

RESOLUTION NO. 9461

OF

THE CITY OF TOPEKA, KANSAS

ADOPTED

AUGUST 15, 2023

\$89,385,000
COMBINED UTILITY REVENUE BONDS
SERIES 2023-A

TABLE OF CONTENTS

ARTICLE I DEFINITIONS

Section 101. Definitions of Words and Terms..... 1

ARTICLE II AUTHORIZATION AND DETAILS OF THE BONDS

Section 201. Authorization of the Series 2023-A Bonds. 13
Section 202. Description of the Series 2023-A Bonds. 13
Section 203. Designation of Paying Agent and Bond Registrar. 14
Section 204. Method and Place of Payment of the Bonds. 15
Section 205. Registration, Transfer and Exchange of Bonds. 15
Section 206. Execution, Registration, Authentication and Delivery of Bonds. 16
Section 207. Mutilated, Lost, Stolen or Destroyed Bonds. 17
Section 208. Cancellation and Destruction of Bonds Upon Payment. 17
Section 209. Book-Entry Bonds; Securities Depository. 18
Section 210. Nonpresentment of Bonds. 18
Section 211. Calculation of Debt Service Requirements. 19
Section 212. Preliminary and Final Official Statement. 21
Section 213. Sale of the Series 2023-A Bonds. 22
Section 214. Parity Bond Certification. 22

ARTICLE III REDEMPTION OF BONDS

Section 301. Redemption by Issuer. 22
Section 302. Selection of Bonds to be Redeemed. 23
Section 303. Notice and Effect of Call for Redemption. 24

ARTICLE IV SECURITY FOR BONDS

Section 401. Security for the Bonds. 26

ARTICLE V ESTABLISHMENT OF FUNDS AND ACCOUNTS

DEPOSIT AND APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 501. Ratification; Creation of Funds and Accounts. 26
Section 502. Deposit of Series 2023-A Bond Proceeds and Other Moneys. 27
Section 503. Application of Moneys in the Construction Fund. 27
Section 504. Substitute Project; Reallocation of Proceeds. 27
Section 505. Application of Moneys in the Rebate Fund. 28
Section 506. Application of Moneys in the Costs of Issuance Account. 28

ARTICLE VI COLLECTION AND APPLICATION OF REVENUES

Section 601. Revenue Fund. 28
Section 602. Application of Moneys in Funds and Accounts. 29
Section 603. Transfer of Funds to Paying Agent. 32
Section 604. Payments Due on Saturdays, Sundays and Holidays. 32

ARTICLE VII DEPOSIT AND INVESTMENT OF MONEYS

Section 701. Deposits and Investment of Moneys..... 32

ARTICLE VIII GENERAL COVENANTS AND PROVISIONS

Section 801. Efficient and Economical Operation..... 33
Section 802. Rate Covenant..... 33
Section 803. Reasonable Charges for all Services..... 34
Section 804. Restrictions on Mortgage or Sale of System..... 34
Section 805. Insurance..... 35
Section 806. Books, Records and Accounts..... 35
Section 807. Annual Budget..... 36
Section 808. Annual Audit..... 36
Section 809. Internal Rate Review..... 37
Section 810. Payments in Lieu of Taxes..... 37
Section 811. Performance of Duties and Covenants..... 37

ARTICLE IX ADDITIONAL BONDS AND OBLIGATIONS

Section 901. Senior Lien Bonds..... 37
Section 902. Additional Permitted Loans..... 37
Section 903. Parity Bonds..... 38
Section 904. Junior Lien Bonds..... 40
Section 905. Subordinate Lien Bonds..... 40
Section 906. Refunding Bonds..... 40

ARTICLE X DEFAULT AND REMEDIES

Section 1001. Remedies..... 41
Section 1002. Limitation on Rights of Owners..... 41
Section 1003. Remedies Cumulative..... 41
Section 1004. No Obligation to Levy Taxes..... 42
Section 1005. Control of Remedies Upon an Event of Default and Event of Insolvency..... 42

ARTICLE XI DEFEASANCE

Section 1101. Defeasance..... 42

ARTICLE XII TAX COVENANTS

Section 1201. General Covenants..... 43
Section 1202. Survival of Covenants..... 43

ARTICLE XIII CONTINUING DISCLOSURE REQUIREMENTS

Section 1301. Disclosure Requirements..... 43
Section 1302. Failure to Comply with Continuing Disclosure Requirements..... 43

ARTICLE XIV MISCELLANEOUS PROVISIONS

Section 1401. Amendments. 44
Section 1402. Notices, Consents and Other Instruments by Owners..... 45
Section 1403. Bond Insurance Provisions for the Series 2023-A Bonds..... 46
Section 1404. Inconsistent Provisions. 49
Section 1405. Electronic Transactions..... 49
Section 1406. Further Authority. 49
Section 1407. Severability. 49
Section 1408. Governing Law. 49
Section 1409. Effective Date. 49

EXHIBIT A – FORM OF SERIES 2023-A BONDS A-1

RESOLUTION NO. 9461

A RESOLUTION INTRODUCED BY ACTING CITY MANAGER RICHARD NIENSTADT PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF \$89,385,000 AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY REVENUE BONDS, SERIES 2023-A, OF THE CITY OF TOPEKA, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. 20447 OF THE ISSUER; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

WHEREAS, the Issuer has heretofore passed the Ordinance authorizing the issuance of the Series 2023-A Bonds; and

WHEREAS, the Ordinance authorized the governing body of the Issuer to adopt a resolution prescribing certain details and conditions and to make certain covenants with respect to the issuance of the Series 2023-A Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF TOPEKA, KANSAS, AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein and in the Parity Resolution, the following words and terms as used in this Bond Resolution shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

“**Act**” means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, K.S.A. 10-1201 *et seq.*, all as amended and supplemented from time to time.

“**Additional Bonds**” means any bonds secured by the Net Revenues hereafter issued pursuant to *Article IX* hereof.

“**AGM**” means Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company, or any successor thereto.

“**Authorized Denomination**” means \$5,000 or any integral multiples thereof.

“**Balloon Indebtedness**” means Long-Term Indebtedness, 25% or more of the original principal amount of which becomes due (either by maturity or mandatory redemption) during any consecutive twelve-month period if such principal amount becoming due is not required to be amortized below such percentage by mandatory redemption or prepayment prior to such twelve-month period.

“Beneficial Owner” of Bonds includes any Owner of Bonds and any other Person who, directly or indirectly has the investment power with respect to any such Bonds.

“Bond Counsel” means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

“Bond Insurance Policy” means the municipal bond insurance policy issued by the Bond Insurer concurrently with the delivery of the Series 2023-A Bonds guaranteeing the scheduled payment when due of the principal of and interest on the Series 2023-A Bonds.

“Bond Insurer” means, with respect to the Series 2023-A Bonds, AGM.

“Bond Payment Date” means any date on which principal of or interest on any Bond is payable.

“Bond Reserve Account” means the Bond Reserve Account for the Series 2023-A Bonds created by *Section 501* hereof.

“Bond Reserve Requirement” means an amount equal to Maximum Annual Debt Service attributable to the Parity Bonds, provided, however, that the Bond Reserve Requirement may not exceed the least of (a) 125% of the average annual Debt Service Requirements for the Parity Bonds over the term of all such bonds, (b) the aggregate of 10% of the original stated principal amount of each Series of Parity Bonds or (c) the Maximum Annual Debt Service for all Parity Bonds during any Fiscal Year. If the aggregate initial offering price of any series of Bonds to the public is less than 98% or more than 102% of par, such offering price shall be used in clause (a) in lieu of the stated principal amount. When calculating the Bond Reserve Requirement in conjunction with the issuance of the Bonds described in *Section 906* hereof, the debt service of refunded and defeased Bonds shall be deducted and disregarded in said calculations.

“Bond Register” means the books for the registration, transfer and exchange of Bonds kept at the office of the Bond Registrar.

“Bond Registrar” means: (a) with respect to the Series 2023-A Bonds, the State Treasurer, and its successors and assigns; and (b) with respect to Additional Bonds, the entity designated as Bond Registrar in the supplemental resolution authorizing such Additional Bonds.

“Bond Resolution” means this resolution relating to the Series 2023-A Bonds, and any supplemental resolution authorizing any Additional Bonds.

“Bonds” means the Outstanding Series 2014-A Bonds, Series 2016-A Bonds, Series 2017-A Bonds, Series 2018-A Bonds, Series 2019-A Bonds, Series 2020-A Bonds, Series 2021-A Bonds, Series 2023-A Bonds, and any Additional Bonds.

“Business Day” means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

“Cede & Co.” means Cede & Co., as nominee of DTC and any successor nominee of DTC.

“City” means the City of Topeka, Kansas.

“**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 acting Clerk of the City or, in the Clerk's absence, the duly appointed Deputy, Assistant or Acting Clerk.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder by the United States Department of the Treasury.

“**Common Bond Reserve Account**” means a Common Bond Reserve Account designated as such under any Parity Resolution under which any Parity Bonds are issued and may contain a separate Bond Reserve Account for any one or more series of Parity Bonds.

“**Common Bond Reserve Requirement**” means, as of any date of calculation, after the Series 2014-A Bonds, Series 2016-A Bonds and Series 2017-A Bonds are no longer Outstanding, with respect to the Covered Bonds, an amount equal to the least of (a) 10% of the aggregate original principal amount (or “issue price,” as computed for federal income tax purposes, if original issuance premium or discount is greater than 2%) of the Covered Bonds, (b) Maximum Annual Debt Service on the Covered Bonds, and (c) 125% of the average annual Debt Service Requirements on the Covered Bonds.

“**Construction Fund**” means the Water, Water Pollution Control and Stormwater Utility Construction Fund ratified pursuant to *Article V* hereof.

“**Consultant**” means the Consulting Engineer, the Independent Accountant, or an independent consultant qualified and having a favorable reputation for skill and experience in financial affairs selected by the Issuer for the purpose of carrying out the duties imposed on the Consultant by the Bond Resolution.

“**Consulting Engineer**” means an independent engineer or engineering firm or architect or architectural firm, having a favorable reputation for skill and experience in the construction, financing and operation of public utilities, at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Consulting Engineer by the Bond Resolution.

“**Costs of Issuance**” means all costs of issuing any series of 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, all expenses incurred in connection with receiving financial ratings on any series of Bonds, and any premiums or expenses incurred in obtaining any credit enhancement.

“**Costs of Issuance Account**” means the Costs of Issuance Account for Series 2023-A Bonds, created pursuant to *Section 501* hereof.

“**Covered Bond**” or “**Covered Bonds**” means all series of Parity Bonds with respect to which the Issuer under this Bond Resolution or any Parity Resolution under which any Parity Bonds are issued has specified that such series of Parity Bonds will be secured by the Common Bond Reserve Account.

“**Dated Date**” means September 12, 2023.

“**Debt Service Coverage Ratio**” means: (a) with respect to the covenants contained in *Section 802* hereof, the ratio determined by dividing (i) a numerator equal to the Net Revenues for each Fiscal Year, as reflected by information provided by the Independent Accountant, by (ii) a denominator equal to the applicable Debt Service Requirements for the next succeeding Fiscal Year, provided that with respect to

the Debt Service Coverage Ratio on Parity Bonds, Debt Service Requirements on Junior Lien Bonds and Subordinate Lien Bonds shall be disregarded; and further provided that with respect to the Debt Service Coverage Ratio on Junior Lien Bonds, the Debt Service Requirements on Subordinate Lien Bonds shall be disregarded; (b) with respect to the covenants contained in **Section 902(b)** hereof, the ratio determined by dividing (i) a numerator equal to the Net Revenues for the Fiscal Year next preceding the issuance of additional Permitted Loans, as reflected by information provided by the Independent Accountant, by (ii) a denominator equal to the Maximum Annual Debt Service on all Parity Bonds in the then current or any succeeding Fiscal Year; and (c) with respect to the covenants contained in **Section 903(b)(1)(i)** hereof, the ratio determined by dividing (i) a numerator equal to the Net Revenues for the Fiscal Year next preceding the issuance of Additional Bonds, as reflected by information provided by the Independent Accountant, by (ii) a denominator equal to the Maximum Annual Debt Service in the then current or any succeeding Fiscal Year on all Parity Bonds, including any Additional Bonds proposed to be issued as Parity Bonds.

“Debt Service Requirements” means, for Bonds, or component thereof, as applicable, the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

“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) Cash; or
- (b) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or
- (c) 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;
 - (4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;
 - (5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) such obligations are rated in a rating category by a NRSRO that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

(d) With respect to the Series 2021-A Bonds, evidences of ownership of proportionate interests in future interest and principal payments on United States Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying United States Government Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

“Derivative” means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

“Director of Utilities” means the duly appointed and acting Utilities Director of the City or, in the Utilities Director’s absence, the duly appointed Deputy, Assistant or Acting Director of Utilities of the City.

“Disclosure Undertaking” means the Issuer’s Continuing Disclosure Undertaking relating to the Series 2023-A Bonds, dated September 12, 2023, as may be amended and supplemented, relating to certain obligations contained in the SEC Rule.

“Discount Indebtedness” means Long-Term Indebtedness that is originally sold at a price (excluding accrued interest, but without deduction of any underwriters' discount) of less than 75% of the maturity amount including the amount of principal and interest to accrete at maturity of such Long-Term Indebtedness.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depository duly appointed.

“Event of Default” means each of the following occurrences or events:

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

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

(c) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Bond Resolution (other than the covenants relating to continuing disclosure contained herein and in the Disclosure Undertaking) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Bonds then Outstanding.

“Expenses” means the sum of (a) ordinary expenses of maintenance, operation and repair, (b) administrative expenses, (c) reasonable pension fund contributions, (d) insurance expense, (e) legal expense and (f) payments on Permitted Loans; provided, however, Expenses shall not include payment in lieu of taxes, debt service payments on Bonds, depreciation, amortization or other non-cash items.

“Federal Tax Certificate” means the Issuer's Federal Tax Certificate dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.

“Financeable Costs” means the amount of expenditure for a Project which has been duly authorized by action of the governing body of the Issuer to be financed by Bonds, less: (a) the amount of any Bonds of the Issuer which is currently Outstanding and available to pay such Financeable Costs; and (b) any amount of Financeable Costs which has been previously paid by the Issuer or by any eligible source of funds unless such amounts are entitled to be reimbursed to the Issuer under State or federal law.

