

RESOLUTION NO. 14-227

OF

THE CITY OF WICHITA, KANSAS

ADOPTED

AUGUST 12, 2014

**GENERAL OBLIGATION SALES TAX BONDS
SERIES 2014**

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RESOLUTION NO. 14-227

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF GENERAL OBLIGATION SALES TAX BONDS, SERIES 2014, OF THE CITY OF WICHITA, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. 49-[] 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 2014 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 2014 Bonds.

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

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, 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, particularly Article 12, Section 5 thereof, and statutes of the State of Kansas including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.* and K.S.A. 12-187 *et seq.*, all as amended and supplemented.

“Additional Bonds” means any bonds secured by the Pledged Revenues hereafter issued pursuant to the Bond Resolution.

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

“Authorized Investments” shall mean, as long as the Series 2007 and Series 2009A Bonds are Outstanding, any of the following securities, and to the extent the same are at the time permitted for investment of funds held by the Issuer pursuant to the Bond Resolution:

(a) obligations of any of the following Federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export - Import Bank
- Farmers Home Administration

- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration;

(b) bonds, notes or other evidences of indebtedness rated “AA “ by Standard & Poor's, and “Aa2” by Moody's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(c) investments in shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities in direct obligations of the United States Government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation;

(d) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of the State or of any agency, instrumentality or local governmental unit of the State which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (1) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of S&P and Moody's, or any successors thereto; or (2) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (1) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;

(e) investment agreements with or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's

(f) Repurchase agreements secured by direct obligations of the United States Government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation; and

(g) Receipts evidencing ownership interests in securities or portions thereof in direct obligations of the United States Government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.

and thereafter shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative:

- (a) investments authorized by K.S.A. 12-1675 and amendments thereto;
- (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto;
- (c) direct obligations of the United States Government or any agency thereof;
- (d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto;
- (e) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the Issuer is located which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c);
- (f) obligations of the federal national mortgage association, federal home loan banks or the federal home loan mortgage corporation;
- (g) repurchase agreements for securities described in (c) or (f);
- (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's;
- (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f);
- (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f);
- (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same;
- (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f); or
- (m) other investment obligations authorized by the laws of the State and approved in writing by the Bond Insurer, all as may be further restricted or modified by amendments to applicable State law.

“Average Annual Debt Service” means the average annual Debt Service Requirements, as computed for the then current or any future Fiscal Year.

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

“Bond and Interest Fund” means the Bond and Interest Fund of the Issuer for its general obligation 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: (a) with respect to the Series 2007 Bonds, the financial guaranty insurance policy issued by the MBIA; and (b) with respect to Additional Bonds, the municipal bond insurance policy, financial guaranty bond or financial guaranty insurance policy issued by the Bond Insurer insuring the payment when due of the principal of and interest on such Additional Bonds, as set forth in the supplemental resolution authorizing such Additional Bonds.

“Bond Insurer” means: (a) with respect to the Series 2007 Bonds, MBIA; and (b) with respect to Additional Bonds, the entity set forth in the supplemental resolution authorizing such Additional Bonds.

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

“Bond Purchase Agreement” means with respect to Additional Bonds, the Bond Purchase Agreement between the Issuer and the Purchaser of such Additional Bonds.

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

“Bond Registrar” means the State Treasurer, and any successors and assigns.

“Bond Resolution” means this resolution relating to the Bonds.

“Bond Registrar” means: (a) with respect to the Outstanding Parity Bonds and the Series 2014 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 collectively: (a) the Outstanding Parity Bond Resolutions; (b) the Series 2014 Bond Resolution; and (c) any ordinance and/or resolution approved by the Governing Body authorizing the issuance of any series of Additional Bonds, as amended from time to time.

“Bonds” means collectively: (a) the Outstanding Parity Bonds; (b) the Series 2014 Bonds; and (c) 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 Wichita, Kansas.

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

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

“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 facilities, 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 or the SEC Rule, 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 General Obligation Sales Tax Bonds, Series 2014 created pursuant to *Section 501* hereof.

“Dated Date” means, with respect to the Series 2014 Bonds, September 1, 2014.

“Debt Service Account” means the Debt Service Account for General Obligation Sales Tax Bonds, Series 2014 created within the Bond and Interest Fund pursuant to *Section 501* hereof.

“Debt Service Coverage Ratio” means, for any period of determination with respect to Additional Bonds, the ratio determined by dividing (a) a numerator equal to the Pledged Revenues for such period by (b) a denominator equal to the Average Annual Debt Service on all Parity Bonds then Outstanding and proposed to be issued.

“Debt Service Requirements” means 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, so long as the Series 2007 and Series 2009A Bonds are Outstanding, any of the following obligations:

(a) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized by with obligations described in the following (b); or

(b) Direct obligations (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America;

and thereafter shall mean:

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

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

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

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

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

(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 Moody's or Standard & Poor's that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

“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 Finance” means the duly appointed and acting Director of Finance of the Issuer or, in the Director of Finance's absence (or in the event of a vacancy in such office) any Deputy, Assistant or Acting Director of Finance or Finance Manager of the Issuer.

“Disclosure Undertaking” means the Issuer’s master undertaking to provide ongoing disclosure relating to certain obligations contained in the SEC Rule in connection with the general obligation bonds of the Issuer issued after December 2, 2010, as implemented by Ordinance Number 49-078 of the Issuer.

