

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38

190607 F

RESOLUTION

OF

CITY OF TOPEKA, KANSAS

PASSED

JUNE 19, 2007

\$2,140,000

TAXABLE COMBINED UTILITY IMPROVEMENT REVENUE BONDS
SERIES 2007-C

39 RESOLUTION

40
41 TABLE OF CONTENTS

42
43 ARTICLE I
44 DEFINITIONS

45 Page
46
47 Section 101. Definitions of Words and Terms..... 3
48

49 ARTICLE II
50 AUTHORIZATION AND DETAILS OF THE BONDS

51
52 Section 201. Authorization of the Bonds..... 9
53 Section 202. Description of the Bonds..... 10
54 Section 203. Designation of Paying Agent and Bond
55 Registrar..... 10
56 Section 204. Method and Place of Payment of the Bonds..... 11
57 Section 205. Registration, Transfer and Exchange of Bonds..... 11
58 Section 206. Execution, Registration, Authentication and Delivery of Bonds..... 13
59 Section 207. Mutilated, Lost, Stolen or Destroyed Bonds..... 13
60 Section 208. Cancellation and Destruction of Bonds upon Payment..... 14
61 Section 209. Preliminary and Final Official Statement..... 14
62 Section 210. Sale of the Bonds..... 15
63 Section 211. Book-Entry Bonds; Securities Depository..... 15
64

65 ARTICLE III
66 REDEMPTION OF BONDS

67
68 Section 301. Optional and Mandatory Redemption by the City..... 16
69 Section 302. Selection of Bonds to be Redeemed..... 18
70 Section 303. Notice and Effect of Call for Redemption..... 18
71

72 ARTICLE IV
73 SECURITY FOR AND PAYMENT OF BONDS

74
75 Section 401. Security for the Bonds..... 20
76

77 ARTICLE V
78 ESTABLISHMENT OF FUNDS AND ACCOUNTS
79 DEPOSIT AND APPLICATION OF MONEYS

80
81 Section 501. Ratification; Establishment of Funds and Account..... 20
82 Section 502. Disposition of Bond Proceeds..... 21
83 Section 503. Application of Moneys in the Construction Fund..... 22
84 Section 504. Application of Moneys in other Funds and Accounts..... 22

85	Section 505. Deposits and Investment of Moneys.....	23
86	Section 506. Nonpresentment of Bonds.....	23

87
88
89
90

ARTICLE VI
DEFAULT AND REMEDIES

91	Section 601. Remedies.....	24
92	Section 602. Limitation on Rights of Owners.....	24
93	Section 603. Remedies Cumulative.....	24
94	Section 604. Bond Insurance Provisions.....	25

95
96
97
98

ARTICLE VII
DEFEASANCE

99	Section 701. Defeasance.....	31
----	------------------------------	----

100
101
102
103

ARTICLE VIII
CONTINUING DISCLOSURE REQUIREMENTS

104	Section 801. Disclosure Requirements.....	32
105	Section 802. Failure to Comply with Continuing Disclosure Requirements.....	32

106
107
108
109

ARTICLE X
MISCELLANEOUS PROVISIONS

110	Section 901. Particular Covenants of the City.....	32
111	Section 902. Additional Bonds.....	35
112	Section 903. Additional Permitted Loans.....	36
113	Section 904. Authorization of Bond Sale.....	37
114	Section 905. Annual Audit.....	37
115	Section 906. Amendments.....	38
116	Section 907. Notices, Consents and Other Instruments by Owners.....	39
117	Section 908. Further Authority.....	40
118	Section 909. Severability.....	40
119	Section 910. Governing Law.....	40
120	Section 911. Effective Date.....	40

121
122
123
124

	Passage.....	41
	Signatures and Seal.....	41

125
126

	Exhibit A: Form of Bond	
	Exhibit B: Letter of Representations	

127 **RESOLUTION NO. 7964**

128
129 **A RESOLUTION INTRODUCED BY CITY MANAGER NORTON N.**
130 **BONAPARTE, JR. PRESCRIBING THE FORM AND DETAILS OF**
131 **TAXABLE COMBINED UTILITY IMPROVEMENT REVENUE BONDS,**
132 **SERIES 2007-C OF THE CITY OF TOPEKA, KANSAS, IN THE**
133 **AGGREGATE PRINCIPAL AMOUNT OF \$2,140,000 THE ISSUANCE OF**
134 **WHICH WAS AUTHORIZED BY THE CITY PURSUANT TO ITS**
135 **ORDINANCE NO. 18907 PASSED AND APPROVED JUNE 19, 2007; AND**
136 **AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN**
137 **CONNECTION WITH THE ISSUANCE OF THE BONDS.**
138

139 **WHEREAS**, the Governing Body of the City of Topeka, Kansas, (the “City”) has in
140 accordance with the requirements of K.S.A. 10-1201 et seq., as amended, duly published in
141 accordance with the requirements of law its notices of intention to issue combined utility
142 revenue bonds of the City in the maximum principal amount of \$48,425,000 to finance the
143 costs of certain improvements (the “Improvements”) to the City’s water, water pollution
144 control and stormwater utility system (the “System”); and
145

146 **WHEREAS**, the City has previously issued bonds in the amount of \$36,284,506.68
147 to pay a portion of the costs of the Improvements; and
148

149 **WHEREAS**, the City has by its Ordinance No. 18907 passed and approved June 19,
150 2007, (the "Ordinance") authorized the issuance of its Taxable Combined Utility
151 Improvement Revenue Bonds, Series 2007-C in the aggregate principal amount of
152 \$2,140,000 (the "Bonds") to pay additional costs of the Improvements (i.e., \$2,027,671.92),
153 (2) fund a debt service reserve fund for the Bonds and (3) pay the costs of issuing the
154 Bonds, all under the authority of K.S.A. 10-1201 et seq., and Article 1 of Chapter 10,
155 Kansas Statutes Annotated, all as amended; and
156

157 **WHEREAS**, the City on January 8, 2002, issued its Water and Water Pollution
158 Control Utility Revenue Bonds, Series 2001-A in the amount of \$25,365,000 (the “Series
159 2001-A Bonds”); and
160

161 **WHEREAS**, on March 25, 2003, the City combined its stormwater utility with the
162 water and water pollution control utility creating a water, water pollution control and
163 stormwater utility system (the “Combined Utility”); and
164

165 **WHEREAS**, the City on February 19, 2004, issued its Combined Utility
166 Improvement and Refunding Revenue Bonds, Series 2004-A in the amount of \$46,180,000
167 (the “Series 2004-A Bonds”) which, in part, currently refunded the City’s outstanding Series
168 1998A Water and Water Pollution Control Utility Refunding Revenue Bonds dated June 1,
169 1998; and
170

171 **WHEREAS**, the City on December 8, 2005, issued its Combined Utility
172 Improvement Revenue Bonds, Series 2005-A in the amount of \$14,875,000 (the “Series
173 2005-A Bonds”); and

174
175 **WHEREAS**, the City on October 18, 2006, issued its Combined Utility Refunding
176 Revenue Bonds, Series 2006-A in the amount of \$32,375,000 (the “Series 2006-A Bonds”)
177 which currently refunded all of the City’s outstanding Series 1998B Water and Water
178 Pollution Control Utility Revenue Bonds dated October 18, 2006; and

179
180 **WHEREAS**, the City on October 18, 2006, issued its Combined Utility Refunding
181 Revenue Bonds, Series 2006-B in the amount of \$22,600,000 (the “Series 2006-B Bonds”)
182 which advanced refunded the City’s outstanding Series 2001-A Water and Water Pollution
183 Control Utility Revenue Bonds maturing in the years 2009 through and including 2031; and

184
185 **WHEREAS**, the City is issuing simultaneously with the Bonds, a series of
186 Combined Utility Improvement and Refunding Revenue Bonds, Series 2007-B in the
187 amount of \$5,210,000 (the “Series 2007-B Bonds”) which will both finance certain
188 stormwater collection, sanitary sewer and water distribution system improvements and
189 currently refund the August 1, 2007, maturities of the Series 2001-A Bonds, Series 2004-A
190 Bonds, Series 2005-A Bonds and Series 2006-B Bonds; and

191
192 **WHEREAS**, the Bonds are parity obligations of the City’s System and, as such shall
193 have equal lien status with the outstanding Series 2001-A Bonds not defeased in accordance
194 with Section 701 of Resolution No. 7209 passed and approved by the governing body of the
195 City December 11, 2001, which resolution prescribed, among other things, the details of the
196 Series 2001-A Bonds; the Series 2004-A Bonds; the Series 2005-A Bonds, the Series 2006-
197 A Bonds, the Series 2006-B Bonds and the Series 2007-B Bonds; and

198
199 **WHEREAS**, the City has authorized certain loans in the maximum authorized
200 amount of \$145,144,633 from the Kansas Department of Health and Environment revolving
201 fund loan program (the “Permitted Loans”) and pledged the revenues from the System to the
202 payment of such Permitted Loans and any additional loans which would constitute Permitted
203 Loans under the Resolution hereinafter provided for; and

204
205 **WHEREAS**, the lien of the Permitted Loans upon the revenues of the System is
206 superior to the lien of the City’s outstanding Series 2001-A Bonds, and Series 2004-A
207 Bonds, Series 2005-A Bonds, Series 2006-A Bonds, Series 2006-B Bonds, Series 2007-B
208 Bonds and the Bonds hereby authorized and directed to be issued; and

209
210 **WHEREAS**, in accordance with the terms and conditions of the Ordinance, the City
211 hereby intends to both prescribe the form and details of the Bonds and authorize certain
212 other documents and actions in connection with the issuance of the Bonds.

214 ARTICLE I

215
216 DEFINITIONS

217
218 **Section 101. Definitions of Words and Terms.** In addition to words and terms
219 identified elsewhere herein, the following words and terms as used in this Resolution shall
220 have the following meanings:

221
222 **"Bond and Interest Fund"** means the fund set aside by the City to consolidate and
223 maintain individual principal and interest accounts used to record and accumulate monthly
224 principal and interest payments for Outstanding utility revenue bonds.

225
226 **"Bond Counsel"** means the firm of Nichols and Wolfe Chartered, or any other
227 attorney or firm of attorneys with a nationally recognized standing in the field of municipal
228 bond financing as selected by the City.

229
230 **"Bond Payment Date"** means any date on which principal of or interest on any
231 Bond is payable.

232
233 **"Bond Register"** means the books for the registration, transfer and exchange of
234 Bonds kept at the office of the Bond Registrar.

235
236 **"Bond Registrar"** means the Treasurer of the State of Kansas, Topeka, Kansas, and
237 its successors and assigns thereto to the duties and responsibilities described in this
238 Resolution and in the related agreement between the City and the State Treasurer.

239
240 **"Bond Reserve Account"** means the Bond Reserve Account for the Series 2007-C
241 Bonds created herein.

242
243 **"Bond Reserve Requirement"** means an amount equal to Maximum Annual Debt
244 Service attributable to the Bonds and any additional bonds issued on a parity with the
245 Bonds; provided, however, that the Bond Reserve Requirement may not exceed the lessor of
246 (a) 125% of the average annual debt service on the Bonds and any additional bonds issued
247 on a parity with the Bonds, (b) 10% of the principal amount of the Bonds or any additional
248 bonds issued on a parity with the Bonds which may be added to the Bond Reserve
249 Requirement or (c) Maximum Annual Debt Service.

250
251 **"Bonds"** means the Taxable Combined Utility Improvement Revenue Bonds, Series
252 2007-C, authorized and issued by the City pursuant to the Ordinance and this Resolution.

253
254 **"Business Day"** means a day other than a Saturday, Sunday or holiday on which the
255 Paying Agent is scheduled in the normal course of its operations to be open to the public for
256 conduct of its operations.

257
258 **"Cede & Co."** means Cede & Co., as nominee name of The Depository Trust
259 Company, New York, New York and any successors or assigns thereto.

260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305

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

"City Engineer" means the person serving as the city engineer as defined in Section 2-148 of the Code of the City.

"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.

"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 July 17, 2007.

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

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

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

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

309
310 (5) such cash and United States Government Obligations are not available to
311 satisfy any other claims, including those against the trustee or escrow agent.

312
313 **"Disclosure Certificate"** means the Continuing Disclosure Certificate attached to
314 the City's Final Certificate as *Exhibit C* and included in the transcript of proceedings
315 pertaining to the issuance of the Bonds.

316
317 **"Director of Public Works"** means the person serving as the director of public
318 works as defined in Section 2-147 of the Code of the City.

319
320 **"Event of Default"** means each of the following occurrences or events:

321
322 (a) Payment of the principal or the Redemption Price of any of the Bonds shall
323 not be made when the same shall become due and payable, either at Stated Maturity or by
324 proceedings for redemption or otherwise; or

325
326 (b) Payment of any installment of interest on any of the Bonds shall not be made
327 when the same shall become due; or

328
329 (c) The City shall default in the due and punctual performance of any other of
330 the covenants, conditions, agreements and provisions contained in the Bonds or in this
331 Resolution on the part of the City to be performed (other than relating to Rule 15c2-12 as
332 defined in the Disclosure Certificate), and such default shall continue for thirty (30) days
333 after written notice specifying such default and requiring same to be remedied shall have
334 been given to the City by the Owner of any of the Bonds then Outstanding.