“Fiscal Year” means the twelve-month period ending on December 31.

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

“Gross Revenues” means all receipts and revenues derived by the City from the operation of the System, including investment earnings, and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on Bonds, but excluding any grants, proceeds of bond issues and/or insurance proceeds, any profits or losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

“Independent Accountant” means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by the Bond Resolution.

“Index Rate” means, at the time of calculation, the rate of interest set forth in *The Bond Buyer* Revenue Bond Index (or, in the event that *The Bond Buyer* does not compile such index or ceases publication, another comparable publication recognized in the municipal bond market) published for the week immediately preceding the date of determination.

“Insurance Consultant” means an individual or firm selected by the Issuer qualified to survey risks and to recommend insurance coverage for entities engaged in operations similar to those of the System and having a favorable reputation for skill and experience in making such surveys and recommendations.

“Insurer's Fiscal Agent” means the agent designated by the Bond Insurer pursuant to the Bond Insurance Policy.

“Interest Payment Date(s)” means: (a) with respect to the Series 2023-A Bonds, the Stated Maturity of an installment of interest on the Series 2023-A Bonds which shall be February 1 and August 1 of each year, commencing February 1, 2024; and (b) with respect to Additional Bonds, the Stated Maturity of an installment of interest on such Additional Bonds, as set forth in the supplemental resolution authorizing such Additional Bonds.

“Interim Indebtedness” means Bonds having a term not less than thirteen months, and not in excess of five years, incurred or assumed in anticipation of being refinanced or refunded with Long-Term Indebtedness.

“Issue Date” means the date when the Issuer delivers any series of Bonds to the Purchaser in exchange for the Purchase Price.

“Issuer” means the City and any successors or assigns.

“Junior Lien Bonds” means the Series 2021-B Bonds any Additional Bonds payable from, and secured by a lien on the Net Revenues, which lien is junior to that of any Parity Bonds, but senior to that of the Subordinate Lien Bonds.

“Long-Term Indebtedness” means Bonds having an original stated maturity or term greater than five years, or renewable or extendible at the option of the Issuer for a period greater than one year from the date of original issuance or incurrence thereof.

“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 call for redemption or otherwise.

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

“Maximum Annual Debt Service” means the maximum amount of Debt Service Requirements as computed for the then current or any future Fiscal Year; provided that the Debt Service Requirements in the final Stated Maturity of any series of Bonds shall be reduced by the value of cash and Permitted Investments on deposit in any bond reserve account established for said series of Bonds, so long as, at the time of calculation, the value of cash and Permitted Investments on deposit in bond reserve accounts for all Parity Bonds equals or exceeds the Bond Reserve Requirement.

“Net Revenues” means, for the period of determination, Gross Revenues of the Combined Utility minus the sum of (a) Expenses and (b) any required deposits to the Rebate Fund as required under the Bond Resolution, or any other Rebate Fund created in connection with the issuance of the Bonds.

“Notice Address” means with respect to the following entities:

(a) To the Issuer at:

Department of Finance
215 SE 7th Street
Topeka, Kansas 66603-3914
Fax: (785) 368-3943

(b) To the Paying Agent at:

Series 2023-A Bonds:

State Treasurer of the State of Kansas
Landon Office Building
900 Southwest Jackson, Suite 201
Topeka, Kansas 66612-1235
Fax: (785) 296-6976

Additional Bonds:

The address set forth in the supplemental resolution authorizing such Additional Bonds.

(c) To the Purchaser:

Series 2023-A Bonds:

Robert W. Baird & Co., Inc.
777 East Wisconsin Avenue
P.O. Box 0672
Milwaukee, WI 53201-0672
Fax: (414) 765-7346

Additional Bonds:

The address set forth in the supplemental resolution authorizing such Additional Bonds.

(d) To the Rating Agency(ies):

Moody's Municipal Rating Desk
7 World Trade Center
250 Greenwich Street
23rd Floor
New York, New York 10007

S&P Global Ratings, a division of S&P Global Inc.
55 Water Street, 38th Floor
New York, New York 10004

(f) To the Bond Insurer:

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Telephone: (212) 826-0100; Fax (212) 339-3529

or such other address as is furnished in writing to the other parties referenced herein.

“Notice Representative” means:

- (a) With respect to the Issuer, the Chief Financial Officer.
- (b) With respect to the Bond Registrar and Paying Agent, the Director of Bond Services.
- (c) With respect to any Purchaser, the manager of its Municipal Bond Department.
- (d) With respect to any Rating Agency, any Vice President thereof.
- (f) With respect to the Bond Insurer, Attn: Managing Director -- Surveillance -- Re: Policy No. [_____].

“NRSRO” or **“Nationally Recognized Statistical Rating Organization”** means a credit rating agency registered with the United States Securities and Exchange Commission or its successor pursuant to the Securities Exchange Act of 1934, as amended.

“Official Statement” means Issuer’s Official Statement relating to the Series 2023-A Bonds.

“Ordinance” means Ordinance No. 20447 of the Issuer authorizing the issuance of the Series 2023-A Bonds, as amended from time to time.

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

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

(b) Bonds deemed to be paid in accordance with the provisions of *Section 1101* of the Bond Resolution; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Bond Resolution.

(d) Bonds, the principal or interest of which has been paid by the Bond Insurer.

“Owner” when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register. Whenever consent of the Owners is required pursuant to the terms of this Bond Resolution, and the Owner of the Bonds, as set forth on the Bond Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Bonds.

“Parity Bonds” means the Outstanding Series 2014-A Bonds, Series 2016-A Bonds, Series 2017-A Bonds, Series 2018-A Bonds, Series 2019-A Bonds, Series 2020-A Bonds, Series 2021-A Bonds, Series 2023-A Bonds, and any Additional Bonds hereafter issued pursuant to the Bond Resolution and standing on a parity and equality with the Series 2023-A Bonds with respect to the lien on the Net Revenues.

“Parity Resolution” means collectively each ordinance and resolution which authorized the issuance of the Parity Bonds, the Bond Resolution and the ordinances and/or resolutions under which any Additional Bonds which constitute Parity Bonds are hereafter issued.

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

“Paying Agent” means: (a) with respect to the Series 2023-A Bonds, the State Treasurer, and its successors and assigns; and (b) with respect to Additional Bonds, the entity designated as Paying Agent in the supplemental resolution authorizing such Additional Bonds.

“Permitted Investments” shall mean the investments that, at the time of their purchase, were authorized by K.S.A. 10-131 or any additional or successor State law applicable to the investment of the Bond proceeds.

“Permitted Loans” means any State revolving loans between the Kansas Department of Health and Environment and the City for public drinking water improvements, pollution control improvements, or stormwater improvements.

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

“Principal and Interest Account” means the Principal and Interest Account for the Series 2023-A Bonds, created by *Section 501* hereof.

“Project(s)” shall mean the repairs, alterations, extensions, reconstructions, enlargements or improvements to the System referred to in the preamble to the Ordinance, and *Schedule I* to this Bond Resolution, or any Substitute Project.

“Projected Debt Service Coverage Ratio” means, with respect to the covenants contained in *Section 902(c)* and *Section 903(b)(1)(ii)* hereof, the ratio determined by dividing (i) Projected Net Revenues by (ii) a denominator equal to the Maximum Annual Debt Service in the then current or any succeeding Fiscal Year on all Parity Bonds in that Fiscal Year, including any Additional Bonds proposed to be issued as Parity Bonds.

“Projected Net Revenues” means either (a) projected Net Revenues for the Fiscal Year immediately following the issuance or incurrence of any additional Permitted Loans or Additional Bonds, set forth in a report of a Consulting Engineer or an Independent Accountant, based on a detailed investigation and report of such Consulting Engineer or Independent Accountant, as to the amount of annual Net Revenues expected in such Fiscal Year, which projected Net Revenues as defined and certified by such Consulting Engineer or Independent Accountant shall govern in determining the right of the Issuer to issue additional Permitted Loans payable out of the Gross Revenues of the System that are superior in lien and security to the Parity Bonds, or to issue Additional Bonds payable out of the Net Revenues of the System on a parity or equality with the Parity Bonds, or (b) Net Revenues, as reflected by information provided by the Independent Accountant, for the Fiscal Year next preceding the issuance of additional Permitted Loans or Additional Bonds. In determining Projected Net Revenues under the preceding subsection (a), the maximum amount payable in any succeeding Fiscal Year on the proposed additional Permitted Loan shall be treated as an Expense in the Fiscal Year for which the Projected Net Revenues are being computed.

“Purchase Price” means: (a) with respect to the Series 2023-A Bonds the principal amount of the Series 2023-A Bonds plus accrued interest to the date of delivery, plus a premium of \$1,903,036.50, less an underwriting discount of \$1,246,760.79 and less premium for the Bond Insurance Policy of \$164,364.83; and (b) with respect to Additional Bonds, the amount set forth in the supplemental resolution authorizing such Additional Bonds.

“Purchaser” means: (a) with respect to the Series 2023-A Bonds, Robert W. Baird & Co., Inc., Milwaukee, Wisconsin, the original purchaser of the Series 2023-A Bonds, and any successor and assigns; and (b) with respect to Additional Bonds, the original purchaser of such Additional Bonds, as set forth in the supplemental resolution authorizing such Additional Bonds.

“Put Indebtedness” means Long-Term Indebtedness which is (a) payable or required to be purchased or redeemed from the holder by or on behalf of the underlying obligor, at the option of the holder thereof, prior to its stated maturity date, or (b) payable or required to be purchased or redeemed from the holder by or on behalf of the underlying obligor, other than at the option of the holder, prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund, or other than by reason of acceleration upon the occurrence of an Event of Default under this Bond Resolution.

“Rating Agency” means an NRSRO that provided one or more financial ratings for a series of Bonds at the Issuer’s request.

“Rebate Fund” means the Rebate Fund for Series 2023-A Bonds created pursuant to *Section 501* hereof.

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

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

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

“Refunding Bonds” means Bonds issued pursuant to *Section 906* hereof for the purpose of refunding any Outstanding Bonds.

“Renewal and Replacement Account” means the Water, Water Pollution Control and Stormwater Utility Renewal and Replacement Account ratified pursuant to *Article V* hereof.

“Replacement Bonds” means Bonds issued to the Beneficial Owners of the Bonds in accordance with *Section 209* hereof.

“Revenue Fund” means the Water, Water Pollution Control, and Stormwater Utility Revenue Fund ratified pursuant to *Article V* hereof.

“SEC Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

“Securities Depository” means, initially, DTC, and its successors and assigns.

“Series Bond Reserve Account” means, with respect to any series of Bonds that are not Covered Bonds, the Series Bond Reserve Account, if any, created pursuant to the ordinance or resolution authorizing such series of Bonds.

“Series Debt Service Reserve Requirement” means, with respect to any series of Bonds that are not Covered Bonds, the amount specified in the ordinance or resolution authorizing such series of Bonds.

“Series 2014-A Bonds” means the Issuer's Combined Utility Improvement and Refunding Revenue Bonds, Series 2014-A, dated December 23, 2014.

“Series 2016-A Bonds” means the Issuer's Combined Utility Improvement and Refunding Revenue Bonds, Series 2016-A, dated September 6, 2016.

“Series 2017-A Bonds” means the Issuer's Combined Utility Revenue Bonds, Series 2017-A, dated September 5, 2017.

“Series 2018-A Bonds” means the City's Combined Utility Revenue Bonds, Series 2018-A, dated September 11, 2018.

“Series 2019-A Bonds” means the City's Combined Utility Refunding and Improvement Revenue Bonds, Series 2019-A, dated September 17, 2019.

“Series 2020-A Bonds” means the City's Combined Utility Refunding and Improvement Revenue Bonds, Series 2020-A, dated September 8, 2020.

“Series 2021-A Bonds” means the Issuer's Combined Utility Refunding and Improvement Revenue Bonds, Series 2021-A, dated September 7, 2021

“Series 2021-B Bonds” means the City's Taxable Combined Utility Junior Lien Revenue Bonds, Series 2021-B, dated September 7, 2021.

“Series 2023-A Bonds” means the Issuer's Combined Utility Revenue Bonds, Series 2023-A, authorized and issued by the Issuer pursuant to the Ordinance and this Bond Resolution.

“Series 2023-A-2040 Term Bonds” means the Series 2023-A Bonds scheduled to mature in the year 2040.

“Series 2023-A-2053 Term Bonds” means the Series 2023-A Bonds scheduled to mature in the year 2053.

“Short-Term Indebtedness” means Bonds having an original maturity less than or equal to thirteen months from the date of original incurrence thereof, and not renewable or extendible at the option of the obligor thereon for a term greater than one year beyond the date of original issuance.

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

“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.

“Stated Maturity” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and this Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“Subordinate Lien Bonds” means any Additional Bonds or Additional Obligations payable from the Net Revenues on a subordinate lien basis to any Parity Bonds and Junior Lien Bonds, and which constitute general obligations of the City.

“Substitute Project” means a substitute or additional project of the System authorized in the manner set forth in *Article V* of this Bond Resolution.

“System” or “Combined Utility System” means the combined water, water pollution control and stormwater utility facilities of the City, including the entire waterworks plant and system owned and operated by the City for the production, storage, treatment and distribution of drinking water, the water pollution control plant and system owned and operated by the City for the collection, treatment and disposal of sanitary and stormwater waste, and the City’s stormwater inlets, pipes, levees, creeks and rivers and publicly owned or maintained ditches, channels, detention ponds and stormwater quality best management

practices, including all appurtenances and facilities connected therewith or relating thereto, together with all extensions, improvements, additions and enlargements thereto hereafter made or acquired by the City.

“Term Bonds” means any Bonds designated as Term Bonds in this Bond Resolution or in any supplemental resolution authorizing the issuance of Additional Bonds.

“Treasurer” means the duly appointed and/or elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

“United States Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting 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 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), or securities which represent an undivided interest in such obligations.

“Variable Rate Indebtedness” means any Bonds which provides for interest to be payable thereon at a rate per annum that may vary from time to time over the term thereof in accordance with procedures provided in the instrument creating such Bonds.