“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.

“DTC Representation Letter” means the Blanket Letter of Representation from the Issuer and the Paying Agent to DTC which provides for a book-entry system, or any agreement between the Issuer and Paying Agent and a 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;

(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 requirements 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.

“Federal Tax Certificate” means the Issuer's Federal Tax Certificate for the Tax-Exempt Bonds, 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 general obligation sales tax bonds, less: (a) the amount of any temporary obligations of the Issuer which are currently Outstanding and available to pay such Financeable Costs; (b) the amount of any Bonds of the Issuer which is currently Outstanding and available to pay such Financeable Costs; and (c) 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.

“General Obligation Sales Tax Bonds” means any Bonds which constitute general obligations of the Issuer.

“Governing Body” means the duly elected and/or appointed and acting persons comprising the City Council of the City.

“Gross Sales Tax Revenues” all revenues received by the Issuer from the collection of the Sales Tax, before any payments, disbursements or expenditures made therefrom.

“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 this Bond Resolution.

“Index Rate” means 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.

“Interest Payment Date(s)” means: (a) with respect to the Series 2014 Bonds, the Stated Maturity of an installment of interest on the Series 2014 Bonds which shall be April 1 and October 1 of each year, commencing April 1, 2015; (b) with respect to the Outstanding Parity Bonds, the Stated Maturity of an installment of interest on such Outstanding Parity Bonds which are April 1 and October 1 of each year; and (c) with respect to Additional Bonds, the Stated Maturity of an installment of interest on such Additional Bonds, as set forth in the supplemental bond resolution authorizing such Additional Bonds.

“Interim Indebtedness” means Bonds having a term not less than one year, 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.

“Long-Term Indebtedness” means Bonds having an original stated maturity or term greater than one year, or renewable or extendible at the option of the debtor 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, or in the Mayor's absence, the duly appointed and/or elected Vice Mayor or Acting Mayor of the Issuer.

“Moody's” means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody's” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer with notice to the Bond Insurer.

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

(a) To the Issuer at:

Department of Finance
12th Floor, City Hall
455 North Main
Wichita, Kansas 67202-1679
Fax: (316) 858-7520

(b) To the Paying Agent at:

State Treasurer of the State of Kansas

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

- (c) To the Purchaser – Series 2014 Bonds:

[Purchaser Name]
[Purchaser Address]
[City, State]
Fax: [Fax]

- (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

Standard & Poor's Ratings Services,
a division of McGraw Hill Financial Inc.
55 Water Street, 38th Floor
New York, New York 10004

- (f) To the Bond Insurer:

MBIA Insurance Corporation
113 King Street
Armonk, New York 10504

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 Clerk.
- (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.
- (e) With respect to the Bond Insurer, any Vice President - Attn: Insured Portfolio Management-Surveillance, with a copy to its General Counsel.

“Official Statement” means the Issuer's Official Statement relating to the Series 2014 Bonds.

“Ordinance” means Ordinance No. 49-[____] of the Issuer authorizing the issuance of the Series 2014 Bonds, as amended from time to time.

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

- (a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Bonds deemed to be paid in accordance with the provisions of *Article XI* hereof;
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder; and
- (d) Bonds, the principal or interest of which has been paid by the Bond Insurer.

“Outstanding Parity Bond Debt Service Accounts” means the principal and interest accounts for the Outstanding Parity Bonds, established in the Outstanding Parity Bond Resolutions.

“Outstanding Parity Bond Resolutions” means, collectively: (a) with respect to Outstanding Series 2007 Bonds, Ordinance No. 47-577 and Resolution No. 07-524; (b) with respect to the Series 2009A Bonds, Ordinance No. 48-297 and Resolution No. 09-064; (c) with respect to the Series 2010A Bonds, Ordinance No. 48-798 and Resolution No. 10-223; (d) with respect to Series 2011A Bonds, Ordinance No. 49-092 and Resolution No. 11-231; (e) with respect to Series 2011B Bonds, Ordinance No. 49-093 and Resolution No. 11-232; (f) with respect to the Series 2012D Bonds, Ordinance No. 49-357 and Resolution No. 12-228; and (g) with respect to the Series 2012E Bonds, Ordinance No. 49-358 and Resolution No. 12-229.

“Outstanding Parity Bonds” means the Outstanding Series 2007 Bonds, Series 2009A Bonds, Series 2010A Bonds, Series 2011A Bonds, Series 2011B Bonds, Series 2012D Bonds and Series 2012E Bonds.

“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 Bond Debt Service Accounts” means collectively: (a) the Outstanding Parity Bond Debt Service Accounts; (b) the Debt Service Account; and (c) the debt service accounts established for Additional Bonds issued as Parity Bonds.

“Parity Bonds” means collectively: (a) the Outstanding Parity Bonds; (b) the Series 2014 Bonds; and (c) any Additional Bonds hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Bonds described in (a) and (b) hereof with respect to the Pledged Revenues.

“Parity Bonds Resolution” means collectively: (a) the Series 2014 Bond Resolution; (b) the Outstanding Parity Bond Resolutions; and (c) the ordinances and/or resolutions under which any Parity Bonds are hereafter issued.