335
336 **"Expenses"** means the sum of (i) ordinary expenses of maintenance, operation and
337 repair, (ii) administrative expenses, (iii) reasonable pension fund contributions, (iv)
338 insurance expense, (v) legal expense and (vi) payments on Permitted Loans; provided,
339 however, Expenses shall not include payments in lieu of taxes, debt service payments on the
340 Bonds and any other obligations of the Combined Utility on a parity with the Bonds,
341 depreciation, amortization or other non-cash items.

342
343 **"Fiscal Year"** means the twelve month period commencing on January 1 and
344 ending on December 31 of each year.

345
346 **"Funds and Accounts"** means funds and accounts created or referred to in **Section**
347 **501** hereof.

348
349 **"Gross Revenues"** means all receipts and revenues derived by the City from the
350 operation of the Combined Utility, including investment earnings but excluding any grants,
351 proceeds of bond issues and/or insurance proceeds.

352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396

“Improvements” mean any repairs, rehabilitation, improvements, or expansion of the System by the City that are required to serve existing and future customers of the Combined Utility in accordance with the legal authority described in this Resolution.

“Insurance Policy” means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

“Insurer” means Financial Security Assurance Inc., a New York stock insurance company, or any successor thereto or assignee thereof.

"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, 2008.

"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 Expenses.

“Original Purchaser” means, with respect to the Bonds, Morgan Keegan & Co., Inc., Memphis, Tennessee.

"Ordinance" means Ordinance No. 18907 adopted and approved June 19, 2007, 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:

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

399
400 (b) Bonds deemed to be paid in accordance with the provisions of **Section 701**
401 hereof; and

402
403 (c) Bonds in exchange for or in lieu of which other Bonds have been
404 authenticated and delivered hereunder.

405
406 **"Owner"** when used with respect to any Bond means the Person in whose name
407 such Bond is registered on the Bond Register.

408
409 **"Participants"** means those financial institutions for whom the Securities
410 Depository effects book-entry transfers and pledges of securities deposited with the
411 Securities Depository, as such listing of Participants exists at the time of such reference.

412
413 **"Paying Agent"** means the State Treasurer, and any successors and assigns thereof
414 to the duties and responsibilities described in this Resolution and in the related agreement
415 between the City and the State Treasurer.

416
417 **"Permitted Investments"** means: (a) investments authorized by K.S.A. 12-1675
418 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A.
419 12-1677a, and amendments thereto; (c) direct obligations of the United States Government
420 or any agency thereof; (d) the City's temporary notes issued pursuant to K.S.A. 10-123 and
421 amendments thereto; (e) interest-bearing time deposits in commercial banks located in the
422 county or counties in which the City is located; (f) obligations of the Federal National
423 Mortgage Association, Federal Home Loan Banks or the Federal Home Loan Mortgage
424 Corporation; (g) repurchase agreements for securities described in (c) or (f); (h) investment
425 agreements with or other obligations of a financial institution the obligations of which at the
426 time of investment are rated in either of the three highest rating categories by Moody's, Inc.
427 or Standard & Poor's; (i) investments in shares or units of a money market fund or trust the
428 portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts
429 evidencing ownership interests in securities or portions thereof described in (c) or (f); (k)
430 municipal bonds or other obligations issued by any municipality of the State as defined in
431 K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l)
432 bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been re-
433 funded in advance of their maturity and are fully secured as to payment of principal and
434 interest thereon by deposit in trust, under escrow agreement with a bank, of securities
435 described in (c) or (f). No Permitted Investment shall include any derivative investment
436 instrument whose market price is derived from the fluctuating value of an underlying asset,
437 index, currency, futures contract, including futures, options and collateralized mortgage
438 obligations.

439
440 **"Permitted Loans"** means any State revolving loans for public drinking water
441 improvements, pollution control improvements, or for stormwater improvements.

443 **"Person"** means any natural person, corporation, partnership, joint venture,
444 association, firm, joint-stock company, trust, unincorporated organization, or government or
445 any agency or political subdivision thereof or other public body.
446

447 **"Principal and Interest Account"** means the Principal and Interest Account for the
448 Series 2007-C Bonds created herein within the City's Bond and Interest Fund.
449

450 **"Purchase Price"** means the purchase price of the Bonds as set forth in the *Bid*
451 *Proposal for Purchase of the Bonds* as submitted by the Original Purchaser and accepted by
452 the City, plus accrued interest, if any, from the Dated Date to the date of delivery of the
453 Bonds.
454

455 **"Record Dates"** for the interest payable on any Interest Payment Date means the
456 fifteenth day (whether or not a Business Day) of each month preceding such Interest
457 Payment Date.
458

459 **"Redemption Date"** when used with respect to any Bond to be redeemed means the
460 date fixed for the redemption of such Bond pursuant to the terms of this Resolution.
461

462 **"Redemption Price"** when used with respect to any Bond to be redeemed means
463 the price at which such Bond is to be redeemed pursuant to the terms of this Resolution,
464 including the applicable redemption premium, if any, but excluding installments of interest
465 whose Stated Maturity is on or before the Redemption Date.
466

467 **"Replacement Bonds"** means Bonds issued to the beneficial owners of the Bonds
468 in accordance with **Section 211** hereof.
469

470 **"Representation Letter"** means the Blanket Issuer Letter of Representations from
471 the City to the Securities Depository with respect to the Bonds, substantially in the form
472 attached to this Resolution as *Exhibit B*.
473

474 **"Resolution"** means this resolution relating to the Bonds and any supplemental
475 resolution.
476

477 **"Revenue Fund"** means the Combined Utility Fund for the City's water, water
478 pollution control and stormwater utility revenue bonds.
479

480 **"Sales Proceeds"** means, with respect to the Bonds, or any additional bonds issued
481 on a parity with the Bonds, as of the issuance of such bonds, the aggregate of the initial
482 offering price of such bonds to the public (exclusive of accrued interest).
483

484 **"Securities Depository"** means, initially, The Depository Trust Company, New
485 York, New York, and its successors and assigns.
486

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

489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533

“Standard & Poor’s” means Standard & Poor’s Ratings Services, a Division of The McGraw Hill Companies, Inc., New York, New York, and any successors or assigns to the Bond rating functions thereof which is deemed acceptable by the City and Bond Counsel.

"State" means the State of Kansas.

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

"Stated Maturity" means (i) with respect to any Bond principal payment, the date on which payment or principal is due and payable on any Bond, as specified on that Bond and in this Resolution, and (ii) with respect to any Interest Payment, each February 1 and August 1 of the year in which any Bond is Outstanding, beginning February 1, 2008.

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

“Term Bonds” means the Bonds scheduled to mature in the year 2025.

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

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills or other securities consisting of direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in the future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation).

ARTICLE II

AUTHORIZATION AND DETAILS OF THE BONDS

Section 201. Authorization of the Bonds. There shall be issued and hereby are authorized and directed to be issued Taxable Combined Utility Improvement Revenue Bonds, Series 2007-C, of the City in the aggregate principal amount of \$2,140,000 for the purpose of providing funds (1) to pay additional costs of the Improvements, (2) fund a debt service reserve fund for the Bonds and (3) pay the costs of issuing the Bonds, all in accordance with K.S.A. 10-1201 *et seq.*, as amended.

534 **Section 202. Description of the Bonds.** The Bonds shall consist of fully registered
 535 bonds in the denominations of \$5,000 or any integral multiple thereof and shall be
 536 numbered in such manner as the Bond Registrar shall determine. All of the Bonds shall be
 537 dated July 17, 2007, shall become due in the amounts on the Stated Maturities (subject to
 538 redemption and payment prior to their Stated Maturities as provided in Article III hereof),
 539 and shall bear interest at the rates per annum as follows:

542 MATURITY	542 PRINCIPAL	542 INTEREST
543 <u>(August 1)</u>	543 <u>AMOUNT</u>	543 <u>RATE</u>
545 TERM BONDS		
547 2025	547 \$2,140,000	547 6.00%

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

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

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

568 The City will at all times maintain a Paying Agent and Bond Registrar meeting the
 569 qualifications herein described for the performance of the duties hereunder. The City
 570 reserves the right to appoint a successor Paying Agent or Bond Registrar by (1) filing with
 571 the Paying Agent or Bond Registrar then performing such function a certified copy of the
 572 proceedings giving notice of the termination of such Paying Agent or Bond Registrar and
 573 appointing a successor, and (2) causing notice of appointment of the successor Paying Agent
 574 and Bond Registrar to be given by first class mail to each Owner. No resignation or
 575 removal of the Paying Agent or Bond Registrar shall become effective until a successor has
 576 been appointed and has accepted the duties of Paying Agent or Bond Registrar.

578 Every Paying Agent or Bond Registrar appointed hereunder shall at all times meet
 579 the requirements of K.S.A. 10-501 *et seq.* and K.S.A. 10-620 *et seq.*, respectively.
 580

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

585
586 The principal or Redemption Price of each Bond shall be paid at Maturity to the
587 Person in whose name such Bond is registered on the Bond Register at the Maturity thereof,
588 upon presentation and surrender of such Bond at the principal corporate trust office of the
589 Paying Agent.

590
591 The interest payable on each Bond on any Interest Payment Date shall be paid to the
592 Owner of such Bond as shown on the Bond Register at the close of business on the Record
593 Date for such interest (a) by check or draft mailed by the Paying Agent to the address of
594 such Owner shown on the Bond Register or (b) in the case of an interest payment to any
595 Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer
596 to such Owner upon written notice given to the Bond Registrar by such Owner, not less than
597 15 days prior to the Record Date for such interest, containing the electronic transfer in-
598 structions including the bank (which shall be in the continental United States) ABA routing
599 number and account number to which such Owner wishes to have such transfer directed.

600
601 Notwithstanding the foregoing provisions of this Section, any Defaulted Interest
602 with respect to any Bond shall cease to be payable to the Owner of such Bond on the
603 relevant Record Date and shall be payable to the Owner in whose name such Bond is
604 registered at the close of business on the Special Record Date for the payment of such
605 Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this
606 paragraph. The City shall notify the Paying Agent in writing of the amount of Defaulted
607 Interest proposed to be paid on each Bond and the date of the proposed payment (which date
608 shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit
609 with the Paying Agent at the time of such notice an amount of money equal to the aggregate
610 amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements
611 satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment.
612 Following receipt of such funds the Paying Agent shall fix a Special Record Date for the
613 payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days
614 prior to the date of the proposed payment. The Paying Agent shall promptly notify the City
615 of such Special Record Date and, in the name and at the expense of the City, shall cause
616 notice of the proposed payment of such Defaulted Interest and the Special Record Date
617 therefore to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled
618 to such notice at the address of such Owner as it appears on the Bond Register not less than
619 10 days prior to such Special Record Date.

620
621 The Paying Agent shall keep a record of payment of principal and Redemption Price
622 of and interest on all Bonds and at least annually shall forward a copy or summary of such
623 records to the City.

624
625 **Section 205. Registration, Transfer and Exchange of Bonds.** The City covenants
626 that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be

627 kept at the office of the Bond Registrar as herein provided. Each Bond when issued shall be
628 registered in the name of the Owner thereof on the Bond Register.

629

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

635

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

640

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

653

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

662

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

671

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

676
677 **Section 206. Execution, Registration, Authentication and Delivery of Bonds.**

678 Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds
679 initially delivered, shall be executed for and on behalf of the City by the manual or facsimile
680 signature of the Mayor, attested by the manual or facsimile signature of the Clerk and the
681 seal of the City shall be affixed thereto or imprinted thereon. The Mayor and Clerk are
682 hereby authorized and directed to prepare and execute the Bonds in the manner herein
683 specified, and to cause the Bonds to be registered in the office of the Clerk, which
684 registration shall be evidenced by the manual or facsimile signature of the Clerk with the
685 seal of the City affixed thereto or imprinted thereon. The Bonds shall also be registered in
686 the office of the State Treasurer, which registration shall be evidenced by the manual or
687 facsimile signature of the State Treasurer with the seal of the State Treasurer affixed thereto
688 or imprinted thereon. In case any officer whose signature appears on any Bonds ceases to
689 be such officer before the delivery of such Bonds, such signature shall nevertheless be valid
690 and sufficient for all purposes, as if such person had remained in office until delivery. Any
691 Bond may be signed by such persons who at the actual time of the execution of such Bond
692 are the proper officers to sign such Bond although at the date of such Bond such persons
693 may not have been such officers.

694
695 The Bonds shall have endorsed thereon a *Certificate of Authentication* substantially
696 in the form attached hereto as *Exhibit A* hereof, which shall be manually executed by an
697 authorized officer or employee of the Bond Registrar, but it shall not be necessary that the
698 same officer or employee sign the *Certificate of Authentication* on all of the Bonds that may
699 be issued hereunder at any one time. No Bond shall be entitled to any security or benefit
700 under this Resolution or be valid or obligatory for any purpose unless and until such
701 *Certificate of Authentication* has been duly executed by the Bond Registrar. Such executed
702 *Certificate of Authentication* upon any Bond shall be conclusive evidence that such Bond
703 has been duly authenticated and delivered under this Resolution. Upon authentication, the
704 Bond Registrar shall deliver the Bonds to the Purchaser upon instructions of the City or its
705 representative.