ARTICLE II

AUTHORIZATION AND DETAILS OF THE BONDS

Section 201. Authorization of the Series 2023-A Bonds. The Series 2023-A Bonds have been heretofore authorized and directed to be issued pursuant to the Ordinance in the principal amount of \$89,385,000, for the purpose of providing funds to: (a) pay costs of the Project; (b) pay costs of issuance of the Series 2023-A Bonds; and (c) make a deposit to the Bond Reserve Account.

Section 202. Description of the Series 2023-A Bonds. The Series 2023-A Bonds shall consist of fully registered bonds in Authorized Denominations, and shall be numbered in such manner as the Bond Registrar shall determine. All of the Series 2023-A Bonds shall be dated as of the Dated Date, shall become due in the amounts, on the Stated Maturities, and subject to redemption and payment, prior to their Stated Maturities as provided in *Article III* hereof and shall bear interest at the rates per annum as follows:

SERIAL BONDS

<u>Stated Maturity August 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Stated Maturity August 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>
2024	\$1,845,000	5.000%	2037	\$2,680,000	4.000%
2025	1,490,000	5.000%	2038	2,785,000	4.000%
2026	1,565,000	5.000%	2041	3,135,000	4.000%
2027	1,645,000	5.000%	2042	3,260,000	4.000%
2028	1,725,000	5.000%	2043	3,390,000	4.000%
2029	1,815,000	5.000%	2044	3,525,000	4.000%
2030	1,905,000	5.000%	2045	3,665,000	4.125%
2031	2,000,000	5.000%	2046	3,820,000	4.125%
2032	2,100,000	5.000%	2047	3,975,000	4.125%
2033	2,205,000	5.000%	2048	4,140,000	4.250%
2034	2,315,000	5.000%	2049	4,315,000	4.250%
2035	2,430,000	5.000%	2050	4,500,000	4.250%
2036	2,550,000	5.000%	2051	4,690,000	4.375%

TERM BONDS

<u>Stated Maturity August 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>
2040	\$5,915,000	4.000%
2053	10,000,000	4.250%

The Series 2023-A Bonds shall bear interest at the above specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid on the Interest Payment Dates in the manner set forth in **Section 205** hereof. The Series 2023-A Bonds shall be issued as Book-Entry-Only Bonds and administered in accordance with the provisions of **Section 209** hereof.

Each of the Series 2023-A Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be printed in accordance with the format required by the Attorney General of the State and shall be substantially in the form attached hereto as **Exhibit A** or as may be required by the Attorney General pursuant to the Notice of Systems of Registration for Kansas Municipal Bonds, 2 Kan. Reg. 921 (1983), in accordance with the Kansas Bond Registration Law, K.S.A. 10-620 *et seq.*

Section 203. Designation of Paying Agent and Bond Registrar. The State Treasurer is hereby designated as the Paying Agent for the payment of principal of and interest on the Series 2023-A Bonds and Bond Registrar with respect to the registration, transfer and exchange of the Series 2023-A Bonds. The Mayor of the Issuer is hereby authorized and empowered to execute on behalf of the Issuer an agreement with the Bond Registrar and Paying Agent for the Series 2023-A Bonds.

The Issuer will at all times maintain a Paying Agent and Bond Registrar meeting the qualifications herein described for the performance of the duties hereunder. The Issuer reserves the right to appoint a successor Paying Agent or Bond Registrar, and shall appoint a successor Paying Agent at the request of the Bond Insurer, by (a) filing with the Paying Agent or Bond Registrar then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent or Bond Registrar and appointing a successor, and (b) causing notice of appointment of the successor Paying Agent and Bond Registrar to be given by first class mail to each Owner. No resignation or removal of the Paying Agent or

Bond Registrar shall become effective until a successor acceptable to the Bond Insurer has been appointed and has accepted the duties of Paying Agent or Bond Registrar. Each successor Paying Agent shall be approved in writing by the Bond Insurer before the appointment of such successor Paying Agent shall become effective.

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

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

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

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner or (b) in the case of an interest payment to any Owner of \$1,000,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

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

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

Section 205. Registration, Transfer and Exchange of Bonds. The Issuer covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office

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

Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange.

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

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

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to **Section 303** hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 205** hereof.

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

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

Section 206. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the Issuer by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Clerk and the seal of the Issuer shall be affixed thereto or imprinted thereon. The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and to cause the Bonds to be registered in the office of the Clerk,

which registration shall be evidenced by the manual or facsimile signature of the Clerk with the seal of the Issuer affixed thereto or imprinted thereon. The Bonds shall also be registered in the office of the State Treasurer, which registration shall be evidenced by the manual or facsimile signature of the State Treasurer with the seal of the State Treasurer affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds as herein specified, and when duly executed, to deliver the Bonds to the Paying Agent for authentication.

The Series 2023-A Bonds shall have endorsed thereon a certificate of authentication substantially in the form attached hereto as *Exhibit A* hereof, which shall be manually executed by an authorized officer or employee of the Bond Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Series 2023-A Bond shall be entitled to any security or benefit under this Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Bond Registrar. Such executed certificate of authentication upon any Series 2023-A Bond shall be conclusive evidence that such Series 2023-A Bond has been duly authenticated and delivered under this Bond Resolution. Upon authentication, the Bond Registrar shall deliver the Series 2023-A Bond to the Purchaser upon instructions of the Issuer or its representative.

Section 207. Mutilated, Lost, Stolen or Destroyed Bonds. If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

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

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

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

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

Section 209. Book-Entry Bonds; Securities Depository. Any series of Bonds may be issued as Book-Entry-Only Bonds. If so, such series of Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Registrar issues Replacement Bonds as provided in this Section. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraph.

(a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, or (b) if the Bond Registrar receives written notice from Participants having interests in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, then the Bond Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Bond Registrar shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Bond Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Issuer, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository in accordance with the following paragraph, then the Bond Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Bond Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the Issuer.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Bond Registrar receives written evidence satisfactory to the Bond Registrar with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Bond Registrar upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

Section 210. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made

available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay, without liability for interest thereon, to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 211. Calculation of Debt Service Requirements.

(a) *Debt Service Requirements on Balloon, Put, Short-Term and Interim Indebtedness.*

(1) The principal of Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness being treated as Long-Term Indebtedness under **Section 9023** hereof, or Interim Indebtedness shall be deemed due and payable at its Stated Maturity; provided, however, that at the election of the Issuer for the purpose of any computation of Debt Service Requirements, whether historical or projected, the principal deemed payable on Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness being treated as Long-Term Indebtedness under **Section 9023** hereof, or Interim Indebtedness, shall be deemed to be payable as set forth below:

(A) If the Issuer has obtained a binding commitment of a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated in the third highest category (without respect to modifier) or better by any NRSRO) to refinance such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or a portion thereof, including without limitation, a letter of credit or a line of credit, the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or portion thereof to be refinanced, may be deemed to be payable in accordance with the terms of the refinancing arrangement;

(B) If the Issuer has entered into a binding agreement providing for the deposit by the Issuer with a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated in the third highest category (without respect to modifier) or better by any NRSRO), in trust (herein called a "Special Redemption Fund") of amounts, less investment earnings realized and retained in the Special Redemption Fund, equal in aggregate to the principal amount of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or a portion thereof, when due from the sums so deposited and investment earnings realized thereon, then the principal amount of the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or portion thereof, may be deemed to be payable in accordance with the terms of such agreement;

(C) If the Issuer has entered into arrangements or agreements with respect to the principal amount of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, other than those referred to in subsections (A) and (B) above, which a Consultant in a certificate filed with the Issuer determines, taking into account the interests

of the Owners of Bonds, provides adequate assurances that the Issuer will be able to meet the Debt Service Requirements due on such Indebtedness, the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness may be deemed to be payable in accordance with the terms of such arrangement or agreement; or

(D) Such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness may be deemed to be Bonds which, at the date of its original incurrence, was payable over a term not to exceed twenty (20) years in equal annual installments of principal and interest at the Index Rate.

A Consultant shall deliver to the Issuer a certificate stating that it is reasonable to assume that installment obligations of such term of the Issuer can be incurred and stating the interest rate then applicable to installment obligations of such term of comparable quality. Interim Indebtedness may be deemed to be Indebtedness which, at the date of its original incurrence, would meet the conditions specified in the statement of the Consultant as required in **Section 9023**; provided that the Consultant shall for each annual period that the Debt Service Requirement is computed, provide a supplemental statement that at such period, the certifications contained in the statement are reasonable.

(2) Interest that is payable prior to the Stated Maturity of any Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness shall be considered for such appropriate period in computation of Debt Service Requirements. Interest payable at maturity or early redemption on Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness may either be amortized over the anticipated maturity or such longer period as is permitted under **Section 9023** or **Section 211(a)(1)(D)** or may be treated as principal payable on the principal maturity date of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness.

(3) In measuring compliance with the applicable tests hereunder in connection with incurring Put Indebtedness and generally for purposes of determining the Debt Service Requirements relating thereto, Put Indebtedness shall be deemed to mature based upon the actual amortization requirements for the Put Indebtedness, only to the extent that the Issuer has a commitment to refinance such Put Indebtedness.

(b) **Debt Service Requirements on Discount Indebtedness.** At the election of the Issuer for the purpose of any computation of Debt Service Requirements, whether historical or projected, the principal and interest deemed payable on Discount Indebtedness shall be deemed to be payable as set forth below:

(1) If the Issuer has obtained a binding commitment of a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated in the third highest category (without respect to modifier) or better by any NRSRO) to refinance such Discount Indebtedness, or a portion thereof, including without limitation, a letter of credit or a line of credit, the Discount Indebtedness, or portion thereof to be refinanced, may be deemed to be payable in accordance with the terms of the refinancing arrangement;

(2) If the Issuer has entered into a binding agreement providing for the deposit with a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated in the third highest category (without respect to modifier) or better by any NRSRO), in trust (herein

called a “Special Redemption Fund”) of amounts, less investment earnings realized and retained in the Special Redemption Fund, equal in aggregate to the principal amount of such Discount Indebtedness, or a portion thereof, and providing for the payment of such principal amount when due from the sums so deposited, and investment earnings realized thereon, then the Discount Indebtedness, or portion thereof, may be deemed to be payable in accordance with the terms of such agreement;

(3) If the Issuer has entered into arrangements or agreements with respect to the principal amount of such Discount Indebtedness, other than those referred to in subsections (1) and (2) above, which a Consultant in a certificate filed with the Issuer determines, taking into account the interests of the holders of Bonds, provides adequate assurances that the Issuer will be able to meet the Debt Service Requirements due on such Indebtedness, the Discount Indebtedness may be deemed to be payable in accordance with the terms of such arrangement or agreement; or

(4) As of any time the maturity amount represented by Discount Indebtedness shall be deemed to be the accreted value of such Indebtedness computed on the basis of a constant yield to maturity.

(c) ***Debt Service Requirements on Variable Rate Indebtedness.*** When calculating interest requirements on Variable Rate Indebtedness which bears a variable rate of interest for periods as to which the rate of interest has not been determined, the rate of interest on Outstanding Variable Rate Indebtedness shall be the average annual rate of interest which was payable on such Variable Rate Indebtedness during the twelve (12) months immediately preceding the date as of which the calculation is made; and the rate of interest on Variable Rate Indebtedness to be incurred (or incurred less than twelve (12) months preceding such date) shall be the average annual rate of interest which would have been payable on such Variable Rate Indebtedness had it been outstanding for a period of twelve (12) months immediately preceding the date as of which the calculation is made, as evidenced in a certificate of a Consultant, delivered to the Issuer.

Section 212. Preliminary and Final Official Statement. The Preliminary Official Statement dated August 15, 2023 for the Series 2023-A Bonds is hereby ratified and approved. For the purpose of enabling the Purchaser to comply with the requirements of Section (b)(1) of the SEC Rule, the Issuer hereby deems the information regarding the Issuer contained in the Preliminary Official Statement to be “final” as of its date, except for the omission of such information as is permitted by Section (b)(1) of the SEC Rule, and the appropriate officers of the Issuer are hereby authorized, if requested, to provide the Purchaser a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of the SEC Rule.

The final Official Statement is hereby authorized to be prepared by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor and Chief Financial Officer are hereby authorized to execute the final Official Statement as so supplemented, amended and completed, and the use and public distribution of the final Official Statement by the Purchaser in connection with the reoffering of the Series 2023-A Bonds is hereby authorized. The proper officials of the Issuer are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Series 2023-A Bonds.

The Issuer agrees to provide to the Purchaser within seven business days of the date of the sale of Series 2023-A Bonds sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of the SEC Rule and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 213. Sale of the Series 2023-A Bonds. The sale of the Series 2023-A Bonds to the Purchaser is hereby ratified and confirmed. The Mayor and Clerk are hereby authorized to execute the official bid form submitted by the Purchaser. Delivery of the Series 2023-A Bonds shall be made to the Purchaser as soon as practicable after the adoption of this Bond Resolution, upon payment of the Purchase Price.

Section 214. Parity Bond Certification. The Issuer hereby represents and covenants that the Series 2023-A Bonds directed to be issued by this Resolution are so issued in full compliance with the restrictions and conditions upon which the Issuer may issue Additional Bonds which stand on a parity of lien with the Net Revenues with the Parity Bonds heretofore issued and Outstanding, as set forth and contained in the Outstanding Parity Bond Resolution, and that the Series 2023-A Bonds herein directed to be issued are so issued in all respects on a parity and equality with the Parity Bonds heretofore issued and Outstanding.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption by Issuer. The Bonds shall be subject to redemption and payment prior to their Stated Maturity, as follows:

(a) ***Optional Redemption.***

(1) *Series 2023-A Bonds.* At the option of the Issuer, Series 2023-A Bonds maturing on August 1, in the years 2032 and thereafter will be subject to redemption and payment prior to their Stated Maturity on August 1, 2031, and thereafter, as a whole or in part (selection of maturities and the amount of Series 2023-A Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

(2) *Additional Bonds.* Additional Bonds are subject to redemption and payment prior to Stated Maturity in accordance with the provisions of the supplemental resolution authorizing the issuance of such Additional Bonds.

(b) ***Mandatory Redemption.***

(1) *General.* The Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the Issuer 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 Issuer 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) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection. 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 Issuer 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 as designated by the Issuer, and the principal amount of Term Bonds to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the Issuer intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the Issuer will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with, with respect to such mandatory redemption payment.

