeds derived from any of such policies shall be used in paying
1635 the claims on the account of which such proceeds were received; provided, however, the
1636 City may, in accordance with applicable law, self insure such obligations. The cost of all
1637 insurance referred to in this paragraph shall be paid as an operating cost out of the revenues
1638 of the Combined Utility.

1639

1640 (g) The City will install and maintain proper books, records and accounts
1641 separate from all other records and accounts of the City in which complete and correct
1642 entries will be made of all dealings and transactions of or in relation to the properties,
1643 business and affairs of the Combined Utility. Such accounts shall show the amount of
1644 revenue received from the Combined Utility, the application of such revenue and all
1645 financial transactions in connection therewith. Said books shall be kept by the City
1646 according to the standard accounting practices as applicable to the operation of the water,
1647 water pollution control and stormwater utility systems by municipalities.

1648

1649 (h) Annually at the end of each fiscal year the City will cause an audit to be
1650 made by a competent firm of independent auditors of the Combined Utility and shall cause a
1651 copy of such audit to be mailed to the Original Purchaser of the Bonds. Said audit shall
1652 include:

1653

- 1654 (1) a classified statement of the gross revenues received, of
1655 expenditures for operation and maintenance, of expenditures for all other purposes,
1656 and the amount of any capital expenditures made from such revenues made during
1657 the fiscal year;
- 1658
- 1659 (2) a balance sheet as of the end of each fiscal year, with an amount on
1660 hand at the end of such year in each of the accounts created or referred to in this
1661 Resolution;
- 1662
- 1663 (3) a statement showing gain or loss for such fiscal year;
- 1664
- 1665 (4) a statement of the Bonds redeemed, purchased or paid during the
1666 preceding fiscal year, and a statement of all interest paid during such year on the
1667 Bonds;
- 1668
- 1669 (5) a statement of the number of customers served by the Combined
1670 Utility at the beginning and also at the end of such fiscal year;
- 1671
- 1672 (6) a statement showing the amount and character of insurance carried
1673 by the City on the property constituting the System and showing the names of the
1674 insurers, expiration dates of the policies and the premium thereon;
- 1675
- 1676 (7) the opinion of the auditors as to whether or not the City is meeting
1677 the requirements of paragraph (c) of this Section by maintaining and collecting
1678 adequate rates, fees and charges for Combined Utility services furnished by the City;
1679 and
- 1680
- 1681 (8) such remarks and recommendations regarding the City's method of
1682 operation of the Combined Utility and its accounting practice as such auditors may
1683 deem appropriate. Such audit shall be completed as soon as practicable after the end
1684 of each fiscal year and a copy thereof filed with the office of the City Clerk where it
1685 shall be open to public inspection.
- 1686
- 1687 (i) The City shall semiannually conduct an internal rate review for the purpose
1688 of determining the sufficiency of the water, water pollution control and stormwater utility
1689 rates and charges of the City in view of the covenants herein and heretofore made.
- 1690
- 1691 (j) As long as the Bonds are Outstanding, any payments in lieu of taxes made
1692 to the City from the Net Revenues of the Combined Utility shall not exceed an amount
1693 based on the method currently in effect in the City, such method being based on the net
1694 value of the equity of the City in the System located within the corporate limits of the City.
1695 Further, such payment in lieu of taxes will not be made if the City is in default in paying the
1696 principal of or interest on the Bonds or any additional bonds issued in accordance with
1697 **Section 1002** hereof, or if such payment would cause the City to default in the payment of
1698 principal or interest on the Bonds or any such additional bonds.
- 1699

1700 **Section 1002. Additional Bonds.** That the City hereby covenants and agrees that
1701 so long as any of the Bonds remain outstanding and unpaid, it will not issue any additional
1702 Combined Utility revenue bonds or any other obligations payable from the Net Revenues of
1703 the Combined Utility which are superior in lien, security or otherwise to the Bonds other
1704 than Permitted Loans. The City hereby covenants and agrees except as hereinafter provided,
1705 that so long as the Bonds remain outstanding and unpaid it will not issue any additional
1706 bonds or other obligations payable out of the revenues of the Combined Utility which stand
1707 on a parity or equality with the Bonds unless each of the following conditions are met:
1708

1709 (a) The City shall not be in default in making any of the payments at the time
1710 required to be made by it into the respective funds or accounts created or referred to in this
1711 Resolution, or in the performance of any covenant contained herein.
1712

