

**RESOLUTION NO. 20-278**

**OF**

**THE CITY OF WICHITA, KANSAS**

**ADOPTED**

**SEPTEMBER 15, 2020**

**\$10,395,000**  
**WATER AND SEWER UTILITY REFUNDING REVENUE BONDS**  
**SERIES 2020C**

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**RESOLUTION NO. 20-278**

**A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF WATER AND SEWER UTILITY REFUNDING REVENUE BONDS, SERIES 2020C, OF THE CITY OF WICHITA, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. 51-349 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.**

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**WHEREAS**, the Issuer has heretofore passed the Ordinance authorizing the issuance of the Series 2020C 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 2020C 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 and in the Outstanding Parity Bond Resolutions, the following words and terms as used in this Bond Resolution shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

**“Act”** means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, specifically including K.S.A. 10-116a, K.S.A. 10-620 *et seq.* and K.S.A. 10-1201 *et seq.*, as amended by Charter Ordinance No. 211, all as amended and supplemented from time to time.

**“Additional Bonds”** means any bonds secured by the Gross Revenues hereafter issued pursuant to the Bond Resolution; provided that any General Obligation Indebtedness shall not constitute Additional Bonds.

**“Additional Obligations”** means any leases or other obligations of the Issuer payable from the Gross Revenues, other than the Bonds.

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

**“Annual Budget”** means with respect to the Utility, the City’s budget of estimated receipts and expenditures on account of all Funds and Accounts created under the provisions of the Bond Resolution,

including a budget of Current Expenses, for any Fiscal Year and adopted pursuant to the provisions of **Section 806** of the Bond Resolution.

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

**“Authorized Investments”** 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, if any, all as may be further restricted or modified by amendments to applicable State law.

**“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.

**“BAM”** means Build America Mutual Assurance Company, a New York domiciled mutual insurance corporation, or any successor thereto.

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

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

**“Bond Insurance Policy”** means: (a) with respect to the Series 2017A Bonds, the municipal bond insurance policy issued by AGM with respect to the Insured Series 2017A Bonds, concurrently with the delivery of the Insured Series 2017A Bonds guaranteeing the scheduled payment when due of the principal of and interest on the Insured Series 2017A Bonds; (b) with respect to the Series 2019A Bonds, the municipal bond insurance policy issued by BAM with respect to the Insured Series 2019A Bonds, concurrently with the delivery of the Insured Series 2019A Bonds guaranteeing the scheduled payment when due of the principal of and interest on the Insured Series 2019A Bonds; (c) with respect to the Series 2020A Bonds, the municipal bond insurance policy issued by BAM with respect to the Series 2020A Bonds, concurrently with the delivery of the Series 2020A Bonds guaranteeing the scheduled payment when due of the principal of and interest on the Series 2020A Bonds; and (d) the municipal bond insurance policy or financial guaranty insurance policy issued by the Bond Insurer concurrently with the delivery of any other Utility Indebtedness guaranteeing the scheduled payment when due of the principal of and interest on such Utility Indebtedness.

**“Bond Insurer”** means: (a) with respect to the Insured Series 2017A Bonds, AGM; (b) with respect to the Insured Series 2019A Bonds, BAM; (c) with respect to the Series 2020A Bonds, BAM; and (d) the entity set forth in the supplemental resolution authorizing any other Additional Indebtedness.

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

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

**“Bond Registrar”** means: (a) with respect to the Series 2020C 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 Reserve Account”** means the Water and Sewer Utility Bond Reserve Account.

**“Bond Reserve Requirement”** means, collectively, the bond reserve requirement for each series of Outstanding Parity Bonds, the Series 2020C Bond Reserve Requirement and any bond reserve requirement for any subsequent series of Parity Bonds.

**“Bond Resolution”** means collectively the Outstanding Parity Bond Resolutions, the Series 2020C Bond Resolution and any supplemental resolution authorizing any Additional Indebtedness.