(2) *The Series 2023-A-2040 Term Bonds.* The Issuer shall from the payments specified in **Section 602(a)** hereof which are to be deposited into the Principal and Interest Account redeem on August 1 in each year, the following principal amounts of Series 2023-A-2040 Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$2,900,000	2039
3,015,000	2040*

*Final Maturity

The Series 2023-A-2053 Term Bonds. The Issuer shall from the payments specified in **Section 602(a)** hereof which are to be deposited into the Principal and Interest Account redeem on August 1 in each year, the following principal amounts of Series 2023-A-2053 Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$4,895,000	2052
5,105,000	2053*

*Final Maturity

(3) *Additional Bonds.* Additional Bonds designated as Term Bonds shall be subject to mandatory redemption in accordance with the provisions of the supplemental resolution authorizing such Additional Bonds.

Section 302. Selection of Bonds to be Redeemed. Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Bonds are to be redeemed and paid prior to their Stated Maturity, such Bonds shall be redeemed in such manner as the Issuer shall determine. Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in a minimum Authorized Denomination of principal amount in such equitable manner as the Bond Registrar may determine.

In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption a minimum Authorized Denomination of face value shall be treated as though it were a separate Bond of the denomination of a minimum Authorized Denomination. If it is determined that one or more, but not all, of a minimum Authorized Denomination of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem a minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Bond to the Bond Registrar:

(1) for payment of the Redemption Price and interest to the Redemption Date of a minimum Authorized Denomination of face value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of a minimum Authorized Denomination of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption. In the event the Issuer desires to call the Bonds for redemption prior to maturity, written notice of such intent shall be provided to the Bond Registrar in accordance with K.S.A. 10-129, as amended, not less than 45 days prior to the Redemption Date. The Bond Registrar shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Bond Registrar at least 45 days prior to the Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. The foregoing provisions of this paragraph shall not apply in the case of any mandatory redemption of Term Bonds hereunder, and Term Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the Issuer and whether or not the Paying Agent holds moneys available and sufficient to effect the required redemption.

Unless waived by any Owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the State Treasurer, the Bond Insurer and the Purchaser. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

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

- (a) the Redemption Date;
- (b) the Redemption Price;
- (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed;
- (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and
- (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent.

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

Prior to any Redemption Date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date.

For so long as the Securities Depository is effecting book-entry transfers of any series of Bonds, the Bond Registrar shall provide the notices specified in this Section to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

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

In addition to the foregoing notice, the Issuer shall provide such notices of redemption as are required by the Disclosure Undertaking. Further notice may be given by the Issuer or the Bond Registrar on behalf of the Issuer as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed:

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) the CUSIP numbers of all Bonds being redeemed; (2) the date of issue of the Bonds as originally issued; (3) the rate of interest borne by each Bond being redeemed; (4) the maturity date of each Bond being redeemed; and (5) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least one day before the mailing of notice to Owners by first class, registered or certified mail or overnight delivery, as determined by the Bond Registrar, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(c) Each check or other transfer of funds issued for the payment of the Redemption Price of Bonds being redeemed shall bear or have enclosed the CUSIP number of the Bonds being redeemed with the proceeds of such check or other transfer.

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

ARTICLE IV

SECURITY FOR BONDS

Section 401. Security for the Bonds. The Bonds shall be special obligations of the Issuer payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the Issuer hereby pledges said Net Revenues to the payment of the principal of and interest on the Bonds. Except for Subordinate Lien Bonds, the Bonds shall not be or constitute a general obligation of the Issuer, nor shall they constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provision, limitation or restriction, and the taxing power of the Issuer is not pledged to the payment of the Bonds, either as to principal or interest.

The Bonds shall be junior and subordinate with respect to the payment of principal and interest and in all other respects to any Permitted Loans, which are payable as Expenses of the System. The covenants and agreements of the Issuer contained herein and in the Parity Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Parity Bonds, all of which Parity Bonds shall be of equal rank and without preference or priority of one Parity Bond over any other Parity Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Parity Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Bond Resolution. The Series 2023-A Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues and in all other respects with any Parity Bonds. The Series 2023-A Bonds shall not have any priority with respect to the payment of principal or interest from said net income and revenues or otherwise over the Parity Bonds and the Parity Bonds shall not have any priority with respect to the payment of principal or interest from said net income and revenues or otherwise over the Series 2023-A Bonds.

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS

DEPOSIT AND APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 501. Ratification; Creation of Funds and Accounts. The following separate Funds and Accounts created and established in the treasury of the Issuer are hereby ratified and confirmed:

- (a) Water, Water Pollution Control, and Stormwater Utility Revenue Fund.
- (b) Water, Water Pollution Control, and Stormwater Utility Construction Fund.
- (c) Water, Water Pollution Control, and Stormwater Utility Renewal and Replacement Account.

So long as the Series 2014-A Bonds, Series 2016-A Bonds, Series 2017-A Bonds, Series 2018-A Bonds, Series 2019-A Bonds, Series 2020-A Bonds, and Series 2021-A Bonds remain Outstanding, the Funds and Accounts referred to in this paragraph shall be administered in accordance with the provisions of the Parity Resolution pursuant to which such Parity Bonds were issued, and thereafter in accordance with this Bond Resolution.

Simultaneously with the issuance of the Series 2023-A Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

- (a) Principal and Interest Account for Combined Utility Revenue Bonds, Series 2023-A.
- (b) Bond Reserve Account for Combined Utility Revenue Bonds, Series 2023-A.
- (c) Costs of Issuance Account for Combined Utility Revenue Bonds, Series 2023-A.
- (d) Rebate Fund for Combined Utility Revenue Bonds, Series 2023-A.

The Funds and Accounts established herein shall be administered in accordance with the provisions of this Bond Resolution so long as the Series 2023-A Bonds are Outstanding.

Section 502. Deposit of Series 2023-A Bond Proceeds and Other Moneys. The net proceeds received from the sale of the Series 2023-A Bonds and certain other moneys shall be deposited simultaneously with the delivery of the Series 2023-A Bonds as follows:

- (a) An amount to pay Costs of Issuance (\$167,046.87) shall be deposited in the Costs of Issuance Account.
- (b) An amount necessary to meet the Bond Reserve Requirement (\$4,753,514.01) shall be deposited in the Bond Reserve Account.
- (c) The remaining balance of the proceeds derived from the sale of the Series 2023-A Bonds (\$84,956,350.00) shall be deposited in the Construction Fund.

Section 503. Application of Moneys in the Construction Fund. Moneys in the Construction Fund shall be used for the purpose of: (a) paying costs of the Project, in accordance with the plans and specifications therefor prepared by the City Engineer or Consulting Engineer, heretofore approved by the governing body of the Issuer and on file in the office of the Clerk, including any alterations in or amendments to said plans and specifications deemed advisable by the City Engineer or Consulting Engineer and approved by the governing body of the Issuer; (b) paying Costs of Issuance; and (c) transferring any amounts to the Rebate Fund required by **Section 505** hereof.

Withdrawals from the Construction Fund shall be made only when authorized by executed warrants therefore accompanied by a certificate executed by the Director of Utilities that such payment is being made for a purpose within the scope of this Resolution and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for, or if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof. Nothing herein contained shall prevent the payment out of the Construction Fund of Costs of Issuance of the Series 2023-A Bonds without a certificate from the Director of Utilities of the City. Upon completion of the Project, any surplus of the Series 2023-A Bond proceeds, including earnings thereon, remaining in the Construction Fund shall be deposited in the Principal and Interest Account.

Section 504. Substitute Project; Reallocation of Proceeds.

- (a) The Issuer may elect for any reason to substitute or add other System improvements to be financed with proceeds of the Series 2023-A Bonds provided the following conditions are met: (1) the Substitute Project and the issuance of Bonds to pay the cost of the Substitute Project has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (2) a resolution or ordinance authorizing the use of the proceeds of the Series 2023-A Bonds to pay the Financeable Costs of

the Substitute Project has been duly adopted by the governing body of the Issuer pursuant to this Section, (3) the Attorney General of the State has approved the amendment made by such resolution or ordinance to the transcript of proceedings for the Series 2023-A Bonds to include the Substitute Project; and (4) the use of the proceeds of the Series 2023-A Bonds to pay the Financeable Cost of the Substitute Project will not adversely affect the tax-exempt status of the Series 2023-A Bonds under State or federal law.

(b) The Issuer may reallocate expenditure of Series 2023-A Bond proceeds among all Projects financed by the Series 2023-A Bonds; provided the following conditions are met: (1) the reallocation is approved by the governing body of the Issuer; (2) the reallocation shall not cause the proceeds of the Series 2023-A Bonds allocated to any Project to exceed the Financeable Costs of the Project; and (3) the reallocation will not adversely affect the tax-exempt status of the Series 2023-A Bonds under State or federal law.

Section 505. Application of Moneys in the Rebate Fund.

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the Issuer nor the Owner of any Series 2023-A Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and the Federal Tax Certificate.

(b) The Issuer shall periodically determine the rebatable arbitrage, if any, under Code § 148(f) in accordance with the Federal Tax Certificate, and the Issuer shall make payments to the United States of America at the times and in the amounts determined under the Federal Tax Certificate. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Series 2023-A Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor, shall be deposited into the Revenue Fund.

(c) Notwithstanding any other provision of this Bond Resolution, including in particular *Article XI* hereof, the obligation to pay rebatable arbitrage to the United States of America and to comply with all other requirements of this Section and the Federal Tax Certificate shall survive the defeasance or payment in full of the Series 2023-A Bonds.

Section 506. Application of Moneys in the Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than 30 days prior to the first Interest Payment Date, shall be transferred to the Construction Fund until completion of the Project and thereafter to the Principal and Interest Account.

ARTICLE VI

COLLECTION AND APPLICATION OF REVENUES

Section 601. Revenue Fund. The Issuer covenants and agrees that from and after the delivery of the Series 2023-A Bonds, and continuing as long as any of the Bonds remain Outstanding hereunder, all Gross Revenues shall as and when received be deposited into the Revenue Fund. The Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in this Bond Resolution, except as may be modified by the provisions of the Parity Resolution. The Issuer shall first pay from the Revenue Fund the Expenses of the Combined Utility System and of keeping the same in good repair and working order. After paying and providing for the payment of the Expenses, including the

Permitted Loans, and any required deposits to the Rebate Fund as provided herein, the Issuer further covenants and agrees that it will allocate, pay and credit the Net Revenues at the time in the Revenue Fund as provided in **Section 602**, in such amounts so that at all times the Issuer will have sufficient money to meet and pay the requirements of the Principal and Interest Account, Bond Reserve Account and any other obligations of the Combined Utility System, on a parity with the Series 2023-A Bonds.

Section 602. Application of Moneys in Funds and Accounts. The Issuer covenants and agrees that from and after the delivery of the Series 2023-A Bonds and continuing so long as any of the Bonds shall remain Outstanding, it will each month administer and allocate all of the Net Revenues then held in the Revenue Fund as follows:

(a) **Parity Resolutions.** The following transfers shall be made on a parity of lien basis with the transfers and requirements of the Parity Resolutions.

(1) **Principal and Interest Account.** There shall be paid and credited monthly to the Principal and Interest Account, to the extent necessary to meet on each Bond Payment Date the payment of all interest on and principal of the Series 2023-A Bonds, the following sums:

(i) Beginning on or before October 1, 2023, and continuing on the first day of each month thereafter an equal pro rata portion of the interest that will become due on the Series 2023-A Bonds on February 1, 2024; and beginning on February 1, 2024, and continuing on the first day of each month thereafter, so long as any of the Series 2023-A Bonds remain Outstanding, an equal pro rata portion of the interest that will become due on the Series 2023-A Bonds on the next succeeding Interest Payment Date; and

(ii) Beginning on or before October 1, 2023, and continuing on the first day of each month thereafter an equal pro rata portion of the principal that will become due on the Series 2023-A Bonds on August 1, 2024; and beginning on August 1, 2024, and continuing on the first day of each month thereafter, so long as any of the Series 2023-A Bonds remain Outstanding, an equal pro rata portion of the amount of principal that will become due on the Series 2023-A Bonds on the next succeeding Maturity date.

The amounts required to be paid and credited to the Principal and Interest Account pursuant to this Section shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to the principal and interest accounts established for the payment of the Debt Service Requirements on Parity Bonds under the provisions of the Parity Resolution(s).

Any amounts deposited in the Principal and Interest Account in accordance with **Section 502** hereof shall be credited against the Issuer's payment obligations as set forth in subsection (a)(1)(i) of this Section.

All amounts paid and credited to the Principal and Interest Account shall be expended and used by the Issuer for the sole purpose of paying the Debt Service Requirements of the Series 2023-A Bonds as and when the same become due at Maturity and on each Interest Payment Date, and paying the related fees of the Paying Agent.

If at any time the moneys in the Revenue Fund are insufficient to make in full the payments and credits at the time required to be made to the Principal and Interest Account and to the principal and interest accounts established to pay the principal of and interest on any Parity Bonds, the available moneys in the Revenue Fund shall be divided among such principal and interest accounts in proportion to the respective principal amounts of said Parity Bonds at the time Outstanding which are payable from the moneys in said principal and interest accounts.

(2) **Bond Reserve Account.** (i) Except as hereinafter provided in this Section, all amounts paid and credited to the Bond Reserve Account shall be expended and used by the Issuer solely to prevent any default in the payment of interest on or principal of the Series 2023-A Bonds on any Maturity date or Interest Payment Date if the moneys in the respective Principal and Interest Account are insufficient to pay the Debt Service Requirements of said Series 2023-A Bonds as they become due. So long as the Bond Reserve Account aggregates the Bond Reserve Requirement, no further payments into said Account shall be required, but if the Issuer is ever required to expend and use a part of the moneys in said Account for the purpose herein authorized and such expenditure reduces the amount of the Bond Reserve Account below the Bond Reserve Requirement, or if the valuation of the Bond Reserve Account as provided in **Section 701(b)** establishes that the value of the Bond Reserve Account is below the Bond Reserve Requirement, the Issuer shall, after making all payments and credits at the time required to be made by it under the preceding provisions of this Section, make monthly payments or credits to the Bond Reserve Account in such amount as are sufficient to replenish the account to its required balance within eighteen (18) months of the shortfall therein.