1713 (b) The annual Net Revenues derived by the City from the operation of the
1714 Combined Utility for the fiscal year next preceding the issuance of additional bonds, shall
1715 equal or exceed 125% of the maximum amount required to be paid out of the Net Revenues
1716 in any succeeding fiscal year on account of both principal and interest becoming due with
1717 respect to the Bonds, and any additional revenue bonds previously issued on a parity with
1718 the Bonds.
1719

1720 (c) In addition, projected annual Net Revenues expected to be derived by the
1721 City from the operation of the Combined Utility, for the fiscal year following the issuance of
1722 any additional bonds, shall equal or exceed 125% of the maximum amount required to be
1723 paid out of the Net Revenues in any succeeding fiscal year on account of both principal and
1724 interest becoming due with respect to the Bonds, including any revenue bonds previously
1725 issued on a parity with the Bonds together with additional bonds proposed to be issued,
1726 based on a detailed investigation and report of an engineering firm or an independent public
1727 accountant as to the amount of annual Net Revenues expected in such fiscal year, and said
1728 amount as defined and certified by said engineer or accountant shall govern in determining
1729 the right of the City to issue additional parity bonds under this **Section 1002**. No
1730 investigation or report of an engineer or accountant shall be required pursuant to this Section
1731 1002 (i) in the event any issuance of additional bonds shall not increase the maximum
1732 amount required to be paid out of the Net Revenues in any succeeding fiscal year on account
1733 of both principal and interest becoming due with respect to the Bonds, including any
1734 additional revenue bonds previously issued on a parity with the Bonds together with
1735 additional bonds proposed to be issued or (ii) in the event that the annual Net Revenues
1736 derived by the City from the operation of the Combined Utility, for the fiscal year next
1737 preceding the issuance of any additional bonds, shall have been equal to 125% of the
1738 maximum amount required to be paid out of the Net Revenues in any succeeding fiscal year
1739 on account of both principal and interest becoming due with respect to the Bonds, including
1740 any additional revenue bonds previously issued on a parity with the Bonds together with the
1741 additional revenue bonds proposed to be issued.
1742

1743 Additional Combined Utility revenue bonds of the City issued under the conditions
1744 hereinbefore in this Section set forth shall stand on a parity with the Bonds and shall enjoy
1745 complete equality of lien on and claim against the revenues of the Combined Utility with

1746 said Bonds, and the City shall make equal provision for paying said additional Combined
1747 Utility revenue bonds and the interest thereon out of the Revenue Fund and provide for the
1748 creation of a principal and interest account for the payment of such additional Combined
1749 Utility revenue bonds and a bond reserve account to be funded as herein required. Any
1750 increases in the Bond Reserve Requirement as a result of the issuance of such additional
1751 Combined Utility revenue bonds shall be fully funded concurrently with the issuance of
1752 such additional Combined Utility revenue bonds from the proceeds of such bonds or from
1753 other funds available for such purpose. In addition, if the City receives an opinion of Bond
1754 Counsel to the effect that the Bond Reserve Requirement for any additional Combined
1755 Utility revenue bonds must be reduced in order that the amounts on deposit in such bond
1756 reserve fund may continue to be invested without yield restriction under the Code the
1757 amount held in such bond reserve fund shall be reduced in conformity with said opinion.
1758

1759 Nothing contained in this Section shall prohibit or restrict the right of the City to
1760 issue additional Combined Utility revenue bonds or other revenue obligations for the
1761 purpose of reconstructing, altering, repairing, improving or extending and enlarging the
1762 System and to provide that the principal of and interest on said revenue bonds or obligations
1763 shall be payable out of the Net revenues of the Combined Utility, provided that at the time
1764 of the issuance of such additional revenue bonds or obligations the City shall not be in
1765 default of performance of any covenant or agreement contained in this Resolution and
1766 provided further that such additional revenue bonds or obligations shall be junior and
1767 subordinate to the Bonds, so that if any time the City shall be in default in paying either
1768 interest on or principal of the Bonds or if the City shall be in default in making any
1769 payments required to be made by it under the provisions of this Resolution, the City shall
1770 make no payments of either principal of or interest on said junior or subordinate revenue
1771 bonds or obligations until said default or defaults be cured and no default shall exist on the
1772 part of the City under the covenants, agreements and conditions contained in this
1773 Resolution. In addition, any default on any junior and subordinate bonds shall not be
1774 deemed a default on the Bonds.
1775