706
707 **Section 207. Mutilated, Lost, Stolen or Destroyed Bonds.** If (a) any mutilated

708 Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its
709 satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the
710 City and the Bond Registrar such security or indemnity as may be required by each of them,
711 then, in the absence of notice to the City or the Bond Registrar that such Bond has been
712 acquired by a bona fide purchaser, the City shall execute and, upon the City's request, the
713 Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such
714 mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of
715 like tenor and principal amount.

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

720
721 Upon the issuance of any new Bond under this Section, the City may require the
722 payment by the Owner of a sum sufficient to cover any tax or other governmental charge
723 that may be imposed in relation thereto and any other expenses (including the fees and
724 expenses of the Paying Agent) connected therewith.

725
726 Every new Bond issued pursuant to this Section shall constitute a replacement of the
727 prior obligation of the City, and shall be entitled to all the benefits of this Resolution equally
728 and ratably with all other Outstanding Bonds.

729
730 **Section 208. Cancellation and Destruction of Bonds Upon Payment.** All Bonds
731 that have been paid or redeemed or that otherwise have been surrendered to the Paying
732 Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately
733 upon the payment, redemption and surrender thereof to the Paying Agent and subsequently
734 destroyed in accordance with the customary practices of the Paying Agent. The Paying
735 Agent shall execute a certificate in duplicate describing the Bonds so cancelled and
736 destroyed and shall file an executed counterpart of such certificate with the City.

737
738 **Section 209. Preliminary and Final Official Statement.** The *Preliminary Official*
739 *Statement* dated June 11, 2007, is hereby ratified and approved. For the purpose of enabling
740 the Original Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the
741 Securities and Exchange Commission, the City hereby deems the information regarding the
742 City contained in the *Preliminary Official Statement* to be "final" as of its date, except for
743 the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate
744 officers of the City are hereby authorized, if requested, to provide the Original Purchaser a
745 letter or certification to such effect and to take such other actions or execute such other
746 documents as such officers in their reasonable judgment deem necessary to enable the
747 Original Purchaser to comply with the requirement of such Rule.

748
749 The final *Official Statement* is hereby authorized to be prepared by supplementing,
750 amending and completing the *Preliminary Official Statement*, with such changes and
751 additions thereto as are necessary to conform to and describe the transaction. The Mayor is
752 hereby authorized to execute the final *Official Statement* as so supplemented, amended and
753 completed, and the use and public distribution of the final *Official Statement* by the Original
754 Purchaser in connection with the reoffering of the Bonds is hereby authorized. The proper
755 officials of the City are hereby authorized to execute and deliver a certificate pertaining to
756 such *Official Statement* as prescribed therein, dated as of the date of payment for and
757 delivery of the Bonds.

758
759 The City agrees to provide to the Original Purchaser within seven business days of
760 the date of the sale of Bonds sufficient copies of the final *Official Statement* to enable the
761 Original Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities

762 and Exchange Commission and with the requirements of Rule G-32 of the Municipal
763 Securities Rulemaking Board.

764
765 **Section 210. Sale of the Bonds.** The sale of the Bonds to the Original Purchaser is
766 hereby ratified and confirmed. Delivery of the Bonds shall be made to the Original
767 Purchaser as soon as practicable after the passage of this Resolution, upon payment of the
768 Purchase Price.

769
770 **Section 211. Book-Entry Bonds; Securities Depository.**

771
772 (a) The Bonds shall initially be registered to Cede & Co., the nominee for the
773 Securities Depository, and no beneficial owner will receive certificates representing its
774 respective interests in the Bonds, except in the event the Bond Registrar issues Replacement
775 Bonds as provided in subsection (b) hereof. It is anticipated that during the term of the
776 Bonds, the Securities Depository will make book-entry transfers among its Participants and
777 receive and transmit payment of principal of, redemption premium, if any, and interest on,
778 the Bonds to the Participants until and unless the Bond Registrar authenticates and delivers
779 Replacement Bonds to the beneficial owners as described in subsection (b).

780
781 (b) (1) If the City determines (A) that the Securities Depository is unable to
782 properly discharge its responsibilities, or (B) that the Securities Depository is no longer
783 qualified to act as a securities depository and registered clearing agency under the Securities
784 and Exchange Act of 1934, as amended, or (C) that the continuation of a book-entry system
785 to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer
786 in the best interests of the beneficial owners of the Bonds, or (2) if the Bond Registrar
787 receives written notice from Participants having interests in not less than 50% of the Bonds
788 Outstanding, as shown on the records of the Securities Depository (and certified to such
789 effect by the Securities Depository), that the continuation of a book-entry system to the
790 exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the
791 best interests of the beneficial owners of the Bonds, then the Bond Registrar shall notify the
792 Owners of such determination or such notice and of the availability of certificates to Owners
793 requesting the same, and the Bond Registrar shall register in the name and authenticate and
794 deliver Replacement Bonds to the beneficial owners or their nominees in principal amounts
795 representing the interest of each, making such adjustments as it may find necessary or
796 appropriate as to accrued interest and previous calls for redemption; provided, that in the
797 case of a determination under (1)(A) or (1)(B) of this subsection (b), the City, with the
798 consent of the Bond Registrar, may select a successor securities depository in accordance
799 with **Section 211(c)** hereof to effect book-entry transfers. In such event, all references to the
800 Securities Depository herein shall relate to the period of time when the Securities
801 Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds,
802 all references herein to obligations imposed upon or to be performed by the Securities
803 Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to
804 the extent applicable with respect to such Replacement Bonds. If the Securities Depository
805 resigns and the City, the Bond Registrar or Owners are unable to locate a qualified successor
806 of the Securities Depository in accordance with **Section 211(c)** hereof, then the Bond
807 Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as

808 provided herein. The Bond Registrar may rely on information from the Securities
809 Depository and its Participants as to the names of the beneficial owners of the Bonds. The
810 cost of printing, registration, authentication and delivery of Replacement Bonds shall be
811 paid for by the City.

812
813 (c) In the event the Securities Depository resigns, is unable to properly
814 discharge its responsibilities, or is no longer qualified to act as a securities depository and
815 registered clearing agency under the Securities and Exchange Act of 1934, as amended, the
816 City may appoint a successor Securities Depository provided the Bond Registrar and the
817 City receive written evidence with respect to the ability of the successor Securities
818 Depository to discharge its responsibilities. Any such successor Securities Depository shall
819 be a securities depository which is a registered clearing agency under the Securities and
820 Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a
821 securities depository upon reasonable and customary terms. The Bond Registrar upon its
822 receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the
823 successor Securities Depository in appropriate denominations and form as provided herein.

824
825 (d) The execution and delivery of the Representation Letter to DTC by the
826 Mayor of the City in the form attached hereto as *Exhibit B* with such changes, omissions,
827 insertions and revisions as the Mayor shall deem advisable, is hereby authorized, and
828 execution of the Representation Letter by the Mayor shall be conclusive evidence of such
829 approval. The Representation Letter shall set forth certain matters with respect to, among
830 other things, notices, consents and approvals by Registered Owners of the Bonds and
831 Beneficial Owners and payments on the Bonds. The Paying Agent shall have the same
832 rights with respect to its actions thereunder as it has with respect to its actions under this
833 Resolution.

834

835

ARTICLE III

836

837

REDEMPTION OF BONDS

838

839

Section 301. Optional and Mandatory Redemption by City.

840

841

842

843

844

845

846

847

848

849

850

851

852

853

(a) Optional Redemption. The Bonds maturing prior to August 1, 2016, shall become due without the option of prior payment. The Bonds or portions thereof either maturing or subject to mandatory redemption and payment on or after August 1, 2016, may be called for redemption and payment prior to maturity on August 1, 2015, 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 100% of the principal amount thereof, plus accrued interest thereon, if any, to the date fixed for redemption and payment.

(b) Mandatory Redemption. The Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount

854 thereof plus accrued interest to the Redemption Date. The City shall redeem on August 1 in
855 each year the following principal amounts of such Term Bonds:

856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877

TERM BONDS

<u>Principal</u>	<u>Year</u>
<u>Amount</u>	
\$10,000	2008
45,000	2009
45,000	2010
50,000	2011
55,000	2012
55,000	2013
60,000	2014
65,000	2015
65,000	2016
70,000	2017
75,000	2018
80,000	2019
85,000	2020
90,000	2021
95,000	2022
100,000	2023
780,000	2024

878
879

(leaving \$315,000 to mature August 1, 2025)

880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the City may: (1) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Owner thereof, whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the City under this Section for any Term Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection (b)) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection (b). Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Term Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same Stated Maturity in chronological order, and the principal amount of Term Bonds to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the City intends to

900 exercise any option granted by the provisions of clauses (1), (2) or (3) above, the City will,
901 on or before the 45th day next preceding each mandatory Redemption Date, furnish the
902 Paying Agent a written certificate indicating to what extent the provisions of said clauses
903 (1), (2) and (3) are to be complied with, with respect to such mandatory redemption
904 payment.

905
906 **Section 302. Selection of Bonds to be Redeemed.** Bonds shall be redeemed only
907 in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the
908 Bonds of the same maturity are to be redeemed and paid prior to their Stated Maturity, the
909 Bonds to be redeemed shall be selected by the Bond Registrar in \$5,000 units of principal
910 amount in such equitable manner as the Bond Registrar may determine.

911
912 In the case of a partial redemption of Bonds by lot when Bonds of denominations
913 greater than \$5,000 are then Outstanding, then for all purposes in connection with such
914 redemption each \$5,000 of face value shall be treated as though it were a separate Bond of
915 the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000
916 units of face value represented by any Bond is selected for redemption, then upon notice of
917 intention to redeem such \$5,000 unit or units, the Owner or the Owner's duly authorized
918 agent shall forthwith present and surrender such Bond to the Bond Registrar: (1) for
919 payment of the Redemption Price and interest to the Redemption Date of such \$5,000 unit
920 or units of face value called for redemption, and (2) for exchange, without charge to the
921 Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the
922 unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond
923 fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such
924 Bond shall, nevertheless, become due and payable on the redemption date to the extent of
925 the \$5,000 unit or units of face value called for redemption (and to that extent only).

926
927 **Section 303. Notice and Effect of Call for Redemption.** In the event the City
928 desires to call the Bonds for redemption prior to maturity, written notice of such intent shall
929 be provided to the Bond Registrar in accordance with K.S.A. 10-129, as amended, not less
930 than 45 days prior to the Redemption Date. The Bond Registrar shall call Bonds for
931 redemption and payment and shall give notice of such redemption as herein provided upon
932 receipt by it of the City's written notice at least 45 days prior to the Redemption Date. If the
933 Bonds are refunded more than 90 days in advance of such Redemption Date, any escrow
934 agreement entered into by the City in connection with such refunding shall provide that such
935 written instructions to the Paying Agent shall be given by the escrow agent on behalf of the
936 City not more than 90 days prior to the Redemption Date. The Paying Agent may in its
937 discretion waive such notice period so long as the notice requirements set forth in **Section**
938 **303** are met.

939
940 Unless waived by any Owner of Bonds to be redeemed, the Bond Registrar shall
941 give written notice of the redemption of said Bonds on a specified date, the same being
942 described by maturity, said notice to be mailed by United States first class mail addressed to
943 the Owners of said Bonds to be redeemed and to the Original Purchaser of the Bonds, each
944 of said notices to be mailed not less than 30 days prior to the date fixed for redemption. The
945 City and Bond Registrar shall also give such additional notice as may be required by Kansas

946 law or regulations of the Securities and Exchange Commission in effect as of the date of
947 such notice.

948

949 All official notices of redemption shall be dated and shall contain the following
950 information:

951

952 (a) the Redemption Date;

953

954 (b) the Redemption Price;

955

956 (c) if less than all Outstanding Bonds are to be redeemed, the identification
957 (and, in the case of partial redemption of any Bonds, the respective principal amounts) of
958 the Bonds to be redeemed;

959

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

963

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

966

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

969

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

973

974 Official notice of redemption having been given as aforesaid, the Bonds or portions
975 of Bonds to be redeemed shall become due and payable on the Redemption Date at the
976 Redemption Price therein specified and, from and after the Redemption Date (unless the
977 City defaults in the payment of the Redemption Price), such Bonds or portion of Bonds shall
978 cease to bear interest. Upon surrender of such Bonds for redemption in accordance with
979 such notice, the Redemption Date shall be payable as herein provided for payment of
980 interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for
981 the Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid
982 principal as provided herein. All Bonds that have been surrendered for redemption shall be
983 cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

984

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

989

990 ARTICLE IV

991 SECURITY FOR AND PAYMENT OF BONDS

992
993
994
995 **Section 401. Security for the Bonds.** The principal and interest on the Bonds shall
996 be payable solely from the Net Revenues derived by the City from the rates, fees and
997 charges collected by the City from the operation of the Combined Utility, including all
998 improvements, extensions and enlargements thereto hereafter constructed or acquired by the
999 City and not paid for from any other fund or source. The Bonds shall constitute a lien upon
1000 the revenues produced from the operations of the City’s Combined Utility. The Bonds and
1001 the interest thereon are payable solely from revenues derived from the rates, fees or charges
1002 collected by the City from the operation of the City’s Combined Utility and not from any
1003 other funds or sources. The Bonds will not constitute a general obligation of the City, and
1004 no taxes can be levied by the City to pay either principal or interest thereon.