“Parity General Obligation Bonds” means collectively: (a) the Outstanding Parity Bonds; (b) the Series 2014 Bonds; and (c) any Additional Bonds hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Bonds described in (a) and (b) hereof with respect to the Pledged Revenues and are also general obligations of the Issuer.

“Parity Revenue Bonds” means any Additional Bonds hereafter issued pursuant to the Bond Resolution standing on a parity and equality with the Parity Bonds with respect to the Pledged Revenues and are payable and secured only by the Pledged Revenues.

“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 2014 Bonds and the Outstanding Parity 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 bond resolution authorizing such Additional Bonds.

“Pledged Revenues” means: (a) the Revenues; and (b) investment earnings on such Revenues (except any investment earnings required to be deposited into the Rebate Fund pursuant to the Federal Tax Certificate).

“Project Fund” means the the Project Fund for General Obligation Sales Tax Bonds, Series 2014 created pursuant to *Section 501* hereof.

“Purchase Price” means, with respect to the Series 2014 Bonds, 100% of the principal amount thereof[, plus a premium of \$[_____], plus any accrued interest from the Dated Date to the Issue Date.

“Purchaser” means [Purchaser Name], [City, State], the original purchaser of the Bonds, and any successor and assigns.

“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 the Bond Resolution.

“Rating Agency” means any company, agency or entity that provides, pursuant to request of the Issuer, financial ratings for any series of the Bonds.

“Rebate Fund” means the Rebate Fund for General Obligation Sales Tax Bonds, Series 2014 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” means, when used with respect to any Bond to be redeemed, the date fixed for the redemption of such Bond pursuant to the terms of this Bond Resolution.

“Redemption Price” means, when used with respect to any Bond to be redeemed, 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 for the purpose of refunding any Outstanding Bonds.

“Replacement Bonds” means Bonds issued to the Beneficial Owners of the Bonds in accordance with *Section 210* hereof.

“Revenues” means 50% of the Gross Sales Tax Revenues.

“Sales Tax” means the one percent (1%) county-wide retailers' sales tax imposed by Sedgwick County, Kansas pursuant to the Act and an election held in 1985.

“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 2007 Bonds” means the General Obligation Sales Tax Bonds, Series 2007, dated October 1, 2007, authorized and issued by the Issuer in the original principal amount of \$40,500,000, pursuant to the Series 2007 Bond Resolution.

“Series 2009A Bonds” means the General Obligation Sales Tax Refunding Bonds, Series 2009A, dated April 1, 2009, authorized and issued by the Issuer in the original principal amount of \$28,385,000, pursuant to the Series 2009A Bond Resolution.

“Series 2010A Bonds” means the General Obligation Sales Tax Refunding Bonds, Series 2010A, dated September 15, 2010, authorized and issued by the Issuer in the original principal amount of \$21,420,000, pursuant to the Series 2010A Bond Resolution.

“Series 2011A Bonds” means the General Obligation Sales Tax Bonds, Series 2011A, dated October 1, 2011, authorized and issued by the Issuer in the original principal amount of \$8,755,000, pursuant to the Series 2011A Bond Resolution.

“Series 2011B Bonds” means the General Obligation Sales Tax Refunding Bonds, Series 2011B, dated October 1, 2011, authorized and issued by the Issuer in the original principal amount of \$16,240,000, pursuant to the Series 2011B Bond Resolution.

“Series 2012D Bonds” means the General Obligation Sales Tax Bonds, Series 2012D, dated November 1, 2012, authorized and issued by the Issuer in the original principal amount of \$18,540,000, pursuant to the Series 2012D Bond Resolution.

“Series 2012E Bonds” means the General Obligation Sales Tax Refunding Bonds, Series 2012E, dated November 1, 2012, authorized and issued by the Issuer in the original principal amount of \$22,865,000, pursuant to the Series 2012E Bond Resolution.

“Series 2014 Bonds” means the General Obligation Sales Tax Bonds, Series 2014, authorized and issued by the Issuer pursuant to the Ordinance and the Series 2014 Bond Resolution.

“Series 2014 Bond Resolution” means collectively, the Ordinance and this resolution authorizing the issuance of the Series 2014 Bonds, as amended from time to time.

[**“Series 2014 Term Bonds”** means the Series 2014 Bonds scheduled to mature in the year [____].]

“Short-Term Indebtedness” means Bonds having an original maturity less than or equal to one year 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 *Article II* hereof for the payment of Defaulted Interest.

“Standard & Poor's” means Standard & Poor's Ratings Services, a division of McGraw Hill Financial Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer with notice to the Bond Insurer.

“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 issued and payable from, and secured by a lien on the Pledged Revenues, which lien is junior to that of any Parity Bonds.

“Substitute Projects” means the substitute or additional projects of the Issuer described in *Article V* hereof.

“Tax-Exempt Bonds” means any Bonds, the interest on which is excludable from gross income for federal income tax purposes.

“Term Bonds” means any Bonds designated as Term Bonds in the Bond Resolution.

“Treasurer” means the duly appointed and/or elected Treasurer of the Issuer 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, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

“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 Bond Resolution authorizing such Bonds.