1776 **Section 1003. Additional Permitted Loans.** The City hereby covenants and
1777 agrees that so long as, except as hereinafter provided, any of the Bonds remain outstanding
1778 and unpaid, it will not issue any additional Permitted Loans payable out of the revenues of
1779 the Combined Utility that are superior in lien and security to the Bonds unless each of the
1780 following conditions are met:
1781

1782 (a) The City shall not be in default in making any of the payments at the time
1783 required to be made in connection with any outstanding Permitted Loans or into the
1784 respective funds or accounts created or referred to in this Resolution, or in the performance
1785 of any covenant contained herein.
1786

1787 (b) The annual Net Revenues derived by the City from the operation of the
1788 Combined Utility, for the fiscal year next preceding the issuance of additional Permitted
1789 Loans, shall have been equal to 125% of the maximum amount required to be paid out of the
1790 Net Revenues in any succeeding fiscal year on account of both principal of and interest

1791 becoming due with respect to the Bonds, including any additional revenue bonds previously
1792 issued on a parity with the Bonds.

1793

1794 (c) In addition, projected annual Net Revenues (adjusted as provided in the last
1795 sentence of this **Subsection 1003(c)**) expected to be derived by the City from the operation
1796 of the Combined Utility, for the fiscal year following the issuance of any additional
1797 Permitted Loans, shall equal or exceed 125% of the maximum amount required to be paid
1798 out of the Net Revenues in any succeeding fiscal year on account of both principal and
1799 interest becoming due with respect to the Bonds, including any additional revenue bonds
1800 previously issued on a parity with the Bonds, based on a detailed investigation and report of
1801 an engineering firm or an independent public accountant as to the amount of annual Net
1802 Revenues expected in such fiscal year, and said amount as defined and certified by said
1803 engineer or accountant shall govern in determining right of the City to issue additional
1804 Permitted Loans payable out of the revenues of the Combined Utility that are superior in
1805 lien and security to the Bonds under this **Section 1003**. No investigation or report of an
1806 engineer or accountant shall be required pursuant to this **Section 1003** in the event that the
1807 annual Net Revenues (adjusted as provided in the last sentence of this **Subsection 1003(c)**)
1808 derived by the City from the operation of the Combined Utility, for the fiscal year next
1809 preceding the issuance of any additional Permitted Loan, would have been equal to 125% of
1810 the maximum amount required to be paid out of the Net Revenues in any succeeding fiscal
1811 year on account of both principal and interest becoming due with respect to the Bonds,
1812 including any additional revenue bonds previously issued on a parity with the Bonds. For
1813 purposes of determining Net Revenues as required for this **Subsection 1003(c)**, the
1814 maximum amount payable in any succeeding fiscal year on the additional Permitted Loan
1815 shall be treated as an Expense in the fiscal year for which the Net Revenues are being
1816 computed.

1817

1818 **Section 1004. Designation of Escrow Trustee.** That the City hereby designates
1819 Security Bank of Kansas City, Kansas City, Kansas, a state bank, having full trust powers
1820 and being a member of the Federal Deposit Insurance Corporation as the escrow trustee (the
1821 "Escrow Trustee").

1822

1823 **Section 1005. Authorization of Escrow Trust Agreement.** That the Mayor and
1824 the City Clerk are hereby authorized and directed to execute the Escrow Trust Agreement by
1825 and between the City and the Escrow Trustee dated as of October 18, 2006 (the "Escrow
1826 Trust Agreement"). The form of the Escrow Trust Agreement is hereby approved and said
1827 document is hereby incorporated in this Resolution as though fully set forth herein. The
1828 Mayor is hereby authorized to execute the Escrow Trust Agreement with any changes,
1829 insertions and omissions as in the opinion of the Mayor upon the advice of counsel are
1830 necessary and desirable, and the City Clerk is hereby authorized and directed to attest the
1831 Mayor's signature and affix the City's seal, such execution and attestation being conclusive
1832 as to the approval, correctness and completeness of said Escrow Trust Agreement.

1833

1834 **Section 1006. Authorization of Bond Sale.** That the sale of the Bonds to Prager,
1835 Sealy & Co., LLC, New York, New York, in accordance with their bid pursuant to the
1836 notice of bond sale dated September 19, 2006, is hereby ratified and confirmed.