1005
1006 ARTICLE V

1007 ESTABLISHMENT OF FUNDS AND ACCOUNTS
1008 DEPOSIT AND APPLICATION OF MONEYS

1009
1010
1011 **Section 501. Ratification; Establishment of Funds and Accounts.** The City
1012 hereby covenants and agrees that so long as the Bonds remain outstanding and unpaid, all of
1013 the revenues derived by the City from the operation of the Combined Utility, including all
1014 revenues from all improvements, extensions and enlargements of the System hereinafter
1015 constructed or acquired by the City, shall be paid to the Treasurer of the City and deposited
1016 in the City’s Water, Water Pollution Control and Stormwater Utility Revenue Fund (the
1017 “Revenue Fund”) heretofore established in the treasury of the City and said Revenue Fund
1018 shall only be used to pay the Expenses of the Combined Utility and to pay the principal of
1019 and the interest on the Bonds and any prior revenue or general obligation bonds or
1020 outstanding and unpaid, as provided by law.

1021
1022 The following funds and accounts presently existing in the treasury of the City are
1023 hereby ratified and affirmed:

- 1024
1025 (a) Water, Water Pollution Control, and Stormwater Utility Revenue Fund (the
1026 "Revenue Fund"); and
1027
1028 (b) Water, Water Pollution Control and Stormwater Utility Construction Fund
1029 (the “Construction Fund”); and
1030
1031 (c) Water, Water Pollution Control and Stormwater Utility Renewal and
1032 Replacement Account (the “Renewal and Replacement Account”).
1033

1034 Contemporaneous with the issuance of the Bonds, there are hereby created and
1035 ordered to be established in the treasury of the City the following additional funds and
1036 accounts:

- 1037
- 1038 (a) Principal and Interest Account for Combined Utility Improvement Revenue
1039 Bonds, Series 2007-C (the "Principal and Interest Account"); and
1040
 - 1041 (b) Reserve Account for Combined Utility Improvement Revenue Bonds, Series
1042 2007-C (the "Bond Reserve Account").
1043

1044 The Funds and Accounts established herein shall be administered in accordance with
1045 the provisions of this Resolution so long as the Bonds are Outstanding.
1046

1047 **Section 502. Disposition of Bond Proceeds.**

- 1048
- 1049 (a) Accrued interest, if any, on the Bonds will be deposited into the Series 2007-
1050 C Principal and Interest Account established and created in **Section 501** of
1051 this Resolution;
1052
 - 1053 (b) \$2,059,448.88 of the proceeds of the Bonds shall be deposited in the
1054 Construction Fund to pay both the costs of the Improvements and the costs,
1055 fees and expenses incurred in connection with the issuance of the Bonds not
1056 including the bond insurance premium in the amount of \$9,767.98 which is
1057 paid upon and as a closing condition; and
1058
 - 1059 (c) \$45,145.94 of the proceeds of the Bonds shall be deposited in the Bond
1060 Reserve Account established and created in Section 501 of this Resolution.
1061

1062 **Section 503. Application of Moneys in the Construction Fund.** That moneys in
1063 the Construction Fund shall be used by the City for the sole purpose of paying the cost of
1064 improving the System as hereinbefore provided, in accordance with the plans and
1065 specifications therefore, heretofore approved by the City Engineer and on file in the office
1066 of the City Clerk, including any alterations in or amendments to said plans and
1067 specifications approved by the City Engineer, and for paying the costs and expenses
1068 incidental to the issuance of the Bonds.
1069

1070 Withdrawals of bond proceeds from the Construction Fund shall be made only when
1071 authorized by executed warrants therefore accompanied by a certificate executed by the
1072 Director of Public Works of the City that such payment is being made for a purpose within
1073 the scope of this Resolution and that the amount of such payment represents only the
1074 contract price of the property, equipment, labor, materials or service being paid for, or if
1075 such payment is not being made pursuant to an express contract, that such payment is not in
1076 excess of the reasonable value thereof. Nothing hereinbefore contained shall prevent the
1077 payment out of the Construction Fund of all costs and expenses incidental to the issuance of
1078 the Bonds without a certificate from the Director of Public Works of the City.
1079

1080 Upon completion of the extensions, enlargements and improvements to the System
1081 as hereinbefore provided, any surplus remaining in the Construction Fund shall be deposited
1082 in the Revenue Fund.

1083
1084 **Section 504. Application of Moneys in other Funds and Accounts.** Gross
1085 Revenues shall be deposited in the Revenue Fund. The City shall pay from the Revenue
1086 Fund the Expenses of the Combined Utility and keeping the same in good repair and
1087 working order. After paying and providing for the payment of the Expenses, the City
1088 further covenants and agrees that it will allocate, pay and credit the Net Revenues at the time
1089 in the Revenue Fund as follows in such amounts so at all times the City will have sufficient
1090 money to meet and pay the requirements of the Principal and Interest Account, Bond
1091 Reserve Account and any other obligations of the Combined Utility on a parity with the
1092 Bonds.

1093 (a) There shall first be paid and credited to the Principal and Interest Account,
1094 accrued interest, if any, received by the City upon delivery of the Bonds,
1095 respectively, and to the extent necessary to meet at the maturity thereof the
1096 interest on and the principal of the Bonds the following amounts:

1097 (1) Beginning on or before August 1, 2007, and continuing on the first day of
1098 each month thereafter an equal pro rata portion of the interest that will
1099 become due on the Bonds on February 1, 2008; and beginning on March 1,
1100 2008, and continuing on the first day of each month thereafter an equal pro
1101 rata portion of the interest that will become due on the Bonds on the next
1102 succeeding Interest Payment Date.

1103 (2) Beginning on August 1, 2007, and continuing on the first day of each
1104 month thereafter an equal pro rata portion of the principal of the Bonds that
1105 will become due on August 1, 2008, and continuing on the first day of each
1106 month thereafter an equal pro rata portion of the principal amount of the
1107 Bonds that will become due on the next succeeding principal payment or
1108 mandatory redemption date of the Bonds.

1109 All amounts paid and credited to the Principal and Interest Account shall be used
1110 and expended by the City for the sole purpose of paying the interest on and
1111 principal of the Bonds as and when the same become due and to pay related fees of
1112 the Paying Agent.

1113 (b) Monies held in the Bond Reserve Account shall be used solely to prevent any
1114 default in the payment of the principal of or interest on the Bonds if at any time the
1115 monies in the Principal and Interest Account are insufficient to pay the principal of
1116 and/or interest on the Bonds. Unless all of the Bonds outstanding at any given
1117 time are called for redemption and payment or are refunded as is provided in this
1118 Resolution, no part of the Bond Reserve Account shall ever be used or expended
1119 by the City to call and redeem, in part, said Bonds for payment prior to their
1120 ultimate maturity. So long as the monies and investments in the Bond Reserve
1121 Account shall aggregate not less than the Bond Reserve Requirement no payments
1122 into said account shall be required, but if at any time the City shall be compelled to
1123 use and expend any part of said Bond Reserve Account for any purpose and/or the
1124 amount in said account shall be less than the Bond Reserve Requirement, then the
1125 City, after making all payments and credits at the time required to be made by it

1126 under the provisions of this Resolution, will make monthly payments or credits to
1127 the Bond Reserve Account in such amounts as are sufficient to replenish the
1128 account to its required balance within eighteen (18) months of the shortfall therein.
1129 (c) After making all payments and credits from the Revenue Fund at the time required
1130 to be made under provisions of paragraphs (a) through (c) of this Section, all
1131 remaining monies in the Revenue Fund which shall not be required for the
1132 operation and maintenance of the System for the ensuing forty-five (45) day period
1133 shall be deposited into the Renewal and Replacement Account and may be used by
1134 the City for any one or more of the following purposes as determined by both the
1135 Director of Public Works and the Director of Financial Services of the City:
1136 (1) to pay the cost of extraordinary repairs and maintenance of the System;
1137 (2) for capital improvements to the System; and
1138 (3) to pay Expenses of the Combined Utility if sufficient funds are not available
1139 in the Revenue Fund.

1140
1141 **Section 505. Deposits and Investment of Moneys.** Moneys in each of the Funds
1142 and Accounts shall be deposited in accordance with the requirements of K.S.A. 10-131, as
1143 amended. All such deposits shall be continuously and adequately secured by the financial
1144 institutions holding such deposits as provided by the laws of the State. All moneys held in
1145 the Funds and Accounts shall be kept separate and apart from all other funds of the City so
1146 that there shall be no commingling of such funds with any other funds of the City.

1147
1148 Moneys held in the funds and accounts herein created or established in conjunction
1149 with the issuance of the Bonds may be invested by the City in Permitted Investments or in
1150 other investments allowed by Kansas law in such amounts and maturing at such times as
1151 shall reasonably provide for moneys to be available when required in said accounts or funds;
1152 provided, however, that no such investment shall be made for a period extending longer than
1153 to the date when the moneys invested may be needed for the purpose for which such fund or
1154 account was created. All interest on any Permitted Investment held in any fund or account
1155 shall accrue to and become a part of the Revenue Fund. In determining the amount held in
1156 any fund or account under the provisions of the Resolution, Permitted Investments shall be
1157 valued at their par value or at their then redemption value, whichever is lower.

1158
1159 **Section 506. Nonpresentment of Bonds.** If any Bond is not presented for payment
1160 when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond
1161 have been made available to the Paying Agent, all liability of the City to the Owner thereof
1162 for the payment of such Bond shall forthwith cease, determine and be completely
1163 discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, with-
1164 out liability for interest thereon, for the benefit of the Owner of such Bond, who shall
1165 thereafter be restricted exclusively to such funds for any claim of whatever nature on his
1166 part under this Resolution or on, or with respect to, said Bond. If such funds shall have
1167 remained unclaimed for five (5) years after such principal or interest has become due and
1168 payable, such funds shall be paid to the City; and all liability of the Paying Agent to the
1169 Owner thereof for the payment of such Bond shall forthwith cease, terminate and be
1170 completely discharged. The obligations of the Paying Agent under this Section to pay any

1171 such funds to the City shall be subject to any provisions of law applicable to the Paying
1172 Agent or to such funds providing other requirements for disposition of unclaimed property.

1173
1174
1175 ARTICLE VI

1176
1177 DEFAULT AND REMEDIES

1178
1179 **Section 601. Remedies.** The provisions of the Resolution, including the covenants
1180 and agreements herein contained, shall constitute a contract between the City and the
1181 Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or
1182 Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall
1183 have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

1184
1185 (a) by mandamus or other suit, action or proceedings at law or in equity to
1186 enforce the rights of such Owner or Owners against the City and its officers, agents and
1187 employees, and to require and compel duties and obligations required by the provisions of
1188 the Resolution or by the Constitution and laws of the State;

1189
1190 (b) by suit, action or other proceedings in equity or at law to require the City, its
1191 officers, agents and employees to account as if they were the trustees of an express trust;
1192 and

1193
1194 (c) by suit, action or other proceedings in equity or at law to enjoin any acts or
1195 things which may be unlawful or in violation of the rights of the Owners of the Bonds.

1196
1197 **Section 602. Limitation on Rights of Owners.** The covenants and agreements of
1198 the City contained herein and in the Bonds shall be for the equal benefit, protection, and
1199 security of the Owners of any or all of the Bonds, all of which Bonds shall be of equal rank
1200 and without preference or priority of one Bond over any other Bond in the application of the
1201 funds herein pledged to the payment of the principal of and the interest on the Bonds, or
1202 otherwise, except as to rate of interest, date of maturity and right of prior redemption as
1203 provided in this Resolution. No one or more Owners secured hereby shall have any right in
1204 any manner whatever by his or their action to affect, disturb or prejudice the security
1205 granted and provided for herein, or to enforce any right hereunder, except in the manner
1206 herein provided, and all proceedings at law or in equity shall be instituted, had and
1207 maintained for the equal benefit of all Outstanding Bond Owners.

1208
1209 **Section 603. Remedies Cumulative.** No remedy conferred herein upon the Owners
1210 is intended to be exclusive of any other remedy, but each such remedy shall be cumulative
1211 and in addition to every other remedy and may be exercised without exhausting and without
1212 regard to any other remedy conferred herein. No waiver of any default or breach of duty or
1213 contract by the Owner of any Bond shall extend to or affect any subsequent default or
1214 breach of duty or contract or shall impair any rights or remedies thereon. No delay or
1215 omission of any Owner to exercise any right or power accruing upon any default shall
1216 impair any such right or power or shall be construed to be a waiver of any such default or

1217 acquiescence therein. Every substantive right and every remedy conferred upon the Owners
1218 of the Bonds by this Resolution may be enforced and exercised from time to time and as
1219 often as may be deemed expedient. If action or proceedings taken by any Owner on account
1220 of any default or to enforce any right or exercise any remedy has been discontinued or
1221 abandoned for any reason, or shall have been determined adversely to such Owner, then,
1222 and in every such case, the City and the Owners of the Bonds shall be restored to their
1223 former positions and rights hereunder, respectively, and all rights, remedies, powers and
1224 duties of the Owners shall continue as if no such suit, action or other proceedings had been
1225 brought or taken.