“Value” means, as long as the Series 2007 Bonds, Series 2009A Bonds, Series 2010A Bonds, Series 2011A and Series 2011B Bonds are outstanding, the value of the Authorized Investments (which Value shall be determined as of the end of each month, calculated as follows:

(a) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* or in *The New York Times* – the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) as to investments the bid and asked prices of which are *not* published on a regular basis in *The Wall Street Journal* or in *The New York Times* – the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Issuer in its absolute discretion) at the time of making a market in such investments or the bid price published by a nationally recognized pricing service; and

(c) as to certificates of deposit and bankers acceptances – the face amount thereof, plus accrued interest;

and thereafter shall mean the amortized cost of an obligation or the market value thereof, whichever is lower.

ARTICLE II

AUTHORIZATION AND DETAILS OF THE BONDS

Section 201. Authorization of the Series 2014 Bonds.

The Bonds have been heretofore authorized and directed to be issued pursuant to the Ordinance in the principal amount of \$72,635,000*, for the purpose of providing funds to: (a) pay a portion of the costs of the Projects; and (b) pay Costs of Issuance. The Series 2014 Bonds shall be Parity Bonds, Tax-Exempt Bonds and shall constitute Long-Term Indebtedness.

Section 202. Description of the Series 2014 Bonds.

The Series 2014 Bonds shall consist of fully registered bonds in an Authorized Denomination, and shall be numbered in such manner as the Bond Registrar shall determine. All of the Series 2014 Bonds shall be dated as of the Dated Date, shall become due in the amounts, on the Stated Maturities, 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]

Stated Maturity <u>October 1</u> 2015	Principal <u>Amount</u> \$	Annual Rate <u>of Interest</u> _____%	Stated Maturity <u>October 1</u>	Principal <u>Amount</u> \$	Annual Rate <u>of Interest</u> _____%
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2029

[TERM BONDS

Stated Maturity	Principal	Annual Rate
<u>October 1</u>	<u>Amount</u>	<u>of Interest</u>
2029	\$ _____	_____ %]

The Series 2014 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 204** hereof. The Series 2014 Bonds shall be issued as Book-Entry-Only Bonds and administered in accordance with the provisions of **Section 210** hereof.

Each of the Series 2014 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 2014 Bonds and Bond Registrar with respect to the registration, transfer and exchange of Series 2014 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 2014 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 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 has been appointed and has accepted the duties of Paying Agent or Bond Registrar.

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 Cede & Co. or any Owner of \$500,000 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 therefore 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. 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.

Section 206. 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 *Article III* 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 this *Article II*.

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 207. 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 Bond Registrar for authentication.

The Series 2014 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 Series 2014 Bonds that may be issued hereunder at any one time. No 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 2014 Bond shall be conclusive evidence that such Series 2014 Bond has been duly authenticated and delivered under this Bond Resolution. Upon authentication, the Bond Registrar shall deliver the Series 2014 Bonds to the Purchaser upon instructions of the Issuer or its representative.

Section 208. 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 209. 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 210. Book-Entry Bonds; Securities Depository. The Issuer and Paying Agent have entered into a DTC Representation Letter with DTC. Any series of Bonds may 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.

The Issuer may decide, subject to the requirements of the Operational Arrangements of DTC (or a successor Securities Depository), and the following provisions of this Section to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository):

(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 an Authorized Denominations and form as provided herein.

Section 211. 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 (4) 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 212. Preliminary and Final Official Statement. The Preliminary Official Statement for the Series 2014 Bonds, dated July 15, 2014, is hereby ratified and approved. The Official Statement for the Series 2014 Bonds 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 Director of Finance are hereby authorized to execute the Official Statement as so supplemented, amended and completed, and the use and public distribution of the Official Statement by the Purchaser in connection with the reoffering of the 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 Issue Date.

The Issuer agrees to provide to the Purchaser within seven business days of the date of the sale of Series 2014 Bonds sufficient copies of the Official Statement to enable the Purchaser to comply with the requirements of the SEC Rule and Rule G-32 of the Municipal Securities Rulemaking Board.

Section 213. Sale of the Series 2014 Bonds. The sale of the Series 2014 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 2014 Bonds shall be made to the Purchaser on the Issue Date (which shall be as soon as practicable after the adoption of this Bond Resolution), upon payment of the Purchase Price.

Section 214. 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 702** 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 702** 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 “A” or better by any Rating Agency) 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 “A” or better by any Rating Agency), 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 Indebtedness, 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 or Short-Term Indebtedness may be deemed to be Indebtedness 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 702*; 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 taken into account 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 902* or *Section 214(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 “A” or better by any Rating Agency) 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 “A” or better by any Rating Agency), 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 Indebtedness, 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, all as set forth in a certificate of a Consultant, delivered to the Issuer.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption by Issuer.

Optional Redemption. At the option of the Issuer, Series 2014 Bonds maturing on October 1 in the years 2024, and thereafter, will be subject to redemption and payment prior to their Stated Maturity on October 1, 2023, and thereafter, as a whole or in part (selection of maturities and the amount of 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 to the Redemption Date.

[Mandatory Redemption. [(a) ____ *Term Bonds.*] The [____] Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The taxes levied in **Article IV** hereof which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such [____] Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	

*

*Final Maturity

[(b) 2029 *Term Bonds.*] The 2029 Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The taxes levied in **Article IV** hereof which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such 2029 Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	

2029*

*Final Maturity

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.]

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 Bond Registrar. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds and the Bond Insurer. 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 the 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 Series 2014 Bonds shall be general obligations of the Issuer payable as to the principal of, premium, if any, and interest from a pledge of the Pledged Revenues and, if not so paid and to the extent necessary, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Series 2014 Bonds as the same become due.