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Section 1007. Redemption of Refunded Bonds. That pursuant to the Series 1998B Bond Ordinance, the City hereby calls the Series 1998B Refunded Bonds maturing on and after August 1, 2012, for redemption and payment on October 19, 2006, the Series 1998B Redemption Date. Pursuant to the Series 2001-A Bond Ordinance, the City hereby calls the Series 2001-A Refunded Bonds maturing on and after August 1, 2009, for redemption and payment on August 1, 2008, the Series 2001-A Redemption Date. The Refunded Bonds are being called at the redemption price of one hundred one percent (101%) of the par value thereof plus accrued interest thereon to the redemption date. Subject to the specific requirements of the Series 1998B Bond Ordinance and Series 2001-A Bond Ordinance which authorized the issuance of the Refunded Bonds, notice of redemption shall be given in accordance with applicable law by the City giving written notice of its intention to redeem such bonds by mailing by certified mail a copy of the City's order of redemption (the "Redemption Notice") to the State Treasurer of the State of Kansas, 900 SW Jackson, Suite 201, Topeka, Kansas 66612, who upon receipt of the Redemption Notice shall give notice of such call by mailing a copy of the Redemption Notice by first class mail, postage prepaid, to the registered owner of each bond to be redeemed at the address shown on the registration books maintained by the Bond Registrar.

Section 1008. Annual Audit. Annually, promptly after the end of the Fiscal Year, the City will cause an audit to be made of its Funds and Accounts for the preceding Fiscal Year by a certified public accountant or firm of certified public accountants as provided in **Section 1001(h)** of this Resolution.

Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the Clerk. Such audit shall at all times during the usual business hours of the City be open to the examination and inspection by any taxpayer, any Owner of the Bonds or by anyone acting for or on behalf of such taxpayer or Owner. Upon payment of the reasonable cost of preparing and mailing the same, a copy of any annual audit will, upon request, be sent to any Owner or prospective Owner.

As soon as possible after the completion of the annual audit, the governing body of the City shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Resolution, the City shall promptly cure such deficiency.

Section 1009. Amendments. The rights and duties of the City and the Owners, and the terms and provisions of the Bonds or of this Resolution, may be amended or modified at any time in any respect by resolution of the City with the written consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall:

(a) extend the maturity of any payment of principal or interest due upon any Bond;

1883
1884 (b) effect a reduction in the amount which the City is required to pay as
1885 principal of or interest on any Bond;

1886
1887 (c) permit preference or priority of any Bond over any other Bond; or

1888
1889 (d) reduce the percentage in principal amount of Bonds required for the written
1890 consent to any modification or alteration of the provisions of this Resolution.

1891
1892 Any provision of the Bonds or of this Resolution may, however, be amended or
1893 modified by resolution duly adopted by the governing body of the City at any time in any
1894 legal respect with the written consent of the Owners of all of the Bonds at the time
1895 Outstanding.

1896
1897 Without notice to or the consent of any Owners, the City may amend or supplement
1898 this Resolution for the purpose of curing any formal defect, omission, inconsistency or
1899 ambiguity therein or in connection with any other change therein which is not materially
1900 adverse to the interests of the Owners.

1901
1902 Every amendment or modification of the provisions of the Bonds or of this
1903 Resolution, to which the written consent of the Owners is given, as above provided, shall be
1904 expressed in a resolution adopted by the governing body of the City amending or
1905 supplementing the provisions of this Resolution and shall be deemed to be a part of this
1906 Resolution. A certified copy of every such amendatory or supplemental resolution, if any,
1907 and a certified copy of this Resolution shall always be kept on file in the office of the Clerk,
1908 and shall be made available for inspection by the Owner of any Bond or a prospective
1909 purchaser or owner of any Bond authorized by this Resolution, and upon payment of the
1910 reasonable cost of preparing the same, a certified copy of any such amendatory or
1911 supplemental resolution or of this Resolution will be sent by the Clerk to any such Owner or
1912 prospective Owner.

1913
1914 Any and all modifications made in the manner hereinabove provided shall not
1915 become effective until there has been filed with the Clerk a copy of the resolution of the
1916 City hereinabove provided for, duly certified, as well as proof of any required consent to
1917 such modification by Owners of the Bonds then Outstanding. It shall not be necessary to
1918 note on any of the Outstanding Bonds any reference to such amendment or modification.