If all of the Series 2023-A Bonds Outstanding at any time are called for redemption and payment or are refunded and defeased as is provided in this Bond Resolution, amounts in the Bond Reserve Account may be used or expended by the Issuer to call and redeem, or defease, said Series 2023-A Bonds for payment prior to their Maturity.

(ii) When none of the Series 2014-A Bonds, Series 2016-A Bonds, and Series 2017-A Bonds remain Outstanding, the Issuer may designate and specify that the Bond Reserve Account serve as a Common Bond Reserve Account, provided that amounts on deposit in the Bond Reserve Account and any other Common Bond Reserve Account must aggregate the Common Bond Reserve Requirement upon such designation. Thereafter, except as hereinafter provided in this Section, all amounts paid and credited to the Bond Reserve Account shall be expended and used by the Issuer solely to prevent any default in the payment of interest on or principal of the Covered Bonds on any Maturity date or Interest Payment Date if the moneys in the respective Principal and Interest Account are insufficient to pay the Debt Service Requirements of said Covered Bonds as they become due. So long as the Bond Reserve Account and any other Common Bond Reserve Account contain, in the aggregate, amounts at least equal to the Common Bond Reserve Requirement, no further payments into said Account shall be required, but if the Issuer is ever required to expend and use a part of the moneys in said Account for the purpose herein authorized and such expenditure reduces the aggregate amount in the Bond Reserve Account and any other Common Bond Reserve Account below the Common Bond Reserve Requirement, or if the valuation of the Bond Reserve Account as provided in **Section 701(b)** establishes that the value of the Bond Reserve Account and any other Common Bond Reserve Account is, in the aggregate, below the Common Bond Reserve Requirement, the Issuer shall, after making all payments and credits at the time required to be made by it under the preceding provisions of this Section, make monthly payments or credits to the Bond Reserve Account or any other Common Bond Reserve Account in such amounts as are sufficient to replenish amounts to the Common Bond Reserve Requirement within eighteen (18) months of the shortfall.

If all of the Covered Bonds Outstanding at any time are called for redemption and payment or are refunded and defeased as is provided in this Bond Resolution, amounts in the Bond Reserve Account may be used or expended by the Issuer to call and redeem, or defease, said Covered Bonds for payment prior to their Maturity.”

(iii) (A) When none of the Series 2014-A Bonds, Series 2016-A Bonds, and Series 2017-A Bonds remain Outstanding , the Issuer shall be permitted to substitute a letter of credit, surety bond or other credit enhancement (each, a “credit facility”) for funds on deposit in the Bond Reserve Account, provided that:

- (I) the credit facility (including any replacement credit facility) is issued by a bank, trust company, national banking association or insurance company whose unsecured long term debt obligations (in the case of a bank, trust company or national banking association) or whose claims paying abilities (in the case of an insurance company) are rated, at the time the credit facility is issued and at the time of each extension or renewal thereof, in the third highest category (without respect to modifier) or better by any NRSRO, provided that such rating requirement may be enhanced and made more restrictive by a future Parity Resolution;
- (II) the issuer of the credit facility does not receive as security for any reimbursement obligation in respect of the credit facility any lien, security interest or other similar right or interest that is superior in lien and security to the Parity Bonds;
- (III) the credit facility (including any replacement credit facility, if provided by a different issuer) has an initial term of not less than three (3) years and any extension, renewal or replacement (if provided by the same issuer) thereof has a term of not less than one year; and
- (IV) the Issuer is authorized and has the duty and right to draw on the credit facility to satisfy the purposes for which the Bond Reserve Account is authorized to be drawn and applied.

(B) Upon such substitution, funds on deposit in the Bond Reserve Account which, when added to the face amount of the credit facility, exceed the Bond Reserve Requirement shall be applied as provided in subsection **701(b)** hereof. Thereafter, the credit facility shall be considered a part of the Bond Reserve Account and the amount available thereunder shall be included in any calculations of the amount required to be retained in the Bond Reserve Account; provided that, (I) if the sum of the amount available under the credit facility and the amount of moneys on deposit in the Bond Reserve Account exceeds the amount required to be on deposit, the Issuer shall be permitted (aa) to cause the amount available under the credit facility to be reduced by an amount equal to such excess, or (bb) to direct that the excess moneys be applied as permitted under subsection **701(b)** hereof, and (II) if the credit facility is not extended, renewed or replaced at least six (6) months prior to its scheduled expiration or termination date, the Issuer shall, not later than five days prior to such date, draw on the credit facility for the full amount thereof.

If there are cash and Permitted Investments on deposit in the Bond Reserve Account in addition to a credit facility, such cash and Permitted Investments will be drawn on prior to any draws on such credit facility.

(b) **Debt Service Accounts-Junior Lien Bonds.** There shall next be paid and credited monthly to the debt service account(s) for any Junior Lien Bonds, to the extent necessary to meet on each Bond Payment Date an amount equal to the payment of all interest on and principal of any Junior Lien Bonds. The amounts required to be paid and credited to the debt service account(s) for any Junior Lien Bonds shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to other debt service accounts established for the payment of the Debt Service Requirements on any Junior Lien Bonds.

(c) **Debt Service Accounts-Subordinate Lien Bonds.** There shall next be paid and credited monthly to the debt service account(s) for any Subordinate Lien Bonds, to the extent necessary to meet on each Bond Payment Date an amount equal to the payment of all interest on and principal of any Subordinate Lien Bonds. The amounts required to be paid and credited to the debt service account(s) for any Subordinate Lien Bonds shall be made at the same time and on a parity with the amounts at the time required

to be paid and credited to other debt service accounts established for the payment of the Debt Service Requirements on any Subordinate Lien Bonds.

(d) **Renewal and Replacement Account.** After making all payments and credits from the Revenue Fund at the time required to be made under the preceding provisions, all remaining moneys in the Revenue Fund which shall not be required for the operating and maintenance of the System for the ensuing forty-five (45) day period shall be deposited into the Renewal and Replacement Account and may be used by the Issuer for any one or more of the following purposes as determined by both the Director of Utilities and the Chief Financial Officer.

- (1) to pay the cost of extraordinary repairs and maintenance of the System
- (2) for capital improvements to the System; and
- (3) to pay Expenses of the System if sufficient funds are not available in the Revenue Fund.

(e) **Deficiency of Payments into Funds and Accounts.** If at any time the Gross Revenues or Net Revenues are insufficient to make any payment on the date or dates hereinbefore specified, the Issuer will make good the amount of such deficiency by making additional payments or credits out of the first available Gross Revenues or Net Revenues, as applicable, such payments and credits being made and applied in the order hereinbefore specified in this Section.

Section 603. Transfer of Funds to Paying Agent. The Treasurer of the Issuer is hereby authorized and directed to withdraw from the Principal and Interest Account, and, to the extent necessary to prevent a default in the payment of either principal of or interest on the Series 2023-A Bonds, from the Bond Reserve Account, as provided in **Section 602** hereof, sums sufficient to pay the principal of and interest on the Series 2023-A Bonds as and when the same become due on any Bond Payment Date, and to forward such sums to the Paying Agent in a manner which ensures the Paying Agent will have available funds in such amounts on or before the Business Day immediately preceding each Bond Payment Date. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Bond Resolution.

Section 604. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

ARTICLE VII

DEPOSIT AND INVESTMENT OF MONEYS

Section 701. Deposits and Investment of Moneys.

(a) Moneys in each of the Funds and Accounts shall be deposited in accordance with laws of the State, in a bank, savings and loan association or savings bank organized under the laws of the State, any other state or the United States: (1) which has a main or branch office located in the Issuer; or (2) if no such entity has a main or branch office located in the Issuer, with such an entity that has a main or branch office located in the county or counties in which the Issuer is located. All such depositories shall be

members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law. All such deposits shall be invested in Permitted Investments as set forth in this Article or shall be adequately secured as provided by the laws of the State. All moneys held in the Funds and Accounts shall be kept separate and apart from all other funds of the Issuer so that there shall be no commingling with any other funds of the Issuer.

(b) Moneys held in any Fund or Account may be invested in accordance with this Bond Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created; and provided, further, that Permitted Investments in the Bond Reserve Account shall have an average aggregate weighted term to maturity not greater than five years. All earnings on any investments held in any Fund or Account shall accrue to and become a part of the Revenue Fund, except that all earnings on investments held in the Bond Reserve Account shall accrue to and become a part of the Bond Reserve Account until the amount on deposit in the Bond Reserve Account shall aggregate the Bond Reserve Requirement.

In determining the amount held in any Fund or Account under any of the provisions of this Bond Resolution, Permitted Investments shall be valued at the lower of the par value or the market value thereof. Such valuation shall be made as of the final Stated Maturity of principal of any Fiscal Year that the Series 2023-A Bonds remain Outstanding and may be made in conjunction with redemption of any Bonds. If and when the amount held in any Fund or Account shall be in excess of the amount required by the provisions of this Bond Resolution, the Issuer shall direct that such excess be paid and credited to the Revenue Fund, except that (1) any amounts in Bond Reserve Account in excess of the Bond Reserve Requirement on any valuation date shall be transferred to the Principal and Interest Account, and (2) any amounts in a Common Bond Reserve Account in excess of the Common Bond Reserve Requirement on any valuation date shall be transferred proportionately to the principal and interest accounts for Common Bonds.

(c) So long as any of the Parity Bonds remain Outstanding, any investments made pursuant to this Section shall be subject to any restrictions in the Parity Resolution with respect to the Funds and Accounts created by and referred to in the Parity Resolution.

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

The Issuer covenants and agrees with each of the Owners of any of the Bonds that so long as any of the Bonds remain Outstanding and unpaid it will comply with each of the following covenants:

Section 801. Efficient and Economical Operation. The Issuer will continuously own and will operate the System as a revenue producing facility in an efficient and economical manner and will keep and maintain the same in good repair and working order.

Section 802. Rate Covenant. The Issuer, in accordance with and subject to applicable legal requirements, will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the System, including all extensions, improvements and enlargements thereto hereafter constructed or acquired by the Issuer, as will produce Gross Revenues sufficient to (a) pay the Expenses; (b) pay the Debt Service Requirements on the Bonds as and when the same become due at the Maturity thereof or on any Interest Payment Date; (c) enable the Issuer to have a Debt Service Coverage Ratio of not less than 1.25 on all Parity Bonds at the time Outstanding, a Debt Service Coverage Ratio as set forth in the bond resolution for any Junior Lien Bonds at the time Outstanding, and a Debt Service

Coverage Ratio as set forth in the bond resolution on any Subordinate Lien Bonds at the time Outstanding; and (d) provide reasonable and adequate reserves for the payment of the Bonds and the interest thereon and for the protection and benefit of the System as provided in this Bond Resolution, provided, however, that such rates, fees and charges of the water, water pollution control and stormwater utilities shall not be set or otherwise established so that the rates, fees or charges of one such division subsidize the other. The Issuer will require the prompt payment of accounts for service rendered by or through the System and will promptly take whatever action is legally permissible to enforce and collect delinquent charges. As soon as possible after the end of each Fiscal Year, the annual audit and report made for such Fiscal Year pursuant to provisions of this Bond Resolution shall be presented to and considered by the Issuer's governing body and if it shall appear that an increase in existing rates, fees or charges for the services of the Combined Utility System is necessary in order to satisfy the obligations of the Issuer under provisions of this Bond Resolution, the governing body of the Issuer shall promptly make such increase and shall cause the same to be effective within ninety (90) days thereafter. If prior to the end of a then current Fiscal Year, any interim operating statements of the Combined Utility System shall indicate that an increase in the existing rates, fees or charges is necessary to satisfy the obligations of the Issuer under provisions of this Bond Resolution, the governing body of the Issuer shall promptly make such increase and shall cause the same to be effective within ninety (90) days thereafter.

Section 803. Reasonable Charges for all Services. None of the facilities or services provided by the System will be furnished to any user without a reasonable charge being made therefor.

Section 804. Restrictions on Mortgage or Sale of System. The Issuer will not mortgage, pledge or otherwise encumber the System or any part thereof, nor will it sell, lease or otherwise dispose of the System or any material part thereof; provided, however, the Issuer may:

(a) So long as any of the Series 2014-A Bonds, Series 2016-A Bonds, and Series 2017-A Bonds remain Outstanding, dispose of any property which has become obsolete and non-productive or otherwise unusable to the advantage of the Issuer, and any cash proceeds derived from the Issuer's sale of such property shall be used by the Issuer to improve, extend or enlarge the System; and

(b) When none of the Series 2014-A Bonds, Series 2016-A Bonds, and Series 2017-A Bonds remain Outstanding:

(1) sell at fair market value any portion of the System which has been replaced by other similar property of at least equal value, or which ceases to be necessary for the efficient operation of the System, and in the event of sale, the Issuer will apply the proceeds to either (i) redemption of Outstanding Bonds in accordance with the provisions governing repayment of Bonds in advance of Stated Maturity, or (ii) replacement of the property so disposed of by other property the revenues of which shall be incorporated into the System as hereinbefore provided;

(2) cease to operate, abandon or otherwise dispose of any property which has become obsolete, nonproductive or otherwise unusable to the advantage of the Issuer;

(3) grant a security interest in equipment to be purchased with the proceeds of any loan, lease or other obligation undertaken in accordance with *Article IX* hereof; or

(4) sell, lease or convey all or substantially all of the System to another entity or enter into a management contract with another entity if:

(i) The transferee entity is a political subdivision organized and existing under the laws of the State, or instrumentality thereof, or an organization described in Code § 501(c)(3), and

expressly assumes in writing the due and punctual payment of the principal of and premium, if any, and interest on all outstanding Permitted Loans or Bonds according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Bond Resolution;

(ii) If there remains unpaid any Permitted Loans or Bonds which bear interest that is not includable in gross income under the Code, the Issuer receives an opinion of Bond Counsel, in form and substance satisfactory to the Issuer, to the effect that under then existing law the consummation of such sale, lease or conveyance, whether or not contemplated on any date of the delivery of such Permitted Loans or Bonds, would not cause the interest payable on such Permitted Loans or Bonds to become includable in gross income under the Code;

(iii) The Issuer receives a certificate of the Consultant which demonstrates and certifies that immediately upon such sale or conveyance the transferee entity will not, as a result thereof, be in default in the performance or observance of any covenant or agreement to be performed or observed by it under this Bond Resolution;

(iv) Such transferee entity possesses such licenses to operate the System as may be required if it is to operate the System; and

(v) The Issuer receives an opinion of Bond Counsel, in form and substance satisfactory to the Issuer, as conclusive evidence that any such sale, lease or conveyance, and any such assumption, is permitted by law and complies with the provisions of this Section.