The covenants and agreements of the Issuer contained herein and in the Series 2014 Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Series 2014 Bonds, all of which Series 2014 Bonds shall be of equal rank and without preference or priority of one Series 2014 Bond over any other Series 2014 Bond in the application of the funds herein pledged to the payment of the principal of, premium, if any, and interest on the Series 2014 Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in the Ordinance and this Bond Resolution. The Series 2014 Bonds shall stand on a parity of lien and shall be equally and ratably secured with respect to the payment of the principal of, premium, if any, and interest from the Pledged Revenues with any Parity Bonds. The Series 2014 Bonds shall not have any priority with respect to the payment of principal of, premium, if any, and interest from said Pledged Revenues or otherwise over the Parity Bonds; and the Parity Bonds shall not have any priority with respect to the payment of principal of, premium, if any, and interest from said Pledged Revenues or otherwise over the Series 2014 Bonds.

Section 402. Levy and Collection of Annual Tax. The Governing Body shall annually make provision for the payment of principal of, premium, if any, and interest on the Series 2014 Bonds as the same become due by, to the extent necessary, levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law.

The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be transferred to the Debt Service Account and shall be used solely for the payment of the

principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

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

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS DEPOSIT AND APPLICATION OF BOND PROCEEDS

Section 501. Creation of Funds and Accounts. Simultaneously with the issuance of the Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

- (a) Project Fund for General Obligation Sales Tax Bonds, Series 2014.
- (b) Debt Service Account for General Obligation Sales Tax Bonds, Series 2014 (within the Bond and Interest Fund).
- (c) Rebate Fund for General Obligation Sales Tax Bonds, Series 2014.
- (d) Costs of Issuance Account for General Obligation Sales Tax Bonds, Series 2014.

The Funds and Accounts established herein shall be administered in accordance with the provisions of the Series 2014 Bond Resolution so long as the Series 2014 Bonds are Outstanding.

The following Funds and Accounts previously created are hereby ratified:

- (a) Revenue Fund;
- (b) Outstanding Parity Bond Debt Service Accounts;
- (c) Construction Fund; and
- (d) Any other Funds and Accounts established by the Outstanding Parity Bond Resolutions.

The Funds and Accounts ratified herein shall be administered in accordance with the provisions of the Bond Resolution so long as any Parity Bonds are Outstanding.

Section 502. Deposit of Series 2014 Bond Proceeds. The net proceeds received from the sale of the Series 2014 Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:

- (a) All accrued interest and any excess proceeds received from the sale of the Series 2014 Bonds shall be deposited in the Debt Service Account.
- (b) An amount necessary to pay Costs of Issuance shall be deposited in the Costs of Issuance Account.

(c) The remaining balance of the proceeds derived from the sale of the Bonds shall be deposited in the Project Fund.

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

Withdrawals from the Project Fund shall be made only when authorized by the Governing Body. Each authorization for costs of the Projects shall be supported by a certificate executed by the Director of Finance stating that such payment is being made for a purpose within the scope of this Bond 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. Authorizations for withdrawals for other authorized purposes shall be supported by a certificate executed by the Director of Finance (or designate) stating that such payment is being made for a purpose within the scope of this Bond Resolution. Upon completion of the Projects, any surplus remaining in the Project Fund shall be deposited in the Debt Service Account.

Section 504. Substitution of Projects; Reallocation of Proceeds.

(a) The Issuer may elect for any reason to substitute or add other public improvements to be financed with proceeds of the Series 2014 Bonds provided the following conditions are met: (1) the Substitute Improvement and the issuance of sales tax/general obligation bonds to pay the cost of the Substitute Projects has been duly authorized by the Governing Body in accordance with the laws of the State; (2) a resolution authorizing the use of the proceeds of the Series 2014 Bonds to pay the Financeable Costs of the Substitute Projects has been duly adopted by the Governing Body pursuant to this Section, (3) the Attorney General of the State has approved the amendment made by such resolution to the transcript of proceedings for the Series 2014 Bonds to include the Substitute Projects; and (4) the use of the proceeds of the Series 2014 Bonds to pay the Financeable Cost of the Substitute Improvement will not adversely affect the tax-exempt status of the Series 2014 Bonds under State or federal law.

(b) The Issuer may reallocate expenditure of Series 2014 Bond proceeds among all Projects financed by the Series 2014 Bonds; provided the following conditions are met: (1) the reallocation is approved by the Governing Body; (2) the reallocation shall not cause the proceeds of the Series 2014 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 2014 Bonds under State or federal law.]

Section 505. 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 the later of 30 days prior to the first Stated Maturity of principal or one year after the date of issuance of the Bonds, shall be transferred to the Project Fund until completion of the Projects and thereafter to the Debt Service Account.

Section 506. 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 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 arbitrage rebate, 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 2014 Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor, shall be deposited into the Bond and Interest Fund.

(c) Notwithstanding any other provision of this Bond Resolution, including in particular *Article XI* hereof, the obligation to pay arbitrage rebate 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 2014 Bonds.