1919
1920 The City shall furnish to the Bond Registrar and Paying Agent a copy of any
1921 amendment to the Bonds or this Resolution which affects the duties or obligations of the
1922 Bond Registrar and Paying Agent under this Resolution.

1923
1924 **Section 1010. Notices, Consents and Other Instruments by Owners.** Any notice,
1925 consent, request, direction, approval or other instrument to be signed and executed by the
1926 Owners may be in any number of concurrent writings of similar tenor and may be signed or
1927 executed by such Owners in person or by agent appointed in writing. Proof of the execution
1928 of any such instrument or of the writing appointing any such agent and of the ownership of

1929 Bonds, if made in the following manner, shall be sufficient for any of the purposes of this
1930 Resolution, and shall be conclusive in favor of the City, the Bond Registrar and the Paying
1931 Agent with regard to any action taken, suffered or omitted under any such instrument,
1932 namely:

1933
1934 (a) The fact and date of the execution by any person of any such instrument
1935 may be proved by a certificate of any officer in any jurisdiction who by law has power to
1936 make acknowledgements within such jurisdiction that the person signing such instrument
1937 acknowledged before such officer the execution thereof, or by affidavit of any witness to
1938 such execution.

1939
1940 (b) The fact of ownership of Bonds, the amount or amounts, numbers and other
1941 identification of Bonds, and the date of holding the same shall be proved by the Bond Regis-
1942 ter.

1943
1944 In determining whether the Owners of the requisite principal amount of Bonds
1945 Outstanding have given any request, demand, authorization, direction, notice, consent or
1946 waiver under this Resolution, Bonds owned by the City shall be disregarded and deemed not
1947 to be Outstanding under this Resolution, except that, in determining whether the Owners
1948 shall be protected in relying upon any such request, demand, authorization, direction, notice,
1949 consent or waiver, only Bonds which the Owners know to be so owned shall be so
1950 disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in
1951 good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction
1952 of the Owners the pledgee's rights so to act with respect to such Bonds and that the pledgee
1953 is not the City.

1954
1955 **Section 1011. Further Authority.** The officers and officials of the City, including
1956 the Mayor and Clerk, are hereby authorized and directed to execute all documents and take
1957 such actions as they may deem necessary or advisable in order to carry out and perform the
1958 purposes of this Resolution and to make ministerial alterations, changes or additions in the
1959 foregoing agreements, statements, instruments and other documents herein approved,
1960 authorized and confirmed which they may approve, and the execution or taking of such
1961 action shall be conclusive evidence of such necessity or advisability.

1962
1963 **Section 1012. Severability.** If any section or other part of this Resolution is for any
1964 reason held invalid, the invalidity thereof shall not affect the validity of the other provisions
1965 of this Resolution.

1966
1967 **Section 1013. Governing Law.** This Resolution shall be governed exclusively by
1968 and construed in accordance with the applicable laws of the State.

1969
1970 **Section 1014. Effective Date.** This Resolution shall take effect and be in full force
1971 from and after its passage by the Council of the City.

1972
1973 (REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK)

1974

1975 PASSED and approved by the City of Topeka, Kansas, on September 26, 2006.

1976

1977

CITY OF TOPEKA, KANSAS

1978

1979 (SEAL)

1980

1981

William W. Bunten, Mayor

1982

1983 ATTEST:

1984

1985

1986

Iris E. Walker, City Clerk

1988

1989

CERTIFICATE

1991

1992 I, the undersigned, hereby certify that the above and foregoing is a true and correct
1993 copy of the Resolution of the governing body of the City of Topeka, Kansas, adopted by the
1994 governing body at a regularly scheduled meeting held on September 26, 2006, as the same
1995 appears of record in my office, and that the Resolution has not been modified, amended or
1996 repealed and is in full force and effect as of this date.

1997

DATED: September 26, 2006.