Section 805. Insurance. The Issuer will carry and maintain a reasonable amount of all risk insurance upon the properties forming part of the System insofar as they are of an insurable nature, the amount of such insurance being the amount as would normally be carried by a municipal corporation engaged in a similar type of utility enterprise. In the event of loss or damage, the Issuer, with all reasonable dispatch, will use the proceeds of such insurance to reconstruct and replace the property damaged or destroyed or, if such reconstruction or replacement be unnecessary, then either improve, extend or enlarge the System or to redeem or purchase in the open market the Outstanding Bonds. The Issuer in operating the System will carry and maintain public liability and worker's compensation insurance in such amounts as would normally be maintained by a municipal corporation engaged in a similar type of utility enterprise, provided, however, the amount of such liability insurance shall be in amounts not less than the then maximum liability of a governmental entity for claims arising out of a single occurrence, as provided by the State's tort claims act or other similar future law (currently \$500,000 per occurrence). The proceeds derived from any of such public liability and worker's compensation policies shall be used in paying the claims on the account of which such proceeds were received. Notwithstanding the foregoing, the Issuer may, under applicable law, elect to be self-insured for all or any part of the foregoing requirements if (a) the Issuer annually obtains a written evaluation with respect to such self-insurance program from an Insurance Consultant, (b) the evaluation is to the effect that the self-insurance program is actuarially sound, (c) unless the evaluation states that such reserves are not necessary, the Issuer deposits and maintains adequate reserves for the self-insurance program with a corporate trustee, who may also be the Paying Agent, and (d) in the case of workers' compensation, adequate reserves created by the Issuer for such self-insurance program are deposited and maintained in such amount and manner as are acceptable to the State. The cost of all insurance referred to in this paragraph, including Insurance Consultant fees and expenses, shall be paid as an operating Expense out of the Gross Revenues of the Combined Utility System.

Section 806. Books, Records and Accounts. The Issuer will install and maintain proper books, records and accounts (entirely separate from all other records and accounts of the Issuer) in which complete and correct entries will be made of all dealings and transactions of or in relation to the

properties, business and affairs of the System. Such accounts shall show the amount of revenues received from the System, the application of such funds, and all financial transactions in connection therewith. Said books shall be kept by the Issuer according to standard accounting practices as applicable to the operation of municipal utilities.

Section 807. Annual Budget. Prior to the commencement of each Fiscal Year, the Issuer will cause to be prepared and filed with the Clerk a budget setting forth the estimated receipts and expenditures of the System for the next succeeding Fiscal Year. Said annual budget shall be prepared in accordance with the requirements of the laws of the State and shall contain all information that is required by such laws, including:

- (a) An estimate of the Gross Revenues from the System during the next ensuing Fiscal Year.
- (b) A statement of the estimated Expenses during the next ensuing Fiscal Year.
- (c) A statement of any anticipated unusual Expenses for the System during the next Fiscal Year.
- (d) A statement of any necessary repairs or replacements to the System which may be anticipated during the next Fiscal Year.
- (e) A statement of the amount of Debt Service Requirements to be paid on Outstanding Bonds to be paid from Net Revenues during the next Fiscal Year.
- (f) A statement of the estimated Net Revenues during the next Fiscal Year.

Section 808. Annual Audit. Annually, as soon as possible after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements System for the preceding Fiscal Year by an Independent Accountant to be employed for that purpose and paid from the Gross Revenues. Said annual audit shall cover in reasonable detail the operation of the System during such Fiscal Year. The report of said annual audit shall include:

- (a) a classified statement of the Gross Revenues received, of Expenses for operation and maintenance, of expenditures for all other purposes, and the amount of any capital expenditures made from such Gross Revenues made during the Fiscal Year;
- (b) A complete balance sheet as of the end of each Fiscal Year with the amount on hand at the end of such Fiscal Year in each of the Funds and Accounts created by and referred to in this Bond Resolution;
- (c) a statement showing gain or loss for such Fiscal Year;
- (d) a statement of the Bonds redeemed, purchased or paid during the preceding Fiscal Year, and a statement of all interest paid during such year on the Bonds;
- (e) A statement of the number of customers served by the System at the beginning and the end of such Fiscal Year;
- (f) A statement showing the amount and character of the insurance carried on the property constituting the System and showing the names of the insurers, the expiration dates of the policies and the premiums thereon;

(g) the opinion of the Independent Accountant as to whether or not the Issuer is meeting the requirements of **Section 802** of this Bond Resolution by maintaining and collecting adequate rates, fees and charges for System services furnished by the Issuer; and

(h) Such remarks and recommendations regarding the practices and procedures of operating the System and its accounting practices as said Independent Accountant may deem appropriate.

Within 30 days after the completion of each such annual audit, a copy of the report of thereof shall be filed in the office of the Clerk. Such audit reports shall at all times during the usual business hours be open to the examination and inspection by any user of the services of the System, any Owner of any of the Bonds, or by anyone acting for or on behalf of such user or Owner.

As provided in **Section 802** hereof, as soon as possible after the completion of the annual audit, the governing body of the Issuer shall review the report of such audit, and if the audit report discloses that proper provision has not been made for all of the requirements of this Bond Resolution and the Act, the Issuer will promptly cure such deficiency and will promptly proceed to modify the rates and charges to be charged for the use and services furnished by the System or take such other action as may be necessary to adequately provide for such requirements.

Section 809. Internal Rate Review. The Issuer 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 Issuer, in view of the covenants herein and heretofore made.

Section 810. Payments in Lieu of Taxes. As long as the Bonds are Outstanding, any payments in lieu of taxes made to the Issuer from the Net Revenues of the System shall not exceed an amount based on the method currently in effect in the Issuer, such method being based on the net value of the equity of the Issuer in the System located within the corporate limits of the Issuer. Further, such payment in lieu of taxes will not be made if the Issuer is in default in paying the Debt Service Requirements on any Parity Bonds, or if such payment would cause the Issuer to default in the payment of the Debt Service Requirements on the Parity Bonds.

Section 811. Performance of Duties and Covenants. The Issuer will faithfully and punctually perform all duties, covenants and obligations with respect to the operation of the System now or hereafter imposed upon the Issuer by the Constitution and laws of the State and by the provisions of this Bond Resolution.

ARTICLE IX

ADDITIONAL BONDS AND OBLIGATIONS

Section 901. Senior Lien Bonds. Other than additional Permitted Loans, the Issuer covenants and agrees that so long as any of the Parity Bonds remain Outstanding, the Issuer will not issue any Bonds payable out of the Gross Revenues or which is superior to the Parity Bonds with respect to the lien on the Net Revenues.

Section 902. Additional Permitted Loans. Except as hereinafter provided, the Issuer hereby covenants and agrees that so long as any of the Parity Bonds remain Outstanding and unpaid, it will not issue or incur any additional Permitted Loans payable out of the Gross Revenues of the System that are superior in lien and security to the Parity Bonds unless each of the following conditions are met:

(a) The Issuer shall not be in default in making any of the payments at the time required to be made in connection with any outstanding Permitted Loans or into the respective Funds or Accounts created to or referred to in this Bond Resolution, or the performance of any covenant contained therein.

(b) The Debt Service Coverage Ratio shall be not less than 1.25.

(c) In addition, the Projected Debt Service Coverage Ratio shall be not less than 1.25

Section 903. Parity Bonds. Except as hereinafter provided, the Issuer hereby covenants and agrees that so long as the Series 2023-A Bonds remain outstanding and unpaid it will not issue any Additional Bonds payable out of the Net Revenues of the System which stand on a parity or equality with the Parity Bonds unless each of the following conditions is met:

(a) The Issuer 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 Bond Resolution or any Parity Resolution, or in performance of any covenant contained herein or therein.

(b) The Issuer shall deliver the following:

(1) **Long-Term Indebtedness.** A certificate signed by the Issuer evidencing the following:

(i) The Debt Service Coverage Ratio shall be not less than 1.25.

(ii) In addition, the Projected Debt Service Coverage Ratio shall be not less than 1.25, provided that if the issuance of the proposed Additional Bonds shall not increase the Debt Service Requirements on all Parity Bonds, including any Additional Bonds proposed to be issued, in any Fiscal Year, the requirement of this subsection (ii) shall be inapplicable.

(2) **Short-Term Indebtedness.** For so long as any of the Series 2014-A Bonds, Series 2016-A Bonds, and Series 2017-A Bonds remain Outstanding, the following provision shall not be applicable, but thereafter:

A certificate signed by the Issuer evidencing any **one** of the following:

(i) The principal amount of all Outstanding Short-Term Indebtedness does not exceed 15% of the Gross Revenues for the most recently ended Fiscal Year for which financial information is available from the Independent Accountant;

(ii) The Short-Term Indebtedness could be incurred under **subsection (b)(1)** hereof assuming it was Long-Term Indebtedness.

(iii) There is delivered to the Issuer a certificate of a Consultant to the effect that it is such Consultant's opinion that it is reasonable to assume that the Issuer will be able to refinance such Short-Term Indebtedness prior to its Stated Maturity in compliance with the provisions of this Section and the conditions described in **subsection (b)(1)** are met with respect to such Short-Term Indebtedness when it is assumed that such Short-Term Indebtedness is Long-Term Indebtedness maturing over 20 years (or such shorter period as such Consultant indicates is reasonable to assume in such statement) from the date of issuance of the Short-Term Indebtedness and bears interest on the unpaid principal balance

at the Index Rate and is payable on a level annual debt service basis over a 20-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement).

(3) **Interim Indebtedness.** For so long as any of the Series 2014-A Bonds, Series 2016-A Bonds, and Series 2017-A Bonds remain Outstanding, the following provision shall not be applicable, but thereafter:

A certificate signed by the Issuer evidencing *either* of the following:

(i) The Interim Indebtedness could be incurred under **subsection (b)(1)** hereof assuming it was Long-Term Indebtedness.

(ii) There is delivered to the Issuer a certificate of a Consultant to the effect that it is such Consultant's opinion that it is reasonable to assume that the Issuer will be able to refinance such Interim Indebtedness prior to its Stated Maturity in compliance with the provisions of this Section and the conditions described in **subsection (b)(1)** are met with respect to such Interim Indebtedness when it is assumed that such Interim Indebtedness is Long-Term Indebtedness maturing over 20 years (or such shorter period as such Consultant indicates is reasonable to assume in such statement) from the date of issuance of the Interim Indebtedness and bears interest on the unpaid principal balance at the Index Rate and is payable on a level annual debt service basis over a 20-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement).

(c) When the issuance of Bonds of equal stature and priority is permitted by the Statutes of the State.

(d) With respect to the issuance of Additional Bonds proposed to be issued as Parity Bonds, an additional deposit to a bond reserve account shall be made to bring the aggregate deposits in bond reserve accounts for Parity Bonds to an amount equal to the Bond Reserve Requirement. In addition, if the Issuer receives an opinion of Bond Counsel to the effect that the Bond Reserve Requirement must be reduced in connection with the issuance of Additional Bonds as Parity Bonds in order that the amounts on deposit in bond reserve accounts may continue to be invested without yield restriction under the Code, the amount held in such bond reserve account or accounts shall be reduced in conformity with said opinion. Notwithstanding the foregoing, when none of the Series 2014-A Bonds, Series 2016-A Bonds, and Series 2017-A Bonds remain Outstanding, the Issuer may choose to not apply the provisions of the immediately preceding sentence and instead specify that any Additional Bonds be secured by a Series Bond Reserve Account, or no bond reserve account, and any such Series Bond Reserve Account must be funded at the Series Bond Reserve Requirement and may secure only such Additional Bonds proposed to be issued.

(e) The ordinance and/or resolution authorizing such Bonds shall contain or provide for substantially the same terms, conditions, covenants and procedures as established in this Bond Resolution.

When none of the Series 2014-A Bonds, Series 2016-A Bonds, and Series 2017-A Bonds remain Outstanding, and notwithstanding the foregoing restrictions, Additional Bonds may be issued under this Section if it is necessary: (1) in the opinion of the Consulting Engineer to do so to repair the System if damaged or destroyed by disaster to such extent necessary to keep it in good operating condition; or (2) in the opinion of the Issuer's legal counsel to remedy any deficiency of the System relating to environmental pollution matters or to comply with the requirements of any governmental agency having jurisdiction over the Issuer with respect thereto.

Additional Bonds issued under the conditions set forth in this Section shall stand on a parity with the Parity Bonds and shall enjoy complete equality or lien on and claim against the Net Revenues, and the Issuer may make equal provision for paying the Debt Service Requirements on such Bonds out of the Revenue Fund and may likewise provide for the creation of reasonable principal and interest accounts and Bond Reserve Accounts for the payment of the Debt Service Requirements on such Bonds and the interest thereon out of moneys in the Revenue Fund.

Section 904. Junior Lien Bonds. Nothing in this Article shall prohibit or restrict the right of the Issuer to issue Junior Lien Bonds for any lawful purpose in connection with the operation of and benefiting the System and to provide that the Debt Service Requirements on such Junior Lien Bonds shall be payable out of the Net Revenues, provided at the time of the issuance of such Junior Lien Bonds the Issuer is not in default in the performance of any covenant or agreement contained in the Parity Resolution (unless such Bonds shall be issued to cure such default and shall be junior and subordinate to the Parity Bonds) so that if at any time the Issuer shall be in default in paying either interest on or principal of the Parity Bonds, or if the Issuer is in default in making debt service, operation and maintenance or bond reserve account deposits or payments required to be made by it under the Parity Resolution, the Issuer shall make no payments of either principal of or interest on said Junior Lien Bonds until said default or defaults be cured.