**“Bonds”** means, collectively, Outstanding Parity Bonds, the Series 2020C Bonds and any Additional Bonds.

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

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

**“City”** means the City of Wichita, Kansas.

**“City Manager”** means the duly appointed and acting City Manager of the Issuer or, in the Manager's absence, the duly appointed Deputy, Assistant or Acting City Manager of the Issuer.

**“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 utilities, at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Consulting Engineer by the Bond Resolution.

**“Costs of Issuance”** means all costs of issuing any series of Bonds, including all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, all expenses incurred in connection with receiving financial ratings on any series of Bonds, and any premiums or expenses incurred in obtaining any credit enhancement.

**“Costs of Issuance Account”** means Costs of Issuance Account for Water and Sewer Utility Refunding Revenue Bonds, Series 2020C.

**“Current Expenses”** means, as applied to either component of the Utility, the Issuer’s reasonable and necessary current expenses of operation, repair and maintenance, and shall include, without limiting the generality of the foregoing, (a) all ordinary and usual expenses of maintenance, repair and operation, which may include expenses not annually recurring, (b) all administrative expenses, (c) any reasonable payments to pension or retirement funds properly chargeable to each component of the Utility, (d) insurance premiums, (e) engineering expenses relating to operation, repair and maintenance, (f) legal expenses, (g) any lawful fiscal agency commissions and expenses in connection with the payment of the principal of and the interest and any redemption premium on Outstanding Bonds, (h) any taxes which may be lawfully imposed on either component of the Utility or the income therefrom and reserves for such taxes, (i) the expenses of collecting rates, fees and charges for the use of and for the services furnished or to be furnished by the Utility, (j) if required by law, the payment of the principal of and the interest on outstanding bonds and other obligations heretofore issued by the Issuer or by improvement districts heretofore annexed by the City to pay the cost of any portion of the Utility to the extent that the special assessments and taxes pledged for the payment of such principal and interest shall be insufficient for such purposes and to the extent that such payment shall not be made from the Improvement Account, and (k)



any other expenses required to be paid by the Issuer under the provisions of this Resolution or by law. “Current Expenses” shall *not* include any reserves for extraordinary maintenance or repair, or any allowance for depreciation, the Payment to the City, or any deposits or transfers to the credit of the Principal and Interest Account, the Bond Reserve Account, the Depreciation and Replacement Account or the Improvement Account.

“**Dated Date**” means, with respect to the Series 2020C Bonds, October 1, 2020.

“**Debt Service Coverage Ratio**” means, for any Fiscal Year: (a) with respect to the rate covenants, the ratio determined by dividing (i) a numerator equal to the Net Revenues Available for Debt Service for such Fiscal Year by (ii) a denominator equal to the Debt Service Requirements for such Fiscal Year; and (b) with respect to Additional Indebtedness, the ratio determined by dividing (i) a numerator equal to the average Net Revenues Available for Debt Service for the two (2) prior Fiscal Years by (ii) a denominator equal to the Maximum Annual Debt Service; provided that with respect to Additional Indebtedness that are proposed to be Parity Indebtedness, Debt Service Requirements on Subordinate Lien Obligations and General Obligation Indebtedness shall be disregarded.

“**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 any of the following obligations:

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

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

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

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

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

(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.

**“Depreciation and Replacement Account”** means the Water and Sewer Utility Depreciation and Replacement Account.

**“Depreciation and Replacement Account Requirement”** means an amount equal fifteen percent (15%) of the Operating Revenues of the Utility for the preceding Fiscal Year

**“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's absence, the duly appointed Deputy, Assistant, Interim or Acting Director of Finance of the Issuer.

**“Disclosure Undertaking”** means the Issuer’s Continuing Disclosure Undertaking, dated as of October 1, 2020, for the Series 2020C Bonds, relating to certain obligations contained in the SEC Rule.