1998

1999

2000 (SEAL)

2001

Iris E. Walker, City Clerk

2002

2003 EXHIBIT A
2004 (FORM OF BOND)
2005

2006 Unless this certificate is presented by an authorized representative of The Depository Trust
2007 Company to the issuer or its agent for registration of transfer, exchange or payment, and any
2008 certificate issued is registered in the name of Cede & Co. or such other name as requested
2009 by an authorized representative of The Depository Trust Company and any payment is made
2010 to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR
2011 OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner
2012 hereof, Cede & Co., has an interest herein.
2013

2014 UNITED STATES OF AMERICA
2015 STATE OF KANSAS
2016 COUNTY OF SHAWNEE
2017 CITY OF TOPEKA
2018 COMBINED UTILITY REFUNDING REVENUE BOND
2019 SERIES 2006-[A][B]
2020

2021 No. R- _____ \$ _____
2022

2023 Rate of Maturity Dated CUSIP _____
2024 Interest: Date: Date: October 18, 2006
2025

2026 Registered Owner:
2027

2028 Principal Amount:
2029

2030 The City of Topeka, in the County of Shawnee, State of Kansas, (the "City") for
2031 value received acknowledges itself to be indebted to and promises to pay, but solely from
2032 the sources hereinafter pledged, to the registered owner identified above, or registered
2033 assigns as hereinafter provided, on the maturity date identified above, the principal amount
2034 identified above, and in like manner to pay, as of the Record Dates as hereinafter provided,
2035 interest on such principal amount from the date of this Bond or from the most recent interest
2036 payment date to which interest has been paid prior to the registration date set forth below at
2037 the rate of interest per annum set forth above semiannually on February 1 and August 1 of
2038 each year (the "Interest Payment Dates") commencing February 1, 2007, until said principal
2039 amount is paid.
2040

2041 The principal of and premium, if any, on this Bond shall be payable in lawful money
2042 of the United States of America at the office of the Treasurer of the State of Kansas, Topeka,
2043 Kansas, (the "Paying Agent" and "Bond Registrar") upon presentation of this Bond for
2044 payment and cancellation. The interest on this Bond shall be payable in lawful money of
2045 the United States of America by check or draft of the Paying Agent by mailing to the
2046 registered owner thereof at the address appearing on the registration books of the City
2047 maintained by the Bond Registrar or at such other address as is furnished in writing by such
2048 registered owner to the Bond Registrar at the close of business on the 15th day of January or

2049 July next preceding the applicable interest payment date (the "Record Dates"), or in the case
2050 of an interest payment to any Owner of **\$500,000** or more in aggregate principal amount of
2051 Bonds, by electronic transfer to such Owner upon written notice given to the Paying Agent
2052 by such Owner not less than **15** days prior to the Record Date for such interest, containing
2053 the electronic transfer instructions including the bank (which shall be in the continental
2054 United States), ABA routing number and account number to which such Owner wishes to
2055 have such transfer directed.

2056

2057 THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE
2058 REVERSE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT
2059 AS THOUGH FULLY SET FORTH AT THIS PLACE.

2060

2061 It is hereby certified and declared that all acts, conditions and things required to be
2062 done and to exist precedent to and in the issuance of this Bond have been properly done and
2063 performed and do exist in due and regular form and manner as required by the Constitution
2064 and Laws of the State of Kansas, and that the total indebtedness of said City, including this
2065 series of bonds, does not exceed any constitutional or statutory limitation.

2066

2067 This Bond shall not be valid or become obligatory for any purpose until the
2068 Certificate of Authentication and Registration hereon shall have been lawfully executed by
2069 the Bond Registrar.

2070

2071 IN WITNESS WHEREOF, the said City of Topeka, in the State of Kansas, by its
2072 governing body, has caused this Bond to be executed by its Mayor and attested by its City
2073 Clerk by their manual signatures with its corporate seal to be affixed hereon, all as of the
2074 18th day of October, 2006.

2075

CITY OF TOPEKA, KANSAS

2076

(manual)

Mayor

2078

2079

2080

ATTEST: (manual)

City Clerk

2081

2082

(SEAL)

2083

2084

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

2085

2086 This Bond is one of the City of Topeka, Kansas, Combined Utility Refunding

2087

Revenue Bonds, Series 2006-[A][B] described in the within mentioned Resolution.

2088

2089

Registration Date: _____

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OFFICE OF THE STATE TREASURER
Topeka, Kansas,
as Bond Registrar and Paying Agent

By _____

I.D.#: _____

FURTHER TERMS AND PROVISIONS

This Bond is one of a duly authorized series of Bonds of the City aggregating the principal amount of [\$32,375,000][\$22,600,000] (the "Bonds") issued for the purposes set forth in Ordinance No. 18717 of the City (the "Ordinance"). This Bond and the series of Bonds of which it is a part are issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and Laws of the State of Kansas, including K.S.A. 10-101 to 125, inclusive, as amended by K.S.A. 10-620 to 10-632, inclusive, K.S.A. 10-116a and Article 12 of Chapter 10 of the Kansas Statutes Annotated, and all amendments thereof, acts supplemental thereto, the Ordinance, Resolution No. 7866 of the City (the "Resolution") and all other provisions of the laws of the State of Kansas applicable thereto.