Section 905. Subordinate Lien Bonds. Nothing in this Article shall prohibit or restrict the right of the Issuer to issue Subordinate Lien Bonds for any lawful purpose in connection with the operation of and benefiting the System and to provide that the Debt Service Requirements on such Subordinate Lien Bonds shall be payable out of the Net Revenues, provided at the time of the issuance of such Subordinate Lien Bonds the Issuer is not in default in the performance of any covenant or agreement contained in the Parity Resolution (unless such Bonds shall be issued to cure such default and shall be junior and subordinate to the Parity Bonds and Junior Lien Bonds) so that if at any time the Issuer shall be in default in paying either interest on or principal of the Parity Bonds and Junior Lien Bonds, or if the Issuer is in default in making debt service, operation and maintenance or bond reserve account deposits or payments required to be made by it under the Parity Resolution, the Issuer shall make no payments of either principal of or interest on said Subordinate Lien Bonds until said default or defaults be cured. Such Subordinate Lien Bonds may also constitute general obligations of the Issuer.

Section 906. Refunding Bonds. When none of the Series 2014-A Bonds, Series 2016-A Bonds, and Series 2017-A Bonds remain Outstanding, the Issuer shall have the right, without complying with the provisions of *Section 9023* hereof:

(a) to issue Refunding Bonds for the purpose of refunding any complete series then Outstanding of the Bonds under the provisions of any law then available, and the Refunding Bonds so issued shall enjoy complete equality of pledge as did the Bonds that was refunded;

(b) to issue Refunding Bonds for the purpose of refunding any partial series then Outstanding of the Bonds under the provisions of any law then available, and the Refunding Bonds so issued shall enjoy complete equality of pledge as did the Bonds that was refunded; provided such Refunding Bonds must produce debt service payment savings in total and provided that such consent is not needed from Owners of Subordinate Lien Bonds or Junior Lien Bonds.

ARTICLE X

DEFAULT AND REMEDIES

Section 1001. Remedies. The provisions of this Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

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

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

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

The Issuer hereby directs the Paying Agent to notify the Owners and Bond Insurer of any Event of Default of which it has actual notice.

Section 1002. Limitation on Rights of Owners. The covenants and agreements of the Issuer contained herein and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds of any series shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the Funds and Accounts herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Bond Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Bonds.

Section 1003. Remedies Cumulative. No remedy conferred herein upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Owners of the Bonds by this Bond Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. If action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the Issuer and the Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

Section 1004. No Obligation to Levy Taxes. Nothing contained in this Bond Resolution shall be construed as imposing on the Issuer any duty or obligation to levy any taxes either to meet any obligation incurred herein or to pay the principal of or interest on the Bonds.

Section 1005. Control of Remedies Upon an Event of Default and Event of Insolvency. Notwithstanding anything herein to the contrary, upon the occurrence and continuance of an Event of Default, the Bond Insurer, provided the Bond Insurance Policy is in full force and effect and the Bond Insurer shall not be in default thereunder, shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of the Series 2023-A Bonds under this Bond Resolution.

Any reorganization or liquidation plan with respect to the Issuer must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Owners who hold the Series 2023-A Bonds insured by the Bond Insurer absent a default by the Bond Insurer under the applicable Bond Insurance Policy insuring such Series 2023-A Bonds.

ARTICLE XI

DEFEASANCE

Section 1101. Defeasance. When any or all of the Series 2023-A Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Bond Resolution and the pledge of the Net Revenues hereunder and all other rights granted hereby shall terminate with respect to the Series 2023-A Bonds or scheduled interest payments thereon so paid and discharged. The Series 2023-A Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Series 2023-A Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Series 2023-A Bonds, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Series 2023-A Bonds, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption in compliance with **Section 303** of this Bond Resolution. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the Issuer, for the purpose of paying and discharging any of the Series 2023-A Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Series 2023-A Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Bond Resolution. The Issuer shall notify the Bond Insurer of any defeasance of Series 2023-A Bonds; provided, however, that the City shall be deemed to have met this requirement provided it files notice of any defeasance of the Series 2023-A Bonds on the Electronic Municipal Market Access system for municipal securities disclosures (“EMMA”).

Notwithstanding anything in this Bond Resolution to the contrary, in the event that the principal and/or interest due on the Series 2023-A Bonds shall be paid by the Bond Insurer pursuant to the Bond

Insurance Policy, the Series 2023-A Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer and the covenants, agreements and other obligations of the Issuer to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.

ARTICLE XII

TAX COVENANTS

Section 1201. General Covenants. The Issuer covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2023-A Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Mayor and Chief Financial Officer are hereby authorized and directed to execute the Federal Tax Certificate in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the Issuer. The Issuer will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Series 2023-A Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer. The Series 2023-A Bonds are not designated as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code.

Section 1202. Survival of Covenants. The covenants contained in this Article and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Series 2023-A Bonds pursuant to *Article XI* hereof or any other provision of this Bond Resolution until such time as is set forth in the Federal Tax Certificate.

ARTICLE XIII

CONTINUING DISCLOSURE REQUIREMENTS

Section 1301. Disclosure Requirements. The Issuer hereby covenants with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking, which are incorporated herein by reference. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

Section 1302. Failure to Comply with Continuing Disclosure Requirements. In the event the Issuer fails to comply in a timely manner with its covenants contained in the preceding section, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement contained in the preceding section or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce

any of the duties of the Issuer under such preceding section. The Purchaser or Beneficial Owner shall provide a copy of any such demand or notice to any Bond Insurer.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 1401. Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of this Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Bond;
- (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond;
- (c) permit preference or priority of any Bond over any other Bond;
- (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Bond Resolution; or
- (e) permit the creation of a lien on the Gross Revenues prior or equal to the lien of the Parity Bonds.

Any provision of the Bonds or of this Bond Resolution may, however, be amended or modified by resolution or ordinance duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement this Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity herein, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Project, to reallocate proceeds of the Bonds among Project, to provide for Substitute Project, to conform this Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners. Copies of any amendments shall be provided to the applicable NRSO at least 10 days prior to the effective date thereof.

Every amendment or modification of the provisions of the Bonds or of this Bond Resolution, to which the written consent of the Bond Insurer and the Owners is given, as above provided, shall be expressed in a resolution or ordinance adopted by the governing body of the Issuer amending or supplementing the provisions of this Bond Resolution and shall be deemed to be a part of this Bond Resolution. A certified copy of every such amendatory or supplemental resolution or ordinance, if any, and a certified copy of this Bond Resolution shall always be kept on file in the office of the Clerk, shall be delivered to the Bond Insurer, and shall be made available for inspection by the Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Bond Resolution, and upon payment of the

reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental resolution or ordinance of this Bond Resolution will be sent by the Clerk to any such Owner or prospective Owner.

Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the Clerk a copy of the resolution or ordinance of the Issuer hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification. Copies of any amendments shall be filed on EMMA at least 10 days prior to the effective date thereof.

The Issuer shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Bond Resolution which affects the duties or obligations of the Paying Agent under this Bond Resolution.

Section 1402. Notices, Consents and Other Instruments by Owners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Bond Resolution, and shall be conclusive in favor of the Issuer and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

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

(b) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

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

(c) Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Bond Resolution shall be in writing, given to the Notice Representative at the Notice Address and shall be deemed duly given or filed if the same shall be: (i) duly mailed by registered or certified mail, postage prepaid; or (ii) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent and the Bond Insurer. The Issuer, the Paying Agent, the Bond Insurer, and the Purchaser of the Series 2023-A Bonds may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

All notices given by: (iii) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (iv) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other

reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

Section 1403. Bond Insurance Provisions for the Series 2023-A Bonds. As long as the Bond Insurance Policy for the Series 2023-A Bonds shall be in full force and effect, the Issuer and the Paying Agent agree to comply with the following provisions:

(a) If, on the Business Day prior to the related Stated Maturity of Series 2023-A Bonds there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Bond Resolution, moneys sufficient to pay the principal of and interest on the Series 2023-A Bonds due on such Stated Maturity, the Paying Agent shall give notice to the Bond Insurer and to the Insurer's Fiscal Agent by telephone or telecopy of the amount of such deficiency by 1:00 p.m., New York City time, on such Business Day. If, on the related Stated Maturity, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2023-A Bonds due on such Stated Maturity, the Paying Agent shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2023-A Bonds and the amount required to pay principal on the Series 2023-A Bonds, confirmed in writing to the Bond Insurer and the Insurer's Fiscal Agent by 1:00 p.m., New York City time, on such Stated Maturity by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

(b) In the event the claim to be made is for a mandatory sinking fund redemption installment, upon receipt of the moneys due, the Paying Agent shall authenticate and deliver to affected Owners who surrender their Series 2023-A Bonds a new Series 2023-A Bond or Series 2023-A Bonds in an aggregate principal amount equal to the unredeemed portion of the Series 2023-A Bond surrendered. The Paying Agent shall designate any portion of payment of principal on Series 2023-A Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2023-A Bonds registered to the then current Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2023-A Bond to the Bond Insurer, registered in the name of the Bond Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Series 2023-A Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Series 2023-A Bond or the subrogation rights of the Bond Insurer.

The Paying Agent shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (as hereinafter defined) and the allocation of such funds to payment of interest on and principal paid in respect of any Series 2023-A Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

Upon payment of a claim under the Bond Insurance Policy the Paying Agent shall establish a separate special purpose trust account for the benefit of Owners referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Series 2023-A Bond Owners and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Owners in the same manner as principal and interest payments are to be made with respect to the Series 2023-A Bonds under the sections hereof regarding payment of Series 2023-A Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent.

Any funds remaining in the Policy Payments Account following a Stated Maturity date shall promptly be remitted to the Bond Insurer.

(c) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Series 2023-A Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy.

(d) The Issuer agrees to pay or reimburse the Bond Insurer any and all charges, fees, costs and expenses which the Bond Insurer may reasonably pay or incur in connection with (1) the administration, enforcement, defense or preservation of any rights or security in respect of the Bond Resolution, (2) the pursuit of any remedies under the Bond Resolution or otherwise afforded by law or equity, (3) any amendment, waiver or other action with respect to, or related to, the Bond Resolution whether or not executed or completed, (4) the violation by the Issuer of any law, rule or regulation, or any judgment, order or decree applicable to it or (5) any litigation or other dispute in connection with the Bond Resolution or the transactions contemplated thereby, other than amounts resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Bond Resolution.

(e) Payments required to be made to the Bond Insurer shall be payable solely from the Net Revenues and shall be paid (1) prior to an Event of Default, to the extent not paid from the Debt Service Account, and (2) after an Event of Default, with respect to amounts other than principal and interest on the Series 2023-A Bonds, on the same priority as payments to the Paying Agent for expenses. The obligations to the Bond Insurer shall survive discharge or termination of the Bond Resolution.

(f) The Bond Insurer shall be entitled to pay principal or interest on the Series 2023-A Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Series 2023-A Bonds as a result of acceleration of the maturity thereof in accordance with this Bond Resolution, whether or not the Bond Insurer has received a Notice (as defined in the Bond Insurance Policy) of Nonpayment or a claim upon the Bond Insurance Policy.

(g) Any provision of this Bond Resolution expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner which affects the rights of the Bond Insurer hereunder without the prior written consent of the Bond Insurer.

The Bond Insurer's consent shall be required in addition to Owner consent, when required, for the execution and delivery of any supplemental resolution, or any amendment, supplement or change to or modification of other documents relating to the security for the Series 2023-A Bonds; removal or substitution of the Paying Agent; or approval of any action or document requiring approval of the Owners.

The Bond Insurer shall be deemed to be the sole Owner of the Series 2023-A Bonds insured by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Series 2023-A Bonds insured by it are entitled to take pursuant to this Bond Resolution.

(h) While the Bond Insurance Policy is in effect, the Issuer shall, in addition to the other notice requirements contained in this Bond Resolution, furnish to the Bond Insurer:

- (1) As soon as practicable after the filing thereof, a copy of any financial statement, audit and/or annual report of the Issuer;
 - (2) A copy of any notice to be given to the Owners, including, without limitation, notice of any redemption of or defeasance of Series 2023-A Bonds, and any certificate rendered pursuant to this Bond Resolution relating to the security for the Series 2023-A Bonds;
 - (3) Notice of any draw upon the Debt Service Reserve Account within two business days, other than withdrawals of amounts in excess of the Debt Service Reserve Requirement or made in connection with a refunding of the Series 2023-A Bonds;
 - (4) Notice of an Event of Default within five business days after the occurrence of such event; and
 - (5) such additional information as the Bond Insurer may reasonably request.
- (i) The Issuer shall notify the Bond Insurer of any failure of the Issuer to provide relevant notices, certificates, etc.
 - (j) The Issuer will permit the Bond Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Bond Insurer may reasonably request regarding the security for the Series 2023-A Bonds with appropriate officers of the Issuer. The Issuer will permit the Bond Insurer to have access to and to make copies of all books and records relating to the Series 2023-A Bonds at any reasonable time.
 - (k) The Bond Insurer shall have the right to direct an accounting at the Issuer's expense, and the Issuer's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Bond Insurer shall be deemed an Event of Default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any Owner.
 - (l) Notwithstanding any other provision of this Bond Resolution, the Issuer shall immediately notify the Bond Insurer if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any Event of Default hereunder.
 - (m) In each case in which notice or other communication to the Bond Insurer refers to an Event of Default or with respect to which failure on the part of the Bond Insurer to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication shall also be sent to the attention of General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."
 - (n) To the extent that this Bond Resolution confers upon or gives or grants to the Bond Insurer any right, remedy, or claim under or by reason of this Bond Resolution, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.
 - (o) Nothing in this Bond Resolution, expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Issuer, the Bond Insurer, the Paying Agent and the Owners, any right, remedy or claim under or by reason of this Bond Resolution, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Bond

Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Paying Agent, the Bond Insurer and the Owners.

(p) Rights of the Bond Insurer to direct or consent to actions granted under this Bond Resolution shall be suspended during any period in which the Bond Insurer is in default in its payment obligations under the Bond Insurance Policy (except to the extent of amounts previously paid by the Bond Insurer and due and owing to the Bond Insurer) and shall be of no force or effect in the event the Bond Insurance Policy is no longer in effect or the Bond Insurer asserts that the Bond Insurance Policy is not in effect or the Bond Insurer shall have provided written notice that it waives such rights.