1226
1227

Section 604. Bond Insurance Provisions.

- 1228 (a) The provisions of this Section 604 shall apply notwithstanding any other provision of
1229 the Resolution.
- 1230 (b) The prior written consent of the Insurer shall be a condition precedent to the deposit of
1231 any credit instrument provided in lieu of a cash deposit into the Bond Reserve
1232 Account, if any.
- 1233 (c) Notwithstanding anything to the contrary set forth in the Resolution, amounts on
1234 deposit in the Bond Reserve Account shall be applied solely to the payment of debt
1235 service due on the Bonds.
- 1236 (d) The Insurer shall be deemed to be the sole holder of the insured Bonds for the purpose
1237 of exercising any voting right or privilege or giving any consent or direction or taking
1238 any other action that the holders of the Bonds insured by it are entitled to take
1239 pursuant to the Resolution pertaining to (i) defaults and remedies and (ii) the duties
1240 and obligations of the Paying Agent.
- 1241 (e) Remedies granted to the Bondholders shall expressly include mandamus.
1242
- 1243 (f) If acceleration is permitted under the Resolution, the maturity of Bonds insured by the
1244 Insurer shall not be accelerated without the consent of the Insurer and in the event the
1245 maturity of the Bonds is accelerated, the Insurer may elect, in its sole discretion, to
1246 pay accelerated principal and interest accrued on such principal to the date of
1247 acceleration (to the extent unpaid by the City) and the Paying Agent shall be required
1248 to accept such amounts. Upon payment of such accelerated principal and interest
1249 accrued to the acceleration date as provided above, the Insurer's obligations under the
1250 Insurance Policy with respect to such Bonds shall be fully discharged.
1251
- 1252 (g) No grace period for a covenant default shall exceed 30 days or be extended for more
1253 than 60 days, without the prior written consent of the Insurer. No grace period shall
1254 be permitted for payment defaults.
1255
- 1256 (h) The Insurer shall be included as a third party beneficiary to the Resolution.
1257

- 1258 (i) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory
1259 redemption in part, the selection of Bonds to be redeemed shall be subject to the
1260 approval of the Insurer.
1261
- 1262 (j) The exercise of any provision of the Resolution which permits the purchase of Bonds
1263 in lieu of redemption shall require the prior written approval of the Insurer if any Bond
1264 so purchased is not cancelled upon purchase.
1265
- 1266 (k) Any amendment, supplement, modification to, or waiver of, the Resolution or any
1267 other transaction document, including any underlying security agreement (each a
1268 "Related Document"), that requires the consent of Bondowners or adversely affects
1269 the rights and interests of the Insurer shall be subject to the prior written consent of the
1270 Insurer.
1271
- 1272 (l) Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event
1273 of Default or an event which with notice or lapse of time would constitute an Event of
1274 Default, amounts on deposit in the Construction Fund shall not be disbursed, but shall
1275 instead be applied to the payment of debt service or redemption price of the Bonds.
1276
- 1277 (m) The rights granted to the Insurer under the Resolution or any other Related
1278 Document to request, consent to or direct any action are rights granted to the Insurer
1279 in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer
1280 of such rights is merely an exercise of the Insurer's contractual rights and shall not be
1281 construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and
1282 such action does not evidence any position of the Insurer, affirmative or negative, as
1283 to whether the consent of the Bondowners or any other person is required in addition
1284 to the consent of the Insurer.
1285
- 1286 (n) Only (1) cash, (2) non-callable direct obligations of the United States of America
1287 ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest
1288 and principal payments on Treasuries held by a bank or trust company as custodian,
1289 under which the owner of the investment is the real party in interest and has the right
1290 to proceed directly and individually against the obligor and the underlying Treasuries
1291 are not available to any person claiming through the custodian or to whom the
1292 custodian may be obligated, (4) subject to the prior written consent of the Insurer,
1293 pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's,
1294 respectively, or (5) subject to the prior written consent of the Insurer, securities
1295 eligible for "AAA" defeasance under then existing criteria of S & P or any
1296 combination thereof, shall be used to effect defeasance of the Bonds unless the
1297 Insurer otherwise approves.
1298
- 1299 To accomplish defeasance, the City shall cause to be delivered (i) a report of an
1300 independent firm of nationally recognized certified public accountants or such other
1301 accountant as shall be acceptable to the Insurer ("Accountant") verifying the
1302 sufficiency of the escrow established to pay the Bonds in full on the maturity or
1303 redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be

1304 acceptable in form and substance to the Insurer), (iii) an opinion of nationally
1305 recognized bond counsel to the effect that the Bonds are no longer "Outstanding"
1306 under the Resolution and (iv) a certificate of discharge of the Paying Agent with
1307 respect to the Bonds; each Verification and defeasance opinion shall be acceptable in
1308 form and substance, and addressed, to the City, Paying Agent and Insurer. The
1309 Insurer shall be provided with final drafts of the above-referenced documentation not
1310 less than five business days prior to the funding of the escrow.

1311
1312 Bonds shall be deemed "Outstanding" under the Resolution unless and until they are
1313 in fact paid and retired or the above criteria are met.

1314
1315 (o) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for
1316 purposes of the Resolution and the Bonds relating to such payments shall remain
1317 Outstanding and continue to be due and owing until paid by the City in accordance
1318 with the Resolution. The Resolution shall not be discharged unless all amounts due
1319 or to become due to the Insurer have been paid in full or duly provided for.

1320
1321 (p) Each of the City and Paying Agent covenant and agree to take such action
1322 (including, as applicable, filing of UCC financing statements and continuations
1323 thereof) as is necessary from time to time to preserve the priority of the pledged
1324 security hereunder under applicable law.

1325
1326 (q) Claims Upon the Insurance Policy and Payments by and to the Insurer.

1327
1328 If, on the third Business Day prior to the related scheduled interest payment date or
1329 principal payment date ("Payment Date") there is not on deposit with the Paying
1330 Agent, after making all transfers and deposits required under the Resolution, moneys
1331 sufficient to pay the principal of and interest on the Bonds due on such Payment
1332 Date, the Paying Agent shall give notice to the Bond Insurer and to its designated
1333 agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount
1334 of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on
1335 the second Business Day prior to the related Payment Date, there continues to be a
1336 deficiency in the amount available to pay the principal of and interest on the Bonds
1337 due on such Payment Date, the Paying Agent shall make a claim under the Insurance
1338 Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by
1339 telephone of the amount of such deficiency, and the allocation of such deficiency
1340 between the amount required to pay interest on the Bonds and the amount required to
1341 pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer's
1342 Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by
1343 filling in the form of Notice of Claim and Certificate delivered with the Insurance
1344 Policy.

1345
1346 The Paying Agent shall designate any portion of payment of principal on Bonds paid
1347 by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or
1348 other advancement of maturity, on its books as a reduction in the principal amount of
1349 Bonds registered to the then current Bondholder, whether DTC or its nominee or

1350 otherwise, and shall issue a replacement Bond to the Insurer, registered in the name
1351 of Financial Security Assurance Inc., in a principal amount equal to the amount of
1352 principal so paid (without regard to authorized denominations); provided that the
1353 Paying Agent's failure to so designate any payment or issue any replacement Bond
1354 shall have no effect on the amount of principal or interest payable by the City on any
1355 Bond or the subrogation rights of the Insurer.

1356
1357 The Paying Agent shall keep a complete and accurate record of all funds deposited
1358 by the Insurer into the Policy Payments Account (defined below) and the allocation
1359 of such funds to payment of interest on and principal of any Bond. The Insurer shall
1360 have the right to inspect such records at reasonable times upon reasonable notice to
1361 the Paying Agent.

1362
1363 Upon payment of a claim under the Insurance Policy, the Paying Agent shall
1364 establish a separate special purpose trust account for the benefit of Bondholders
1365 referred to herein as the "Policy Payments Account" and over which the Paying
1366 Agent shall have exclusive control and sole right of withdrawal. The Paying Agent
1367 shall receive any amount paid under the Insurance Policy in trust on behalf of
1368 Bondholders and shall deposit any such amount in the Policy Payments Account and
1369 distribute such amount only for purposes of making the payments for which a claim
1370 was made. Such amounts shall be disbursed by the Paying Agent to Bondholders in
1371 the same manner as principal and interest payments are to be made with respect to
1372 the Bonds under the sections hereof regarding payment of Bonds. It shall not be
1373 necessary for such payments to be made by checks or wire transfers separate from
1374 the check or wire transfer used to pay debt service with other funds available to make
1375 such payments. Notwithstanding anything herein to the contrary, the City agrees to
1376 pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under
1377 the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer
1378 Advances from the date paid by the Insurer until payment thereof in full, payable to
1379 the Insurer at the Late Payment Rate per annum (collectively, the "Insurer
1380 Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater
1381 of (i) the per annum rate of interest, publicly announced from time to time by
1382 JPMorgan Chase Bank at its principal office in The City of New York, as its prime
1383 or base lending rate (any change in such rate of interest to be effective on the date
1384 such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then
1385 applicable highest rate of interest on the Bonds and (b) the maximum rate
1386 permissible under applicable usury or similar laws limiting interest rates. The Late
1387 Payment Rate shall be computed on the basis of the actual number of days elapsed
1388 over a year of 360 days. The City hereby covenants and agrees that the Insurer
1389 Reimbursement Amounts are secured by a lien on and pledge of the Net Revenues
1390 and payable from such Net Revenues on a parity with debt service due on the Bonds.

1391
1392 Funds held in the Policy Payments Account shall not be invested by the Paying
1393 Agent and may not be applied to satisfy any costs, expenses or liabilities of the
1394 Paying Agent. Any funds remaining in the Policy Payments Account following a
1395 Bond payment date shall promptly be remitted to the Insurer.

- 1396
1397 (r) The Insurer shall, to the extent it makes any payment of principal of or interest on the
1398 Bonds, become subrogated to the rights of the recipients of such payments in
1399 accordance with the terms of the Insurance Policy. Each obligation of the City to the
1400 Insurer under the Related Documents shall survive discharge or termination of such
1401 Related Documents.
1402
- 1403 (s) The City shall pay or reimburse the Insurer any and all charges, fees, costs and
1404 expenses that the Insurer may reasonably pay or incur in connection with (i) the
1405 administration, enforcement, defense or preservation of any rights or security in any
1406 Related Document; (ii) the pursuit of any remedies under the Resolution or any other
1407 Related Document or otherwise afforded by law or equity, (iii) any amendment,
1408 waiver or other action with respect to, or related to, the Resolution or any other
1409 Related Document whether or not executed or completed, or (iv) any litigation or
1410 other dispute in connection with the Resolution or any other Related Document or
1411 the transactions contemplated thereby, other than costs resulting from the failure of
1412 the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves
1413 the right to charge a reasonable fee as a condition to executing any amendment,
1414 waiver or consent proposed in respect of the Resolution or any other Related
1415 Document.
1416
- 1417 (t) After payment of reasonable expenses of the Paying Agent, the application of funds
1418 realized upon default shall be applied to the payment of expenses of the City or
1419 rebate only after the payment of past due and current debt service on the Bonds and
1420 amounts required to restore the Bond Reserve Account to the Bond Reserve
1421 Requirement.
1422
- 1423 (u) The Insurer shall be entitled to pay principal or interest on the Bonds that shall
1424 become Due for Payment but shall be unpaid by reason of Nonpayment by the City
1425 (as such terms are defined in the Insurance Policy) and any amounts due on the
1426 Bonds as a result of acceleration of the maturity thereof in accordance with the
1427 Resolution, whether or not the Insurer has received a Notice of Nonpayment (as such
1428 terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.
1429
- 1430 (v) The notice address of the Insurer is: Financial Security Assurance Inc., 31 West
1431 52nd Street, New York, New York 10019, Attention: Managing Director –
1432 Surveillance, Re: Policy No. 208771-N, Telephone: (212) 826-0100; Telecopier:
1433 (212) 339-3556. In each case in which notice or other communication refers to an
1434 Event of Default, then a copy of such notice or other communication shall also be
1435 sent to the attention of the General Counsel and shall be marked to indicate
1436 "URGENT MATERIAL ENCLOSED."
1437
- 1438 (w) The Insurer shall be provided with the following information by the City or Paying
1439 Agent, as the case may be:
1440