The Bonds are issued in fully registered form in the denomination of \$5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity or other authorized denominations upon the terms set forth in the authorizing Ordinance and the Resolution.

At the option of the City, the Bonds maturing on or after August 1, 2015, may be called for redemption and payment prior to maturity on August 1, 2014, and thereafter in whole or in part on any date (Bonds of less than a single maturity to be selected by lot in multiples of \$5,000 principal amount by the Paying Agent and Bond Registrar in such equitable manner as they shall designate), at the redemption price equal to the principal amount thereof with a premium of one percent of the principal amount redeemed, such premium to decline one-quarter of one percent (1/4 of 1%) each Interest Payment Date thereafter, plus accrued interest thereon to the date fixed for redemption and payment.

Bonds will be redeemed in integral multiples of \$5,000. If less than all Bonds are called for redemption, the Bond Registrar will, in the case of Bonds in denominations greater than \$5,000, treat each \$5,000 of face value as though it were a separate Bond.

In the event of any such redemption, the Paying Agent shall give notice of such call by mailing a copy of the redemption notice by first class mail, postage prepaid, not less than thirty (30) days prior to the date of such redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Failure to give such notice by mailing to the registered owner of any Bond, or any defect therein, shall not affect the validity of any proceedings for the redemption of

2138 other Bonds. Any notice mailed as provided herein shall be conclusively presumed to have
2139 been duly given, whether or not the owner of such Bonds received the notice.

2140
2141 The principal and interest of this Bond is hereby made a lien upon the revenues
2142 derived from the combined Water, Water Pollution Control and Stormwater Utilities of the
2143 City and said principal and interest are to be paid solely and only from a special fund into
2144 which there shall be paid, from the revenues derived from the rates, fees or charges collected
2145 by said City from the operation of said combined Water, Water Pollution Control and
2146 Stormwater Utilities sums sufficient to make said payments when due, after deducting only
2147 reasonable operation and maintenance expenses. Said City shall not be obligated to pay said
2148 Bond with the interest thereon except from said special fund and neither this Bond nor this
2149 issue of which it forms a part is guaranteed or secured by any property of the City other than
2150 the revenues from said combined Water, Water Pollution Control and Stormwater Utilities,
2151 nor does this Bond constitute any indebtedness of said City which is payable in any manner
2152 from taxation and limit in any way the power of the City of issue bonds for any other
2153 purpose.

2154
2155 The City and the Bond Registrar may deem and treat the person in whose name this
2156 Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or
2157 on account of, the principal hereof, or redemption price hereof and interest due hereon and
2158 for all other purposes.

2159
2160 The Bonds are being issued by means of a book-entry system with no physical
2161 distribution of bond certificates to be made except as provided in the Resolution. One Bond
2162 certificate with respect to each date on which the Bonds are stated to mature or with respect
2163 to each form of Bonds, registered in the nominee name of the Securities Depository, is being
2164 issued and required to be deposited with the Securities Depository and immobilized in its
2165 custody. The book-entry system will evidence positions held in the Bonds by the Securities
2166 Depository's participants, beneficial ownership of the Bonds in authorized denominations
2167 being evidenced in the records of such participants. Transfers of ownership shall be effected
2168 on the records of the Securities Depository and its participants pursuant to rules and
2169 procedures established by the Securities Depository and its participants. The City and the
2170 Paying Agent will recognize the Securities Depository nominee, while the registered owner
2171 of the Bond, as the Owner of this Bond for all purposes, including (i) payments of principal
2172 of, and redemption premium, if any, and interest on, this Bond, (ii) notices and (iii) voting.
2173 Transfer of principal, interest and any redemption premium payments to participants of the
2174 Securities Depository, and transfer of principal, interest and any redemption premium
2175 payments to beneficial owners of the Bonds by participants of the Securities Depository will
2176 be the responsibility of such participants and other nominees of such beneficial owners. The
2177 City and the Paying Agent will not be responsible or liable for such transfers of payments or
2178 for maintaining, supervising or reviewing the records maintained by the Securities
2179 Depository, the Securities Depository nominee, its participants or persons acting through
2180 such participants. While the Securities Depository nominee is the owner of this Bond,
2181 notwithstanding the provision hereinabove contained, payments of principal of, redemption
2182 premium, if any, and interest on this Bond shall be made in accordance with existing
2183 arrangements among the City, the Paying Agent and the Securities Depository.