ARTICLE VI

COLLECTION AND APPLICATION OF SALES TAX REVENUES

Section 601. Gross Sales Tax Revenues. The Issuer covenants and agrees that from and after the delivery of the Series 2014 Bonds, and continuing as long as any of the Bonds remain Outstanding, all of the Gross Sales Tax Revenues shall as and when received by the Issuer be promptly paid and deposited as follows: (a) 50% of such Gross Sales Tax Revenues shall be deposited into the Issuer's General Fund; and (b) the Revenues shall be deposited into the Revenue Fund.

Section 602. Revenue Fund. Amounts in the Revenue Fund shall be segregated and kept separate and apart from all other moneys, revenues, funds and accounts of the Issuer and shall not be commingled with any other moneys, revenues, funds and accounts of the Issuer. 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 any Parity Resolution.

Section 603. Application of Moneys in Funds and Accounts. The Issuer covenants and agrees so long as any of the Bonds shall remain Outstanding, it will on the first day of each month after receipt by the Issuer of any Revenues, all of the moneys then held in the Revenue Fund in the following order, as follows:

- (a) ***Parity Bond Debt Service Accounts.***
- (1) ***Series 2014 Debt Service Account.*** An amount (less accrued credits or other amounts transferred into the Debt Service Account) necessary to: (i) provide the proportionate amount of the next maturing interest on the Series 2014 Bonds; and (ii) an equal proportionate amount of the next maturing principal on the Series 2014 Bonds; to the end that at all times one (1) month prior to maturity of interest or principal, on the Series 2014 Bonds, there shall be sufficient moneys in the Bond Debt Service Account for the payment of the maturing interest and principal on the Series 2014 Bonds. The amounts transferred and credited to the Debt Service Account shall be used solely and exclusively for the payment of principal of and interest on the Series 2014 Bonds when the same shall become due and payable. In addition thereto, there shall be transferred to the

Debt Service Account sufficient sums to pay any fees and expenses of the Bond Registrar and Paying Agent for the Series 2014 Bonds.

Any amounts deposited in the Debt Service Account in accordance with *Section 502(a)* hereof shall be credited against the Issuer's payment obligations as set forth in this subsection.

(2) *Other Parity Bonds Debt Service Accounts.* A Parity Bond Debt Service Account will be established for each series of other Parity Bonds. An amount (less accrued credits or other amounts transferred into such Parity Bond Debt Service Account) necessary to: (i) provide the proportionate amount of the next maturing interest on the Parity Bonds; and (ii) an equal proportionate amount of the next maturing principal on the Parity Bonds; to the end that at all times one (1) month prior to maturity of interest or principal, on the Parity Bonds, there shall be sufficient moneys in the appropriate Parity Bond Debt Service Account for the payment of the maturing interest and principal on such Parity Bonds. All such transfers shall be made on a parity basis among all Parity Bond Debt Service Accounts. The amounts transferred and credited to the various Parity Bond Debt Service Accounts shall be used solely and exclusively for the payment of principal of and interest on the respective Parity Bonds when the same shall become due and payable. In addition thereto, there shall be transferred to the various debt service accounts sufficient sums to pay any fees and expenses of the registrars and paying agents for such Parity Bonds.

All such transfers shall be made on a parity basis among the Debt Service Account and all Parity Bond Debt Service Accounts.

(b) *Debt Service Accounts-Subordinate Lien Bonds.* An amount (less accrued credits or other amounts transferred into such accounts) necessary to: (i) provide the proportionate amount of the next maturing interest on the Subordinate Lien Bonds; and (ii) an equal proportionate amount of the next maturing principal on the Subordinate Lien Bonds; to the end that at all times one (1) month prior to maturity of interest or principal, on the Subordinate Lien Bonds, there shall be sufficient moneys in the appropriate debt service account for the payment of the maturing interest and principal on such Subordinate Lien Bonds. The amounts required to be paid and credited to the debt service account(s) for 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) *Construction Fund.* After all payments and credits required at the time to be made under the provisions of paragraph (a), (b) and (c) have been made, all moneys remaining in the Revenue Fund shall be paid and credited to the Construction Fund. Moneys in the Construction Fund may be expended and used for the following purposes as determined by the Governing Body:

(1) Paying the cost of other road, highway and bridge projects in the City and related right-of-way acquisition;

(2) Preventing default in, anticipating payments into or increasing the amounts in debt service accounts for any Bonds; and

(3) If no other funds are available, calling, redeeming and paying prior to Stated Maturity, or, at the option of the Issuer, purchasing in the open market at the best price obtainable not exceeding the redemption price, any Bonds, including principal, interest and redemption premium, if any.

No Other Use of Pledged Revenues. So long as any Bonds are Outstanding, no Pledged Revenues shall be diverted to the general governmental or municipal functions of the Issuer or applied in any manner other as set forth in the Bond Resolution.

Section 604. Transfer of Funds to Paying Agent. The Director of Finance, or designate, is authorized and directed to withdraw from the Parity Bonds Debt Service Accounts and the debt service accounts for any Subordinate Lien Bonds sums sufficient to pay both principal or Redemption Price of and interest on Bonds and the fees and expenses of the Bond Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the Issuer. 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 the Bond Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Bonds entitled to payment from such moneys. Any moneys or investments remaining in the Parity Bonds Debt Service Accounts and the debt service accounts for any Subordinate Lien Bonds after the retirement of all such Bonds shall be transferred and paid into the Bond and Interest Fund.

Section 605. 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.