- 1441 (i) Annual audited financial statements within 150 days after the end
1442 of the City's fiscal year (together with a certification of the City
1443 that it is not aware of any default or Event of Default under the
1444 Resolution), and the City's annual budget within 30 days after the
1445 approval thereof together with such other information, data or
1446 reports as the Insurer shall reasonably request from time to time;
1447
- 1448 (ii) Notice of any draw upon the Bond Reserve Account within two
1449 Business Days after knowledge thereof other than (i) withdrawals
1450 of amounts in excess of the Bond Reserve Requirement and (ii)
1451 withdrawals in connection with a refunding of Bonds;
1452
- 1453 (iii) Notice of any default known to the Paying Agent or City within
1454 five Business Days after knowledge thereof;
1455
- 1456 (iv) Prior notice of the advance refunding or redemption of any of the
1457 Bonds, including the principal amount, maturities and CUSIP
1458 numbers thereof;
1459
- 1460 (v) Notice of the resignation or removal of the Paying Agent and
1461 Bond Registrar and the appointment of, and acceptance of duties
1462 by, any successor thereto;
1463
- 1464 (vi) Notice of the commencement of any proceeding by or against the
1465 City or Obligor commenced under the United States Bankruptcy
1466 Code or any other applicable bankruptcy, insolvency,
1467 receivership, rehabilitation or similar law (an "Insolvency
1468 Proceeding");
1469
- 1470 (vii) Notice of the making of any claim in connection with any
1471 Insolvency Proceeding seeking the avoidance as a preferential
1472 transfer of any payment of principal of, or interest on, the Bonds;
1473
- 1474 (viii) A full original transcript of all proceedings relating to the
1475 execution of any amendment, supplement, or waiver to the
1476 Related Documents; and
1477
- 1478 (ix) All reports, notices and correspondence to be delivered to
1479 Bondholders under the terms of the Related Documents.
1480
- 1481 (x) Notwithstanding satisfaction of the other conditions to the issuance of Additional
1482 Bonds set forth in the Resolution, no such issuance may occur (1) if an Event of
1483 Default (or any event which, once all notice or grace periods have passed, would
1484 constitute an Event of Default) exists unless such default shall be cured upon such
1485 issuance and (2) unless the Bond Reserve Account is fully funded at the Bond

1486 Reserve Requirement (including the proposed issue) upon the issuance of such
1487 Additional Bonds, in either case unless otherwise permitted by the Insurer.
1488

1489 (y) In determining whether any amendment, consent, waiver or other action to be taken,
1490 or any failure to take action, under the Resolution would adversely affect the security
1491 for the Bonds or the rights of the Bondholders, the Paying Agent shall consider the
1492 effect of any such amendment, consent, waiver, action or inaction as if there were no
1493 Insurance Policy.
1494

1495 (z) No contract shall be entered into or any action taken by which the rights of the
1496 Insurer or security for or sources of payment of the Bonds may be impaired or
1497 prejudiced in any material respect except upon obtaining the prior written consent of
1498 the Insurer.
1499

1500 ARTICLE VII

1501 DEFEASANCE

1502
1503
1504 **Section 701. Defeasance.** When any or all of the Bonds or scheduled interest
1505 payments thereon have been paid and discharged or provision for their payment and
1506 discharge has been made pursuant to Article III hereof, then the requirements contained in
1507 this Resolution and the pledge of security hereunder and all other rights granted hereby shall
1508 terminate with respect to the Bonds or scheduled interest payments thereon so paid and dis-
1509 charged. Bonds or scheduled interest payments thereon shall be deemed to have been paid
1510 and discharged within the meaning of this Resolution if there has been deposited with the
1511 Paying Agent, or other legally qualified commercial bank or trust company and having full
1512 trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the
1513 interest payments thereon, in trust for and irrevocably appropriated thereto, Defeasance
1514 Obligations which, together with the interest to be earned on any such Defeasance
1515 Obligations, will be sufficient for the payment of the principal of said Bonds and/or interest
1516 accrued to the Stated Maturity or Redemption Date, or if default in such payment has
1517 occurred on such date, then to the date of the tender of such payments; provided, however,
1518 that if any such Bonds are to be redeemed prior to their Stated Maturity, (1) the City has
1519 elected to redeem such Bonds, and (2) either notice of such redemption has been given, or
1520 the City has given irrevocable instructions, or shall have provided for an escrow agent to
1521 give irrevocable instructions, to the Bond Registrar to give such notice of redemption in
1522 compliance with **Section 303** of this Resolution. Any Defeasance Obligations that at any
1523 time shall be deposited with the Paying Agent or other commercial bank or trust company
1524 by or on behalf of the City, for the purpose of paying and discharging any of the Bonds,
1525 shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank
1526 or trust company in trust for the respective Owners of the Bonds, and such moneys shall be
1527 and are hereby irrevocably appropriated to the payment and discharge thereof. All
1528 Defeasance Obligations deposited with the Paying Agent or such bank or trust company
1529 shall be deemed to be deposited in accordance with and subject to all of the provisions of
1530 this Resolution.
1531

1532 ARTICLE VIII

1533 CONTINUING DISCLOSURE REQUIREMENTS

1534
1535
1536 **Section 801. Disclosure Requirements.** The City hereby covenants with the
1537 Original Purchaser and the Beneficial Owners (as defined in the Disclosure Certificate) to
1538 provide and disseminate such information as is required by Rule 15c2-12 (as defined in the
1539 Disclosure Certificate) and is further set forth in the Disclosure Certificate. Such covenant
1540 shall be for the benefit of and enforceable by the Original Purchaser and such Beneficial
1541 Owners.

1542
1543 **Section 802. Failure to Comply with Continuing Disclosure Requirements.** In
1544 the event the City fails to comply in a timely manner with its covenants contained in the
1545 preceding section, the Original Purchaser and/or any such Beneficial Owner may make
1546 demand for such compliance by written notice to the City. In the event the City does not
1547 remedy such noncompliance within 10 days of receipt of such written notice, the Original
1548 Purchaser or any such Beneficial Owner may in its discretion, without notice or demand,
1549 proceed to enforce compliance by a suit or suits in equity for the specific performance of
1550 such covenant or agreement contained in the preceding section or for the enforcement of any
1551 other appropriate legal or equitable remedy as the Original Purchaser and/or any such
1552 Beneficial Owner shall deem effectual to protect and enforce any of the duties of the City
1553 under such preceding section.

1554
1555 ARTICLE IX

1556 MISCELLANEOUS PROVISIONS

1557
1558
1559 **Section 901. Particular Covenants of the City.** That the City covenants with the
1560 Original Purchasers and Owners of the Bonds that, so long as the Bonds remain outstanding
1561 and unpaid:

1562
1563 (a) The City will faithfully perform at all times any and all covenants,
1564 agreements, undertakings and provisions contained in the Ordinance, this Resolution and the
1565 Bonds.

1566
1567 (b) The City will operate and maintain the System in an efficient manner and at
1568 reasonable cost and will keep the same in good repair and working order.

1569
1570 (c) The City will fix, establish, maintain and collect such rates, fees or charges
1571 for service furnished by and through the Combined Utility including all extensions,
1572 improvements and enlargements thereto thereafter constructed or acquired by the City,
1573 which rates, fees or charges shall be sufficient to pay the Expenses of the Combined Utility
1574 and to pay the principal of and interest on the Bonds and all other Combined Utility revenue
1575 bonds of the City hereafter issued and standing on a parity with the Bonds as and when the
1576 same become due, and to create and maintain reasonable reserves as hereinafter specified;
1577 provided, however, that such rates, fees and charges of the water, water pollution control

1578 and stormwater utilities shall not be set or otherwise established so that the rates, fees or
1579 charges of one such division subsidize the other. The City further covenants and agrees that
1580 it will at all times maintain and collect rates, fees or charges for the use of or services
1581 rendered by the Combined Utility which will be sufficient to enable the City to have in each
1582 fiscal year Net Revenues from the Combined Utility in an amount which will be not less
1583 than 125% of the amount required to be paid by the City in the next succeeding fiscal year
1584 on account of both principal of and interest on all Combined Utility revenue bonds of the
1585 City at that time outstanding. As soon as possible after the end of each fiscal year, the
1586 annual audit and report made for such year by the City's officers pursuant to provisions of
1587 this Resolution shall be presented to and considered by the City's Governing Body and if it
1588 shall appear that an increase in existing rates, fees or charges for the services of the
1589 Combined Utility is necessary in order to satisfy the obligations of the City under provisions
1590 of this Resolution, the Governing Body shall promptly make such increase and shall cause
1591 the same to be effective within ninety (90) days thereafter. If prior to the end of the then
1592 current fiscal year, any interim operating statements of the Combined Utility shall indicate
1593 that an increase in the existing rates, fees or charges is necessary to satisfy the obligations of
1594 the City under provisions of this Resolution, the Governing Body shall promptly make such
1595 increase and shall cause the same to be effective within ninety (90) days thereafter.

1596

1597 (d) None of the facilities or services afforded by the Combined Utility will be
1598 furnished to any user without a reasonable charge being made therefore.

1599

1600 (e) The City will not mortgage, pledge or otherwise encumber the System or
1601 any part thereof, or any extension, improvement or betterment thereof nor will it sell, lease
1602 or otherwise dispose of the System or any material part thereof. The City may, however,
1603 dispose of any property which has become obsolete and non-productive or otherwise
1604 unusable to the advantage of the City. Any cash proceeds derived from the City's sale of
1605 such property shall be used by the City to improve, extend or enlarge the System.

1606

1607 (f) The City will carry and maintain a reasonable amount of all risk insurance
1608 upon the properties forming part of the System insofar as they are of an insurable nature, the
1609 amount of such insurance being the amount as would normally be carried by a municipal
1610 corporation engaged in a similar type of utility enterprise. In the event of loss or damage,
1611 the City, with all reasonable dispatch, will use the proceeds of such insurance to reconstruct
1612 and replace the property damaged or destroyed or, if such reconstruction or replacement be
1613 unnecessary, then either to improve, extend or enlarge the System or to redeem or purchase
1614 in the open market the outstanding Bonds. The City in operating the Combined Utility will
1615 carry and maintain public liability and worker's compensation insurance in such amounts as
1616 would normally be maintained by a municipal corporation engaged in a similar type of
1617 utility enterprise and the proceeds derived from any of such policies shall be used in paying
1618 the claims on the account of which such proceeds were received; provided, however, the
1619 City may, in accordance with applicable law, self insure such obligations. The cost of all
1620 insurance referred to in this paragraph shall be paid as an operating cost out of the revenues
1621 of the Combined Utility.

1622

1623 (g) The City will install and maintain proper books, records and accounts
1624 separate from all other records and accounts of the City in which complete and correct
1625 entries will be made of all dealings and transactions of or in relation to the properties,
1626 business and affairs of the Combined Utility. Such accounts shall show the amount of
1627 revenue received from the Combined Utility, the application of such revenue and all
1628 financial transactions in connection therewith. Said books shall be kept by the City
1629 according to the standard accounting practices as applicable to the operation of the water,
1630 water pollution control and stormwater utility systems by municipalities.

1631
1632 (h) Annually at the end of each fiscal year the City will cause an audit to be
1633 made by a competent firm of independent auditors of the Combined Utility and shall cause a
1634 copy of such audit to be mailed to the Original Purchaser of the Bonds. Said audit shall
1635 include:

1636
1637 (1) a classified statement of the gross revenues received, of
1638 expenditures for operation and maintenance, of expenditures for all other purposes,
1639 and the amount of any capital expenditures made from such revenues made during
1640 the fiscal year;

1641
1642 (2) a balance sheet as of the end of each fiscal year, with an amount on
1643 hand at the end of such year in each of the accounts created or referred to in this
1644 Resolution;

1645
1646 (3) a statement showing gain or loss for such fiscal year;

1647
1648 (4) a statement of the Bonds redeemed, purchased or paid during the
1649 preceding fiscal year, and a statement of all interest paid during such year on the
1650 Bonds;

1651
1652 (5) a statement of the number of customers served by the Combined
1653 Utility at the beginning and also at the end of such fiscal year;

1654
1655 (6) a statement showing the amount and character of insurance carried
1656 by the City on the property constituting the System and showing the names of the
1657 insurers, expiration dates of the policies and the premium thereon;

1658
1659 (7) the opinion of the auditors as to whether or not the City is meeting
1660 the requirements of paragraph (c) of this Section by maintaining and collecting
1661 adequate rates, fees and charges for Combined Utility services furnished by the City;
1662 and

1663
1664 (8) such remarks and recommendations regarding the City's method of
1665 operation of the Combined Utility and its accounting practice as such auditors may
1666 deem appropriate. Such audit shall be completed as soon as practicable after the end
1667 of each fiscal year and a copy thereof filed with the office of the City Clerk where it
1668 shall be open to public inspection.

1669
1670
1671
1672
1673
1674
1675
1676
1677
1678
1679
1680
1681
1682
1683
1684
1685
1686
1687
1688
1689
1690
1691
1692
1693
1694
1695
1696
1697
1698
1699
1700
1701
1702
1703
1704
1705
1706
1707
1708
1709
1710
1711
1712
1713
1714

(i) The City shall semiannually conduct an internal rate review for the purpose of determining the sufficiency of the water, water pollution control and stormwater utility rates and charges of the City in view of the covenants herein and heretofore made.

(j) As long as the Bonds are Outstanding, any payments in lieu of taxes made to the City from the Net Revenues of the Combined Utility shall not exceed an amount based on the method currently in effect in the City, such method being based on the net value of the equity of the City in the System located within the corporate limits of the City. Further, such payment in lieu of taxes will not be made if the City is in default in paying the principal of or interest on the Bonds or any additional bonds issued in accordance with **Section 902** hereof, or if such payment would cause the City to default in the payment of principal or interest on the Bonds or any such additional bonds.