Section 1404. Inconsistent Provisions. In case any one or more of the provisions of this Bond Resolution or of the Series 2023-A Bonds issued hereunder shall for any reason be inconsistent with the provisions of any Parity Resolution or any Parity Bonds: (a) the provisions of any Parity Resolution adopted prior to this Bond Resolution shall prevail with respect to Parity Bonds issued prior in time, so long as such Parity Bonds are Outstanding; and (b) the provisions of this Bond Resolution shall prevail with respect to any Parity Resolution adopted subsequent to the Bond Resolution, so long as any Parity Bonds issued under this Bond Resolution are Outstanding.

Section 1405. Electronic Transactions. The issuance of the Series 2023-A Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

Section 1406. Further Authority. The officers and officials of the Issuer, including the Mayor and Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Bond Resolution and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 1407. Severability. If any section or other part of this Bond Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Bond Resolution.

Section 1408. Governing Law. This Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 1409. Effective Date. This Bond Resolution shall take effect and be in full force from and after its adoption by the governing body of the Issuer.

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ADOPTED by the governing body of the Issuer on August 15, 2023.

(SEAL)

Mayor

ATTEST:

Clerk

CERTIFICATE

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of Resolution No. 9461 (the "Bond Resolution") of the City of Topeka, Kansas, adopted by the governing body on August 15, 2023, as the same appears of record in my office, and that the Bond Resolution has not been modified, amended or repealed and is in full force and effect as of this date.

DATED: August 15, 2023.

Clerk

EXHIBIT A

(FORM OF SERIES 2023-A BONDS)

**REGISTERED
NUMBER** ____

**REGISTERED
\$**_____

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation (“DTC”), to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF SHAWNEE
CITY OF TOPEKA
COMBINED UTILITY REVENUE BOND
SERIES 2023-A**

**Interest
Rate:**

**Maturity
Date:**

**Dated
Date: September 12, 2023**

CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Topeka, in the County of Shawnee, State of Kansas (the “Issuer”), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Maturity Date shown above, unless called for redemption prior to said Maturity Date, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable semiannually on February 1 and August 1 of each year, commencing February 1, 2024 (the “Interest Payment Dates”), until the Principal Amount has been paid.

Method and Place of Payment. The principal or redemption price of this Series 2023-A Bond shall be paid at maturity or upon earlier redemption to the person in whose name this Series 2023-A Bond is registered at the maturity or redemption date thereof, upon presentation and surrender of this Series 2023-A Bond at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”). The interest payable on this Series 2023-A Bond on any Interest Payment Date shall be paid to the person in whose name this Series 2023-A Bond is registered on the registration books maintained by the Bond Registrar at the close of business on the Record Date(s) for such interest, which

shall be the 15th day (whether or not a business day) of the calendar month next preceding the Interest Payment Date. Such interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner or, (b) in the case of an interest payment to any Registered Owner of \$1,000,000 or more in aggregate principal amount of Series 2023-A Bonds, by electronic transfer to such Registered Owner upon written notice given to the Bond Registrar by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Registered Owner wishes to have such transfer directed. The principal or redemption price of and interest on the Series 2023-A Bonds shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. Interest not punctually paid will be paid in the manner established in the within defined Bond Resolution.

Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the hereinafter defined Bond Resolution.

ADDITIONAL PROVISIONS OF THIS SERIES 2023-A BOND ARE CONTINUED ON THE REVERSE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

Authentication. This Series 2023-A Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter defined Bond Resolution until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Bond Registrar.

IT IS HEREBY DECLARED AND CERTIFIED that all acts, conditions, and things required to be done and to exist precedent to and in the issuance of this Series 2023-A Bond have been properly done and performed and do exist in due and regular form and manner as required by the Constitution and laws of the State of Kansas, that the total indebtedness of the Issuer, including this series of bonds, does not exceed any constitutional or statutory limitation, and that provision has been duly made for the collection and segregation of the Gross Revenues of the combined water, water pollution control and stormwater utility facilities of the Issuer (the "System") and for the application of the same as provided in the hereinafter defined Bond Resolution.

IN WITNESS WHEREOF, the Issuer has caused this Series 2023-A Bond to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its Clerk, and its seal to be affixed hereto or imprinted hereon.

CITY OF TOPEKA, KANSAS

(Facsimile Seal)

(facsimile)

Mayor

ATTEST:

By _____ (facsimile)
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Series 2023-A Bond is one of a series of Combined Utility Revenue Bonds, Series 2023-A, of the City of Topeka, Kansas, described in the within-mentioned Bond Resolution.

Registration Date: _____

Office of the State Treasurer,
Topeka, Kansas,
as Bond Registrar and Paying Agent

By _____

Registration Number: _____

(FORM OF REVERSE SIDE OF BOND)

ADDITIONAL PROVISIONS

Authorization of Series 2023-A Bonds. This Series 2023-A Bond is one of an authorized series of bonds of the Issuer designated “Combined Utility Revenue Bonds, Series 2023-A,” aggregating the principal amount of \$89,385,000 (the “Series 2023-A Bonds”) issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Series 2023-A Bonds and the Resolution of the Issuer prescribing the form and details of the Series 2023-A Bonds (collectively, the “Bond Resolution”). The Series 2023-A Bonds 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. 10-620 *et seq.*, and K.S.A. 10-1201 *et seq.*, as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

Special Obligations. The Series 2023-A Bonds are special obligations of the Issuer payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the taxing power of the Issuer is not pledged to the payment of the Series 2023-A Bonds either as to principal or interest. The Series 2023-A Bonds shall not be or constitute a general obligation of the Issuer, nor shall they constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provision, limitation or restriction. The Series 2023-A Bonds shall be junior and subordinate with respect to the payment of principal and interest and in all other respects to the Permitted Loans, which are payable as Expenses of the System. The Series 2023-A Bonds stand on a parity and are equally and ratably secured with respect to the payment of principal and interest from the Net Revenues and in all other respects with the Issuer’s Combined Utility Improvement and Refunding Revenue Bonds, Series 2014-A, Combined Utility Improvement and Refunding Revenue Bonds, Series 2016-A, Combined Utility Revenue Bonds, Series 2017-A, Combined Utility Revenue Bonds, Series 2018-A, Combined Utility Improvement and Refunding Revenue Bonds, Series 2019-A, Combined Utility Improvement and Refunding Revenue Bonds, Series 2020-A, and Combined Utility Improvement and Refunding Revenue Bonds, Series 2021-A. ***Under the conditions set forth in the Bond Resolution, the Issuer has the right to issue Additional Bonds payable from the same source and secured by the Net Revenues on a parity with said Net Revenues; provided,***

however, that such Additional Bonds may be so issued only in accordance with and subject to the covenants, conditions and restrictions relating thereto set forth in the Bond Resolution.

The Issuer hereby covenants and agrees with the Registered Owner of this Series 2023-A Bond that it will keep and perform all covenants and agreements contained in the Bond Resolution, and will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the System, as will produce Net Revenues sufficient to pay the costs of operation and maintenance of the System, pay the principal of and interest on the Series 2023-A Bonds as and when the same become due, and provide reasonable and adequate reserve funds. Reference is made to the Bond Resolution for a description of the covenants and agreements made by the Issuer with respect to the collection, segregation and application of the Gross Revenues, the nature and extent of the security for the Series 2023-A Bonds, the rights, duties and obligations of the Issuer with respect thereto, and the rights of the Registered Owners thereof.

Redemption Prior to Maturity. The Series 2023-A Bonds are subject to redemption prior to maturity as set forth in the Bond Resolution.

Book-Entry System. The Series 2023-A Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Bond Resolution. One certificate with respect to each date on which the Series 2023-A Bonds are stated to mature or with respect to each form of Series 2023-A Bonds, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Series 2023-A Bonds by the Securities Depository's participants, beneficial ownership of the Series 2023-A Bonds in Authorized Denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Issuer and the Bond Registrar will recognize the Securities Depository nominee, while the Registered Owner of this Series 2023-A Bond, as the owner of this Series 2023-A Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Series 2023-A Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to Beneficial Owners of the Series 2023-A Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such Beneficial Owners. The Issuer and the Bond Registrar will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the Owner of this Series 2023-A Bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Series 2023-A Bond shall be made in accordance with existing arrangements among the Issuer, the Bond Registrar and the Securities Depository.

Transfer and Exchange. EXCEPT AS OTHERWISE PROVIDED IN THE BOND RESOLUTION, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY. This Series 2023-A Bond may be transferred or exchanged, as provided in the Bond Resolution, only on the Bond Register kept for that purpose at the principal office of the Bond Registrar, upon surrender of this Series 2023-A Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Bond Registrar duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Series 2023-A Bond or Series 2023-A Bonds in any Authorized Denomination of the same maturity and in the same aggregate principal amount

shall be issued to the transferee in exchange therefor as provided in the Bond Resolution and upon payment of the charges therein prescribed. The Issuer shall pay all costs incurred in connection with the issuance, payment and initial registration of the Series 2023-A Bonds and the cost of a reasonable supply of bond blanks. The Issuer and the Paying Agent may deem and treat the person in whose name this Series 2023-A Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. The Series 2023-A Bonds are issued in fully registered form in Authorized Denominations.

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of such Series 2023-A Bonds:

GILMORE & BELL, P.C.

Attorneys at Law

100 N. Main Suite 800
Wichita, Kansas 67202

(PRINTED LEGAL OPINION)

STATEMENT OF INSURANCE

BOND ASSIGNMENT

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

(Name and Address)

(Social Security or Taxpayer Identification No.)

the Series 2023-A 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 Bond Registrar. The undersigned do(es) hereby irrevocably constitute and appoint _____ as agent to transfer said Series 2023-A Bond on the books of said Bond Registrar with full power of substitution in the premises.

Dated _____

Name

Social Security or
Taxpayer Identification No.

Signature (Sign here exactly as name(s)
appear on the face of Certificate)

Signature guarantee:

By _____

CERTIFICATE OF CLERK

STATE OF KANSAS)
) SS.
COUNTY OF SHAWNEE)

The undersigned, Clerk of the City of Topeka, Kansas, does hereby certify that the within Series 2023-A Bond has been duly registered in my office according to law as of September 12, 2023.

WITNESS my hand and official seal.

(Facsimile Seal)

(facsimile)
Clerk

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

STEVEN JOHNSON, Treasurer of the State of Kansas, does hereby certify that a transcript of the proceedings leading up to the issuance of this Series 2023-A Bond has been filed in the office of the State Treasurer, and that this Series 2023-A Bond was registered in such office according to law on _____.

WITNESS my hand and official seal.

(Facsimile Seal)

By: _____
(facsimile)
Treasurer of the State of Kansas

SCHEDULE I
LIST OF PROJECTS
CITY OF TOPEKA, KANSAS
COMBINED UTILITY REVENUE BONDS
SERIES 2023-A

Res./Ord. Number	Project Number	Description of Project	Total Amount Authorized*	Project Amount*	Other Legally Available Funds	Net Amount to be Bonded
8756	281055.00	2 MG West Elevated Tank - Phase I	\$4,744,300 ¹	\$2,994,000	\$0	\$2,994,000 ¹
8889	281141.00/ 281141.04 ¹	Water Meter Replacement Year 4	12,485,000 ²	4,485,000	1,150,000	3,335,000 ²
9175/9325/ 9426	281164.00	West Plant Basin Rehabilitation	17,049,011 ³	14,900,000	0	14,900,000 ³
9325	281245.00	2023 Water Main Replacement	6,699,000	6,500,000	357,000	6,143,000
9426	281250.00	2024 Water Main Replacement	9,610,000	9,100,000	1,050,000	8,050,000
9325/9426	501095.00	2023 Storm Conveyance System	4,513,600	3,500,000	1,500,000	2,000,000
9325	502730.01	Fairlawn 22nd Pk to 28th St Phase II	3,608,426	3,250,000	0	3,250,000
8756/9325	291058.00	Shunga Pump Station - Phase I	7,326,400 ⁴	4,550,000	0	4,550,000 ⁴
9175	291087.00	North Topeka Pump Station Rehab	2,846,000	2,842,000	42,000	2,800,000
9175	291090.00	Oakland Backup Generators	1,373,350	1,373,350	0	1,373,350
9325	291106.00	North Topeka WWTP Nutrient Removal	10,200,000	7,405,000	205,000	7,200,000
9227	291108.00	2022 WW Lining & Replacement	3,500,000	3,351,000	2,115,000	1,236,000
9227	291109.00	2022 San Sewer Interceptor Maintenance	1,500,000	1,500,000	0	1,500,000
9227	291110.00	2022 WW Force Main Program	5,000,000	4,250,000	0	4,250,000
9318 and this Bond Resolution	291119.00	2023 WW Lining & Replacement	2,000,000	1,873,000	498,000	1,375,000
9396	701048.00	Polk Quincy Utilities Relocate	27,090,560	20,000,000	0	20,000,000
					SUBTOTAL	\$84,956,350.00
					LESS EXISTING RESERVES	0
					BOND RESERVE ACCOUNT	4,753,514.01
					COSTS OF ISSUANCE	167,046.87
					UNDERWRITING DISCOUNT	1,246,760.79
					BOND INSURANCE PREMIUM	164,364.83
					REOFFERING PREMIUM	-1,903,036.50
					TOTAL SERIES 2023-A BONDS	\$89,385,000.00

*Construction and acquisition cost only, and does not include necessary reserve, costs of issuance, underwriting costs and rounding.

¹\$1,750,000 previously issued as part of the Series 2021-A Bonds to fund a portion of costs of Project No. 281055.00

²In year one of this program, \$3,657,130 was issued, as part of the Issuer's Series 2018-A Bonds, in year two of this program, \$2,000,000 was issued, as part of the Issuer's Series 2019-A Bonds, and in year three of this program, \$2,000,000 was issued, as part of the Issuer's Series 2019-A Bonds leaving \$4,827,870 as authorized, but not yet issued. Entire project has been designated 281141.00, but has been separated into sub-projects, each relating to a year of this multi-year project. 2023 is the fourth year of the project, and the applicable sub-project is 281141.04.

³\$2,000,000 previously issued as part of the Series 2021-A Bonds to fund a portion of costs of Project No. 281164.00

⁴\$2,000,000 previously issued as part of the Series 2021-A Bonds to fund a portion of costs of Project No. 291058.00