Section 606. Nonpresentment. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bonds have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bonds 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 Bonds, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Bond Resolution or on, or with respect to, said Bonds. If any Bonds are not presented for payment within six years following the date when such Bonds become due at Maturity, the Paying Agent shall repay to the Issuer the funds theretofore held by it for payment of such Bonds, and such Bonds 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.

ARTICLE VII

ADDITIONAL BONDS

Section 701. Senior Lien Bonds. 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 Pledged Revenues or any part thereof which are superior to the Parity Bonds with respect to the lien on the Pledged Revenues.

Section 702. Parity Bonds. The Issuer covenants and agrees that it will not issue any Bonds which stand on a parity or equality of lien against the Pledged Revenues with the Parity Bonds unless the following conditions are met:

(a) The issuance of the Parity Bonds is permitted by laws of the State;

(b) The Issuer shall not be in default in the payment of the Debt Service Requirements on any Parity Bonds at the time Outstanding or in making any payment at the time required to be made into the respective Funds and Accounts created by and referred to in the Bond Resolution or any Parity Resolution (unless such Bonds are being issued to provide funds to cure such default) nor shall any other Event of Default have occurred and be continuing;

(c) The Issuer shall authorize such issuance of Parity Bonds by ordinance or resolution approved by the Governing Body, which ordinance or resolution shall contain substantially the same terms, conditions, covenants and procedures as are established in the existing Bond Resolution and shall designate the type of Parity Bonds to be issued (*i.e.* Parity General Obligation Bonds or Parity Revenue Bonds); and

(d) The Issuer shall deliver the following:

(1) ***Long-Term Indebtedness.*** A certificate signed by the Mayor and Director of Finance evidencing that the Debt Service Coverage Ratio for a 12-month period immediately preceding the issuance of such Long-Term Indebtedness shall be not less than 1.10, including the Long-Term Indebtedness proposed to be issued; provided that:

(i) for the purpose of calculating the amount of such Pledged Revenues, that any period of 12 consecutive months out of the 18-month period next preceding the issuance of such Long-Term Indebtedness may be used; and

(ii) if prior to the issuance of such Long-Term Indebtedness, the Governing Body has pledged an additional percentage of the Gross Sales Tax or available revenues from another legally authorized sales tax as Pledged Revenues, which did not constitute Pledged Revenues at the commencement of such 18-month period, the amount of Pledged Revenues utilized to calculate the Debt Service Coverage Ratio may be increased for such period in an amount equal to 100% of the estimated increase in such Pledged Revenues had such increase been in effect for the entire 18-month period.

(2) ***Short-Term Indebtedness.*** A certificate signed by the Mayor and Director of Finance evidencing any *one* of the following:

(i) The principal amount of all Outstanding Short-Term Indebtedness does not exceed 15% of the Pledged 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 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 and the conditions are met with respect to such Short-Term Indebtedness when it is assumed that such Short-Term Indebtedness is Long-Term Indebtedness maturing over 15 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 15-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement).

(3) **Interim Indebtedness.** A certificate signed by the Mayor and Director of Finance evidencing any *either* of the following:

(i) The Interim Indebtedness could be incurred assuming it was Long-Term Indebtedness.

(ii) There is delivered to the Issuer a certificate of a Consultant to the effect that it in 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 and the conditions are met with respect to such Interim Indebtedness when it is assumed that such Interim Indebtedness is Long-Term Indebtedness maturing over 15 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 15-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement).

Additional Bonds issued under the conditions hereinbefore set forth shall stand on a parity with the Parity Bonds and shall enjoy complete equality or lien on and claim against the Pledged 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 debt service accounts for the payment of the Debt Service Requirements on such Bonds and the interest thereon out of moneys in the Revenue Fund.

Section 703. Subordinate Lien Bonds. Nothing shall prohibit or restrict the right of the Issuer to issue Subordinate Lien Bonds for any lawful purpose and to provide that the Debt Service Requirements on such Subordinate Lien Bonds shall be payable out of the Pledged Revenues, provided the Issuer shall satisfy the requirement for the issuance of Parity Bonds other than the Debt Service Coverage Ratio shall be not less than 1.00. If at any time the Issuer shall be in default in paying any Debt Service Requirements of Parity Bonds, or if the Issuer is in default in making any payments required to be made by it under the Bond Resolution, the Issuer shall make no payments of any Debt Service Requirements on any Subordinate Lien Bonds until said default or defaults shall be cured.

Section 704. Refunding Bonds. The Issuer shall have the right under the provisions of any law then available, without complying with the provisions relating to Parity Bonds above, to refund any Bonds then Outstanding, and the Refunding Bonds so issued shall enjoy complete equality of pledge as did the Bonds being refunded.

ARTICLE VIII

DEPOSIT AND INVESTMENT OF MONEYS

Section 801. 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. All such depositories shall be members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law.

(b) Moneys held in any Fund or Account may be invested in accordance with this Bond Resolution and the Federal Tax Certificate, in Authorized 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. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account.

(c) The Value of any Fund or Account shall be determined as of the final Stated Maturity of each Fiscal Year that the Bonds remain Outstanding and may be made in conjunction with redemption of any Bonds.

ARTICLE IX

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 901. Performance of Duties and Covenants. So long as any Bonds are Outstanding, the Issuer will faithfully and punctually perform all duties and obligations with respect to the Sales Tax s and the Pledged Revenues now or hereafter imposed upon the Issuer by the Constitution and laws of the State and by the provisions of this Bond Resolution.