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EXCEPT AS OTHERWISE PROVIDED IN THE ORDINANCE, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. The City shall pay out of the proceeds of the Bonds or from other funds all costs incurred in connection with the issuance, transfer, exchange, registration, redemption or payment of the Bonds except (a) the reasonable fees and expenses in connection with the replacement of a Bond or Bonds mutilated, stolen, lost or destroyed or (b) any tax or other governmental charge imposed in relation to the transfer, exchange, registration, redemption or payment of the Bonds. Upon such transfer a replacement Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefore.

BOND ASSIGNMENT

FOR VALUE RECEIVED, the undersigned does (do) hereby sell, assign and transfer to

(Name and Address)

(Social Security or Taxpayer Identifying No.)

the Bond to which this assignment is affixed in the outstanding principal amount of \$_____ standing in the name of the undersigned on the books of the Treasurer of the State of Kansas (the "Bond Registrar"). The undersigned does (do) hereby irrevocably constitute and appoint _____ as attorney to transfer said Bond on the books of said Bond Registrar with full power of substitution in the premises.

Dated _____
Name _____
Social Security or Taxpayer Identifying No. _____

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Signature (Sign Here Exactly as
Name(s) Appear on Face of
Certificate)

Signature guaranty:
By _____

CERTIFICATE OF CITY CLERK

I, the undersigned, City Clerk of the City of Topeka, Kansas, do hereby certify that
this Bond has been duly registered in my office according to law as of October 18, 2006.

WITNESS my hand and official seal.

(manual signature)

(SEAL)

City Clerk

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

I, LYNN JENKINS, Treasurer of the State of Kansas, do hereby certify that a full
and complete transcript of the proceedings leading up to the issuance of this Bond has been
filed in my office and that this Bond was registered in my office according to law this
_____.

WITNESS my hand and official seal.

LYNN JENKINS
TREASURER OF THE STATE OF KANSAS

(SEAL)

By _____
State Treasurer

2267 STATEMENT OF INSURANCE

2268
2269 MBIA Insurance Corporation (the "Insurer") has issued a policy containing the following
2270 provisions, such policy being on file at the Treasurer of the State of Kansas, Topeka, Kansas.
2271

2272 The Insurer, in consideration of the payment of the premium and subject to the terms of this policy,
2273 hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following
2274 described obligations, the full and complete payment required to be made by or on behalf of the Issuer to the
2275 Treasurer of the State of Kansas or its successor (the "Paying Agent") of an amount equal to (i) the principal of
2276 (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund
2277 payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due
2278 but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason
2279 of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any
2280 advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall
2281 be made in such amounts and at such times as such payments of principal would have been due had there not
2282 been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered
2283 from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes
2284 an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts
2285 referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the
2286 "Insured Amounts." "Obligations" shall mean:
2287

2288 [\$32,375,000][\$22,600,000]
2289 CITY OF TOPEKA, KANSAS
2290 COMBINED UTILITY REFUNDING REVENUE BONDS
2291 SERIES 2006-[A][B]
2292

2293 Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by
2294 registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from
2295 the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that
2296 such required payment has not been made, the Insurer on the due date of such payment or within one business
2297 day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account
2298 with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the
2299 payment of any such Insured Amounts which are then due. Upon presentment and surrender of such
2300 Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate
2301 instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are
2302 paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such
2303 owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations,
2304 such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust
2305 National Association shall disburse to such owners or the Paying Agent payment of the Insured Amounts due
2306 on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and
2307 legally available therefor. This policy does not insure against loss of any prepayment premium which may at
2308 any time be payable with respect to any Obligation.
2309

2310 As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in
2311 the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The
2312 term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the
2313 underlying security for the Obligations.
2314

2315 Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King
2316 Street, Armonk, New York 10504 and such service of process shall be valid and binding.
2317

2318 This policy is non-cancellable for any reason. The premium on this policy is not refundable for any
2319 reason including the payment prior to maturity of the Obligations.
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EXHIBIT B
(DTC LETTERS OF REPRESENTATIONS)