Section 902. Additional Bonds. That the City hereby covenants and agrees that so long as any of the Bonds remain outstanding and unpaid, it will not issue any additional Combined Utility revenue bonds or any other obligations payable from the Net Revenues of the Combined Utility which are superior in lien, security or otherwise to the Bonds other than Permitted Loans. The City hereby covenants and agrees except as hereinafter provided, that so long as the Bonds remain outstanding and unpaid it will not issue any additional bonds or other obligations payable out of the revenues of the Combined Utility which stand on a parity or equality with the Bonds unless each of the following conditions are met:

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

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

(c) In addition, projected annual Net Revenues expected to be derived by the City from the operation of the Combined Utility, for the fiscal year following the issuance of any additional bonds, shall equal or exceed 125% of the maximum amount required to be paid out of the Net Revenues in any succeeding fiscal year on account of both principal and interest becoming due with respect to the Bonds, including any revenue bonds previously issued on a parity with the Bonds together with additional bonds proposed to be issued, based on a detailed investigation and report of an engineering firm or an independent public accountant as to the amount of annual Net Revenues expected in such fiscal year, and said amount as defined and certified by said engineer or accountant shall govern in determining the right of the City to issue additional parity bonds under this **Section 902**. No investigation or report of an engineer or accountant shall be required pursuant to this **Section 902** (i) in the event any issuance of additional bonds shall not increase the

1715 maximum amount required to be paid out of the Net Revenues in any succeeding fiscal year
1716 on account of both principal and interest becoming due with respect to the Bonds, including
1717 any additional revenue bonds previously issued on a parity with the Bonds together with
1718 additional bonds proposed to be issued or (ii) in the event that the annual Net Revenues
1719 derived by the City from the operation of the Combined Utility, for the fiscal year next
1720 preceding the issuance of any additional bonds, shall have been equal to 125% of the
1721 maximum amount required to be paid out of the Net Revenues in any succeeding fiscal year
1722 on account of both principal and interest becoming due with respect to the Bonds, including
1723 any additional revenue bonds previously issued on a parity with the Bonds together with the
1724 additional revenue bonds proposed to be issued.

1725

1726 Additional Combined Utility revenue bonds of the City issued under the conditions
1727 hereinbefore in this Section set forth shall stand on a parity with the Bonds and shall enjoy
1728 complete equality of lien on and claim against the revenues of the Combined Utility with
1729 said Bonds, and the City shall make equal provision for paying said additional Combined
1730 Utility revenue bonds and the interest thereon out of the Revenue Fund and provide for the
1731 creation of a principal and interest account for the payment of such additional Combined
1732 Utility revenue bonds and a bond reserve account to be funded as herein required. Any
1733 increases in the Bond Reserve Requirement as a result of the issuance of such additional
1734 Combined Utility revenue bonds shall be fully funded concurrently with the issuance of
1735 such additional Combined Utility revenue bonds from the proceeds of such bonds or from
1736 other funds available for such purpose. In addition, if the City receives an opinion of Bond
1737 Counsel to the effect that the Bond Reserve Requirement for any additional Combined
1738 Utility revenue bonds must be reduced in order that the amounts on deposit in such bond
1739 reserve fund may continue to be invested without yield restriction under the Code the
1740 amount held in such bond reserve fund shall be reduced in conformity with said opinion.

1741

1742 Nothing contained in this Section shall prohibit or restrict the right of the City to
1743 issue additional Combined Utility revenue bonds or other revenue obligations for the
1744 purpose of reconstructing, altering, repairing, improving or extending and enlarging the
1745 System and to provide that the principal of and interest on said revenue bonds or obligations
1746 shall be payable out of the Net revenues of the Combined Utility, provided that at the time
1747 of the issuance of such additional revenue bonds or obligations the City shall not be in
1748 default of performance of any covenant or agreement contained in this Resolution and
1749 provided further that such additional revenue bonds or obligations shall be junior and
1750 subordinate to the Bonds, so that if any time the City shall be in default in paying either
1751 interest on or principal of the Bonds or if the City shall be in default in making any
1752 payments required to be made by it under the provisions of this Resolution, the City shall
1753 make no payments of either principal of or interest on said junior or subordinate revenue
1754 bonds or obligations until said default or defaults be cured and no default shall exist on the
1755 part of the City under the covenants, agreements and conditions contained in this
1756 Resolution. In addition, any default on any junior and subordinate bonds shall not be
1757 deemed a default on the Bonds.

1758

1759 **Section 903. Additional Permitted Loans.** The City hereby covenants and
1760 agrees that so long as, except as hereinafter provided, any of the Bonds remain outstanding

1761 and unpaid, it will not issue any additional Permitted Loans payable out of the revenues of
1762 the Combined Utility that are superior in lien and security to the Bonds unless each of the
1763 following conditions are met:

1764
1765 (a) The City shall not be in default in making any of the payments at the time
1766 required to be made in connection with any outstanding Permitted Loans or into the
1767 respective funds or accounts created or referred to in this Resolution, or in the performance
1768 of any covenant contained herein.

1769
1770 (b) The annual Net Revenues derived by the City from the operation of the
1771 Combined Utility, for the fiscal year next preceding the issuance of additional Permitted
1772 Loans, shall have been equal to 125% of the maximum amount required to be paid out of the
1773 Net Revenues in any succeeding fiscal year on account of both principal of and interest
1774 becoming due with respect to the Bonds, including any additional revenue bonds previously
1775 issued on a parity with the Bonds.

1776
1777 (c) In addition, projected annual Net Revenues (adjusted as provided in the last
1778 sentence of this **Subsection 903(c)**) expected to be derived by the City from the operation of
1779 the Combined Utility, for the fiscal year following the issuance of any additional Permitted
1780 Loans, shall equal or exceed 125% of the maximum amount required to be paid out of the
1781 Net Revenues in any succeeding fiscal year on account of both principal and interest
1782 becoming due with respect to the Bonds, including any additional revenue bonds previously
1783 issued on a parity with the Bonds, based on a detailed investigation and report of an
1784 engineering firm or an independent public accountant as to the amount of annual Net
1785 Revenues expected in such fiscal year, and said amount as defined and certified by said
1786 engineer or accountant shall govern in determining right of the City to issue additional
1787 Permitted Loans payable out of the revenues of the Combined Utility that are superior in
1788 lien and security to the Bonds under this **Section 903**. No investigation or report of an
1789 engineer or accountant shall be required pursuant to this **Section 903** in the event that the
1790 annual Net Revenues (adjusted as provided in the last sentence of this **Subsection 903(c)**)
1791 derived by the City from the operation of the Combined Utility, for the fiscal year next
1792 preceding the issuance of any additional Permitted Loan, would have been equal to 125% of
1793 the maximum amount required to be paid out of the Net Revenues in any succeeding fiscal
1794 year on account of both principal and interest becoming due with respect to the Bonds,
1795 including any additional revenue bonds previously issued on a parity with the Bonds. For
1796 purposes of determining Net Revenues as required for this **Subsection 903(c)**, the maximum
1797 amount payable in any succeeding fiscal year on the additional Permitted Loan shall be
1798 treated as an Expense in the fiscal year for which the Net Revenues are being computed.

1799
1800 **Section 904. Authorization of Bond Sale.** That the sale of the Bonds to Morgan
1801 Keegan & Co., Inc., Memphis, Tennessee, in accordance with their bid pursuant to the
1802 notice of bond sale dated June 11, 2007, is hereby ratified and confirmed.

1803
1804 **Section 905. Annual Audit.** Annually, promptly after the end of the Fiscal Year,
1805 the City will cause an audit to be made of its Funds and Accounts for the preceding Fiscal

1806 Year by a certified public accountant or firm of certified public accountants as provided in
1807 **Section 901(h)** of this Resolution.

1808

1809 Within 30 days after the completion of each such audit, a copy thereof shall be filed
1810 in the office of the Clerk. Such audit shall at all times during the usual business hours of the
1811 City be open to the examination and inspection by any taxpayer, any Owner of the Bonds or
1812 by anyone acting for or on behalf of such taxpayer or Owner. Upon payment of the reason-
1813 able cost of preparing and mailing the same, a copy of any annual audit will, upon request,
1814 be sent to any Owner or prospective Owner.

1815

1816 As soon as possible after the completion of the annual audit, the governing body of
1817 the City shall review such audit, and if the audit discloses that proper provision has not been
1818 made for all of the requirements of this Resolution, the City shall promptly cure such
1819 deficiency.

1820

1821 **Section 906. Amendments.** The rights and duties of the City and the Owners, and
1822 the terms and provisions of the Bonds or of this Resolution, may be amended or modified at
1823 any time in any respect by resolution of the City with the written consent of the Owners of
1824 not less than a majority in principal amount of the Bonds then Outstanding, such consent to
1825 be evidenced by an instrument or instruments executed by such Owners and duly ac-
1826 knowledged or proved in the manner of a deed to be recorded, and such instrument or
1827 instruments shall be filed with the Clerk, but no such modification or alteration shall:

1828

1829 (a) extend the maturity of any payment of principal or interest due upon any
1830 Bond;

1831

1832 (b) effect a reduction in the amount which the City is required to pay as
1833 principal of or interest on any Bond;

1834

1835 (c) permit preference or priority of any Bond over any other Bond; or

1836

1837 (d) reduce the percentage in principal amount of Bonds required for the written
1838 consent to any modification or alteration of the provisions of this Resolution.

1839

1840 Any provision of the Bonds or of this Resolution may, however, be amended or
1841 modified by resolution duly adopted by the governing body of the City at any time in any
1842 legal respect with the written consent of the Owners of all of the Bonds at the time
1843 Outstanding.

1844

1845 Without notice to or the consent of any Owners, the City may amend or supplement
1846 this Resolution for the purpose of curing any formal defect, omission, inconsistency or
1847 ambiguity therein or in connection with any other change therein which is not materially
1848 adverse to the interests of the Owners.

1849

1850 Every amendment or modification of the provisions of the Bonds or of this
1851 Resolution, to which the written consent of the Owners is given, as above provided, shall be

1852 expressed in a resolution adopted by the governing body of the City amending or
1853 supplementing the provisions of this Resolution and shall be deemed to be a part of this
1854 Resolution. A certified copy of every such amendatory or supplemental resolution, if any,
1855 and a certified copy of this Resolution shall always be kept on file in the office of the Clerk,
1856 and shall be made available for inspection by the Owner of any Bond or a prospective
1857 purchaser or owner of any Bond authorized by this Resolution, and upon payment of the
1858 reasonable cost of preparing the same, a certified copy of any such amendatory or
1859 supplemental resolution or of this Resolution will be sent by the Clerk to any such Owner or
1860 prospective Owner.

1861

1862 Any and all modifications made in the manner hereinabove provided shall not
1863 become effective until there has been filed with the Clerk a copy of the resolution of the
1864 City hereinabove provided for, duly certified, as well as proof of any required consent to
1865 such modification by Owners of the Bonds then Outstanding. It shall not be necessary to
1866 note on any of the Outstanding Bonds any reference to such amendment or modification.

1867

1868 The City shall furnish to the Bond Registrar and Paying Agent a copy of any
1869 amendment to the Bonds or this Resolution which affects the duties or obligations of the
1870 Bond Registrar and Paying Agent under this Resolution.

1871

1872 **Section 907. Notices, Consents and Other Instruments by Owners.** Any notice,
1873 consent, request, direction, approval or other instrument to be signed and executed by the
1874 Owners may be in any number of concurrent writings of similar tenor and may be signed or
1875 executed by such Owners in person or by agent appointed in writing. Proof of the execution
1876 of any such instrument or of the writing appointing any such agent and of the ownership of
1877 Bonds, if made in the following manner, shall be sufficient for any of the purposes of this
1878 Resolution, and shall be conclusive in favor of the City, the Bond Registrar and the Paying
1879 Agent with regard to any action taken, suffered or omitted under any such instrument,
1880 namely:

1881

1882 (a) The fact and date of the execution by any person of any such instrument
1883 may be proved by a certificate of any officer in any jurisdiction who by law has power to
1884 make acknowledgements within such jurisdiction that the person signing such instrument
1885 acknowledged before such officer the execution thereof, or by affidavit of any witness to
1886 such execution.

1887

1888 (b) The fact of ownership of Bonds, the amount or amounts, numbers and other
1889 identification of Bonds, and the date of holding the same shall be proved by the Bond Regis-
1890 ter.

1891

1892 In determining whether the Owners of the requisite principal amount of Bonds
1893 Outstanding have given any request, demand, authorization, direction, notice, consent or
1894 waiver under this Resolution, Bonds owned by the City shall be disregarded and deemed not
1895 to be Outstanding under this Resolution, except that, in determining whether the Owners
1896 shall be protected in relying upon any such request, demand, authorization, direction, notice,
1897 consent or waiver, only Bonds which the Owners know to be so owned shall be so

1898 disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in
1899 good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction
1900 of the Owners the pledgee's rights so to act with respect to such Bonds and that the pledgee
1901 is not the City.

1902

1903 **Section 908. Further Authority.** The officers and officials of the City, including
1904 the Mayor and Clerk, are hereby authorized and directed to execute all documents and take
1905 such actions as they may deem necessary or advisable in order to carry out and perform the
1906 purposes of this Resolution and to make ministerial alterations, changes or additions in the
1907 foregoing agreements, statements, instruments and other documents herein approved,
1908 authorized and confirmed which they may approve, and the execution or taking of such
1909 action shall be conclusive evidence of such necessity or advisability.