Section 902. Maintenance of Sales Tax. The Issuer covenants that, to the extent of its control, it will cause the Sales Tax to be maintained and collected as provided by the Act in order to generate the Pledged Revenues sufficient to pay the principal of, premium, if any, and interest on the Bonds, as an when the same shall become due and payable. The City hereby further covenants that it will take no action of any kind which would in any manner impair or delay the collection of the Sales Tax or which might otherwise adversely affect the Pledged Revenues, and in the event any litigation, claim or proceeding shall be commenced in any form or tribunal under which the Sales Tax may be challenged or the pledge of the Pledged Revenues pursuant to this Ordinance or the Bond Resolution, or which in any other way may adversely affect the collection of the Pledged Revenues by the City sufficient to pay the principal of, premium, if any, or interest on the Bonds, the City shall take all action necessary to contest such litigation or proceeding to the extent the City has standing to contest such litigation or proceedings and is otherwise permitted by law to take such action.

Section 903. 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 Gross Sales Tax Revenues. Such accounts shall show the amount of Gross Sales Tax Revenues received, the application of the Pledged Revenues, and all financial transactions in connection with the Pledged Revenues. Said

books shall be kept by the Issuer according to standard accounting principles applicable to municipalities. Quarterly comparative reports shall be made to the Governing Body relative to the Pledged Revenues.

Section 904. Inspection by Owners. Any Owner shall have the right at all reasonable times to inspect the books, records and accounts required to be maintained hereunder and shall be furnished by the Clerk with all information concerning the Sales Tax and the Pledged Revenues therefrom which an Owner may reasonably request.

ARTICLE X

DEFAULT AND REMEDIES

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

Section 1002. Limitation on Rights of Owners. The covenants and agreements of the Issuer contained in the Bond Resolution 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 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 the 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 in the Bond Resolution, or to enforce any right, except in the manner provided in the Bond Resolution, 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. Nothing in the Bond Resolution or in the Bonds shall affect or impair the obligations of the Issuer to pay on the respective Maturities thereof, the Debt Service Requirements to the respective Owners thereof or affect or impair the right of action of any Owner to enforce payment of the Bonds held by such Owner, or to reduce to judgment its claim against the Issuer for payment of Debt Service Requirements without reference to or consent of any other Owner.

Section 1003. Remedies Cumulative. No remedy conferred 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. 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

Section 1004. Delay or Omission Not Waiver. No waiver by the Owner of any default or breach of duty or contract by the Issuer shall extend to or affect any subsequent Event of Default or breach of duty or contract by the Issuer or shall impair any rights or remedies therefor available to the Owners. No delay or omission of any Owner to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or as an acquiescence therein. Every substantive right, power and remedy given by the Bond Resolution to the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient. In case any suit, action or other proceedings taken by any Owner on account of any Event of Default or to enforce any right or exercise any remedy shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Owner, then in every such case the Issuer and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Owners shall continue as though no such suit, action or other proceedings had been brought or taken.

ARTICLE XI

DEFEASANCE

Section 1101. Defeasance. When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Bond Resolution and all other rights granted thereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the 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 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 Bonds, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given in accordance with the Bond Resolution, 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.

Notwithstanding anything in the Bond Resolution to the contrary, in the event that the Debt Service Requirements due on the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the 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 2014 Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Mayor and Director of Finance 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 2014 Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

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 2014 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, the provisions of 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. Notwithstanding any other provision of this Bond Resolution, failure of the Issuer to comply with its covenants contained in the preceding section shall not be considered an Event of Default under this Bond Resolution.

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 the 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 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 the Bond Resolution; or permit the creation of a lien on the Pledged 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 duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners 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 Projects, to reallocate proceeds of the Bonds among Projects, to provide for Substitute Projects, 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.

Every amendment or modification of the provisions of the Series 2014 Bonds or of this Bond Resolution, to which the written consent of the Owners is given, as above provided, shall be expressed in a resolution 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, if any, and a certified copy of this Bond Resolution shall always be kept on file in the office of the Clerk, 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 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 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.

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.

Section 1403. Notices. 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: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser 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: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) 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 1404. Inconsistent Provisions. In case any one or more of the provisions of the Bond Resolution or of the Series 2014 Bonds issued thereunder shall for any reason be inconsistent with the provisions of the Parity Resolution or the Parity Bonds: (a) the provisions of any prior Parity Resolutions shall prevail with respect to Parity Bonds issued thereunder, so long as such Parity Bonds are Outstanding; and (b) the provisions of the subsequent Bond Resolutions shall prevail with respect to any Parity Resolution adopted subsequent thereto, so long as such Parity Bonds issued thereunder are Outstanding.

Section 1405. Electronic Transactions. The issuance of the 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 City Council of the City of Wichita, Kansas, on August 12, 2014.

(SEAL)

Carl Brewer, Mayor

ATTEST:

Karen Sublett, City Clerk

APPROVED AS TO FORM:

Sharon L. Dickgrafe,
Interim Director of Law and City Attorney

CERTIFICATE

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of the Resolution No. 14-[___] (the "Bond Resolution") of the City of Wichita, Kansas, adopted by the Governing Body on August 12, 2014, 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 12, 2014.

Karen Sublett, City Clerk