1910

1911 **Section 909. Severability.** If any section or other part of this Resolution is for any
1912 reason held invalid, the invalidity thereof shall not affect the validity of the other provisions
1913 of this Resolution.

1914

1915 **Section 910. Governing Law.** This Resolution shall be governed exclusively by
1916 and construed in accordance with the applicable laws of the State.

1917

1918 **Section 911. Effective Date.** This Resolution shall take effect and be in full force
1919 from and after its passage by the Council of the City.

1920

1921

(REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK)

1922 PASSED and approved by the City of Topeka, Kansas, on June 19, 2007.

1923

1924

CITY OF TOPEKA, KANSAS

1925

1926 (SEAL)

1927

William W. Bunten, Mayor

1928

1929

1930 ATTEST:

1931

1932

1933

Brenda Younger, City Clerk

1934

1935

1936

1937

CERTIFICATE

1938

1939

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of the Resolution of the governing body of the City of Topeka, Kansas, adopted by the governing body at a regularly scheduled meeting held on June 19, 2007, as the same appears of record in my office, and that the Resolution has not been modified, amended or repealed and is in full force and effect as of this date.

1940

1941

1942

1943

1944

DATED: June 19, 2007.

1945

1946

1947

(SEAL)

1948

1949

Brenda Younger, City Clerk

1950 EXHIBIT A
1951 (FORM OF BOND)
1952

1953 Unless this certificate is presented by an authorized representative of The Depository Trust
1954 Company to the issuer or its agent for registration of transfer, exchange or payment, and any
1955 certificate issued is registered in the name of Cede & Co. or such other name as requested
1956 by an authorized representative of The Depository Trust Company and any payment is made
1957 to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR
1958 OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner
1959 hereof, Cede & Co., has an interest herein.
1960

1961 Financial Security Assurance Inc. ("Financial Security"), New York, New York, has
1962 delivered its municipal bond insurance policy with respect to the scheduled payments due of
1963 principal of and interest on this Bond to the Kansas State Treasurer, Topeka, Kansas, or its
1964 successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and
1965 available for inspection at the principal office of the Paying Agent and a copy thereof may
1966 be obtained from Financial Security or the Paying Agent.
1967

1968 THIS BOND IS NOT AN OBLIGATION ON WHICH THE INTEREST IS
1969 EXCLUDABLE FROM GROSS INCOME UNDER SECTION 103 OF THE INTERNAL
1970 REVENUE CODE OF THE UNITED STATES OF AMERICA, AS AMENDED. THE
1971 HOLDER OF THIS BOND SHOULD **NOT** REGARD THE INTEREST HEREON AS
1972 BEING EXEMPT FROM FEDERAL INCOME TAXATION.
1973

1974
1975
1976 UNITED STATES OF AMERICA
1977 STATE OF KANSAS
1978 COUNTY OF SHAWNEE
1979 CITY OF TOPEKA
1980 TAXABLE COMBINED UTILITY IMPROVEMENT REVENUE BOND
1981 SERIES 2007-C
1982

1983 No. R-_____ \$_____

1984
1985 Rate of Maturity Dated CUSIP _____
1986 Interest: Date: Date: July 17, 2007
1987

1988 Registered Owner:
1989

1990 Principal Amount:
1991

1992 The City of Topeka, in the County of Shawnee, State of Kansas, (the "City") for
1993 value received acknowledges itself to be indebted to and promises to pay, but solely from
1994 the sources hereinafter pledged, to the registered owner identified above, or registered
1995 assigns as hereinafter provided, on the maturity date identified above, the principal amount

1996 identified above, and in like manner to pay, as of the Record Dates as hereinafter provided,
1997 interest on such principal amount from the date of this Bond or from the most recent interest
1998 payment date to which interest has been paid prior to the registration date set forth below at
1999 the rate of interest per annum set forth above semiannually on February 1 and August 1 of
2000 each year (the "Interest Payment Dates") commencing February 1, 2008, until said principal
2001 amount is paid.

2002

2003 The principal of and premium, if any, on this Bond shall be payable in lawful money
2004 of the United States of America at the office of the Treasurer of the State of Kansas, Topeka,
2005 Kansas, (the "Paying Agent" and "Bond Registrar") upon presentation of this Bond for
2006 payment and cancellation. The interest on this Bond shall be payable in lawful money of
2007 the United States of America by check or draft of the Paying Agent by mailing to the
2008 registered owner thereof at the address appearing on the registration books of the City
2009 maintained by the Bond Registrar or at such other address as is furnished in writing by such
2010 registered owner to the Bond Registrar at the close of business on the 15th day of January or
2011 July next preceding the applicable interest payment date (the "Record Dates"), or in the case
2012 of an interest payment to any Owner of **\$500,000** or more in aggregate principal amount of
2013 Bonds, by electronic transfer to such Owner upon written notice given to the Paying Agent
2014 by such Owner not less than **15** days prior to the Record Date for such interest, containing
2015 the electronic transfer instructions including the bank (which shall be in the continental
2016 United States), ABA routing number and account number to which such Owner wishes to
2017 have such transfer directed.

2018

2019 THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE
2020 REVERSE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT
2021 AS THOUGH FULLY SET FORTH AT THIS PLACE.

2022

2023 It is hereby certified and declared that all acts, conditions and things required to be
2024 done and to exist precedent to and in the issuance of this Bond have been properly done and
2025 performed and do exist in due and regular form and manner as required by the Constitution
2026 and Laws of the State of Kansas, and that the total indebtedness of said City, including this
2027 series of bonds, does not exceed any constitutional or statutory limitation.

2028

2029 This Bond shall not be valid or become obligatory for any purpose until the
2030 Certificate of Authentication and Registration hereon shall have been lawfully executed by
2031 the Bond Registrar.

2032

2033 IN WITNESS WHEREOF, the said City of Topeka, in the State of Kansas, by its
2034 governing body, has caused this Bond to be executed by its Mayor and attested by its City
2035 Clerk by their manual signatures with its corporate seal to be affixed hereon, all as of the
2036 17th day of July, 2007.

2037

CITY OF TOPEKA, KANSAS

2038

2039

(manual)

2040

Mayor

2041

2042
2043
2044
2045
2046
2047
2048
2049
2050
2051
2052
2053
2054
2055
2056
2057
2058
2059
2060
2061
2062
2063
2064
2065
2066
2067
2068
2069
2070
2071
2072
2073
2074
2075
2076
2077
2078
2079
2080
2081
2082
2083
2084
2085
2086

ATTEST: _____ (manual)
City Clerk

(SEAL)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the City of Topeka, Kansas, Taxable Combined Utility Improvement Revenue Bonds, Series 2007-C described in the within mentioned Resolution.

Registration Date: _____

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 \$2,140,000 (the "Bonds") issued for the purposes set forth in Ordinance No. 18907 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, and Article 12 of Chapter 10 of the Kansas Statutes Annotated, and all amendments thereof, acts supplemental thereto, the Ordinance, Resolution No. 7964 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 or portions thereof either maturing or subject to mandatory redemption and payment on or after August 1, 2016, may be called for redemption and payment prior to maturity on August 1, 2015, 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 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and payment.

2087 Each of the Bonds maturing on August 1, 2025, shall also be subject to mandatory
2088 redemption and payment prior to maturity beginning on August 1, 2008, and on each August
2089 1 thereafter, pursuant to the redemption schedule set forth in the Resolution at the
2090 redemption Price of 100% (expressed as a percentage of the principal amount) plus accrued
2091 interest thereon to the Redemption Date.
2092

2093 Bonds will be redeemed in integral multiples of \$5,000. If less than all Bonds are
2094 called for redemption, the Bond Registrar will, in the case of Bonds in denominations
2095 greater than \$5,000, treat each \$5,000 of face value as though it were a separate Bond.
2096

2097 In the event of any such redemption, the Paying Agent shall give notice of such call
2098 by mailing a copy of the redemption notice by first class mail, postage prepaid, not less than
2099 thirty (30) days prior to the date of such redemption to the registered owner of each Bond to
2100 be redeemed at the address shown on the registration books maintained by the Bond
2101 Registrar. Failure to give such notice by mailing to the registered owner of any Bond, or
2102 any defect therein, shall not affect the validity of any proceedings for the redemption of
2103 other Bonds. Any notice mailed as provided herein shall be conclusively presumed to have
2104 been duly given, whether or not the owner of such Bonds received the notice.
2105

2106 The principal and interest of this Bond is hereby made a lien upon the revenues
2107 derived from the combined Water, Water Pollution Control and Stormwater Utilities of the
2108 City and said principal and interest are to be paid solely and only from a special fund into
2109 which there shall be paid, from the revenues derived from the rates, fees or charges collected
2110 by said City from the operation of said combined Water, Water Pollution Control and
2111 Stormwater Utilities sums sufficient to make said payments when due, after deducting only
2112 reasonable operation and maintenance expenses. Said City shall not be obligated to pay said
2113 Bond with the interest thereon except from said special fund and neither this Bond nor this
2114 issue of which it forms a part is guaranteed or secured by any property of the City other than
2115 the revenues from said combined Water, Water Pollution Control and Stormwater Utilities,
2116 nor does this Bond constitute any indebtedness of said City which is payable in any manner
2117 from taxation and limit in any way the power of the City of issue bonds for any other
2118 purpose.
2119

2120 The City and the Bond Registrar may deem and treat the person in whose name this
2121 Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or
2122 on account of, the principal hereof, or redemption price hereof and interest due hereon and
2123 for all other purposes.
2124

2125 The Bonds are being issued by means of a book-entry system with no physical
2126 distribution of bond certificates to be made except as provided in the Resolution. One Bond
2127 certificate with respect to each date on which the Bonds are stated to mature or with respect
2128 to each form of Bonds, registered in the nominee name of the Securities Depository, is being
2129 issued and required to be deposited with the Securities Depository and immobilized in its
2130 custody. The book-entry system will evidence positions held in the Bonds by the Securities
2131 Depository's participants, beneficial ownership of the Bonds in authorized denominations
2132 being evidenced in the records of such participants. Transfers of ownership shall be effected

2133 on the records of the Securities Depository and its participants pursuant to rules and
2134 procedures established by the Securities Depository and its participants. The City and the
2135 Paying Agent will recognize the Securities Depository nominee, while the registered owner
2136 of the Bond, as the Owner of this Bond for all purposes, including (i) payments of principal
2137 of, and redemption premium, if any, and interest on, this Bond, (ii) notices and (iii) voting.
2138 Transfer of principal, interest and any redemption premium payments to participants of the
2139 Securities Depository, and transfer of principal, interest and any redemption premium
2140 payments to beneficial owners of the Bonds by participants of the Securities Depository will
2141 be the responsibility of such participants and other nominees of such beneficial owners. The
2142 City and the Paying Agent will not be responsible or liable for such transfers of payments or
2143 for maintaining, supervising or reviewing the records maintained by the Securities
2144 Depository, the Securities Depository nominee, its participants or persons acting through
2145 such participants. While the Securities Depository nominee is the owner of this Bond,
2146 notwithstanding the provision hereinabove contained, payments of principal of, redemption
2147 premium, if any, and interest on this Bond shall be made in accordance with existing
2148 arrangements among the City, the Paying Agent and the Securities Depository.

2149
2150
2151
2152
2153
2154
2155

**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.**

2156 This Bond is transferable by the registered owner hereof in person or by his attorney
2157 duly authorized in writing at the principal office of the Bond Registrar, but only in the
2158 manner, subject to the limitations and upon payment of the charges provided in the
2159 Resolution, and upon surrender and cancellation of this Bond. The City shall pay out of the
2160 proceeds of the Bonds or from other funds all costs incurred in connection with the issuance,
2161 transfer, exchange, registration, redemption or payment of the Bonds except (a) the
2162 reasonable fees and expenses in connection with the replacement of a Bond or Bonds
2163 mutilated, stolen, lost or destroyed or (b) any tax or other governmental charge imposed in
2164 relation to the transfer, exchange, registration, redemption or payment of the Bonds. Upon
2165 such transfer a replacement Bond or Bonds of authorized denominations of the same
2166 maturity and for the same aggregate principal amount will be issued to the transferee in
2167 exchange therefore.

2168 *****

BOND ASSIGNMENT

2169
2170
2171
2172
2173
2174
2175
2176
2177
2178

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

(Name and Address)

2179
2180
2181
2182
2183
2184
2185
2186
2187
2188
2189
2190
2191
2192
2193
2194
2195
2196
2197
2198
2199
2200
2201
2202
2203
2204
2205
2206
2207
2208
2209
2210
2211
2212
2213
2214
2215
2216
2217
2218
2219
2220
2221
2222

(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. _____
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 July 17, 2007.

WITNESS my hand and official seal.

(SEAL) _____ (manual signature)
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.

2223
2224
2225
2226
2227
2228
2229
2230

LYNN JENKINS
TREASURER OF THE STATE OF KANSAS

(SEAL)

By _____

State Treasurer

2231
2232
2233
2234
2235

EXHIBIT B
(DTC LETTERS OF REPRESENTATIONS)