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

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

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

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

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

(c) The Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder;  
or

(d) Any substantial part of the Utility shall be destroyed or damaged to the extent of impairing its efficient operation or adversely affecting its Gross Revenues and the Issuer shall not within a reasonable

time commence the repair, replacement or reconstruction thereof and proceed thereafter to complete with reasonable dispatch the repair, replacement or reconstruction thereof; or

(e) Final judgment for the payment of money shall be rendered against the Issuer as a result of the ownership, control or operation of the Utility and any such judgment shall not be discharged within one hundred twenty (120) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(f) An order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the Utility or any part thereof or of the Gross Revenues thereof, or if such order or decree, having been entered without the consent or acquiescence of the Issuer, shall not be vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

(g) Any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Net Revenues Available for Debt Service; or

(h) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in Utility Indebtedness or in the Bond Resolution (other than the covenants relating to continuing disclosure) 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 Utility Indebtedness then Outstanding; or

In determining whether an Event of Default shall have occurred with respect to the due and prompt payment of the Debt Service Requirements on any Insured Bonds no effect shall be given to payments made under any Bond Insurance Policy.

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

**“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 the Bond Resolution.

**“General Obligation Indebtedness”** means any of the Issuer’s general obligation bonds issued for improvements to the Utility.

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

**“Gross Revenues”** means all income and revenues derived and collected by the Issuer from the operation of the Utility, including investment and rental income, net proceeds from business interruption insurance and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on Utility Indebtedness, but excluding non-cash contributions capital contributions, any profits or

losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

**“Improvement Account”** means the Water and Sewer Utility Improvement Account.

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

**“Index Rate”** means 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.

**“Insured Bonds”** means the Insured Series 2017A Bonds, the Insured Series 2019A Bonds, the Series 2020A Bonds, and any other Utility Indebtedness of which the scheduled payment of principal and interest is guaranteed by a Bond Insurance Policy.

**“Insured Series 2017A Bonds”** means the 2017A Bonds scheduled to mature in the years 2031, 2033, and 2037.

**“Insured Series 2019A Bonds”** means the 2019A Bonds scheduled to mature in the years 2032 through 2039, inclusive.

**“Interest Payment Date(s)”** means: (a) with respect to the Series 2020C Bonds, the Stated Maturity of an installment of interest on the Series 2020C Bonds which shall be April 1 and October 1 of each year, commencing April 1, 2021; (b) with respect to the Outstanding Parity Bonds, the Stated Maturity of an installment of interest on such Outstanding Parity Bond Resolutions, and (c) with respect to Additional Indebtedness, the Stated Maturity of an installment of interest on such Additional Indebtedness, as set forth in the supplemental resolution authorizing such Additional Indebtedness.

**“Interim Indebtedness”** means Utility Indebtedness 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 Utility Indebtedness to the Purchaser in exchange for the Purchase Price.

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

**“Long-Term Indebtedness”** means Utility Indebtedness having an original stated maturity or term greater than five years, 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 Utility Indebtedness means the date on which the principal of such Utility Indebtedness 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.

**“Maximum Annual Debt Service”** means the maximum amount of Debt Service Requirements as computed for the then current or any future Fiscal Year; provided that the Debt Service Requirements in the final Stated Maturity of any series of Utility Indebtedness shall be reduced by the value of cash and Permitted Investments on deposit in the Bond Reserve Subaccount for such series, so long as the Bond Reserve Subaccount for such Utility Indebtedness is maintained at the Bond Reserve Requirement.

**“Moody's”** means Moody's Investors Service, Inc., 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.

**“Net Proceeds”** shall mean any insurance proceeds or condemnation awards, paid with respect to the Utility, remaining after the payment therefrom of all expenses incurred in the collection thereof.

**“Net Revenues”** means, for the period of determination, the amount of the excess of Gross Revenues deposited to the credit of the Revenue Fund, over the Current Expenses of the respective components of the Utility paid from the Revenue Fund during such period; such amount specifically excluding Debt Service Requirements paid, depreciation, amortization and capital expenditures for improvements to the Utility.

**“Net Revenues Available for Debt Service”** means the Net Revenues.

**“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:

**Series 2020C Bonds:**

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 2020C Bonds:**

The Baker Group LP  
1601 NW Expressway, 20<sup>th</sup> Floor  
Oklahoma City, Oklahoma 73118  
Fax: (405) 415-7298

(d) To the Rating Agency(ies):

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

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

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 Fiscal 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.

**“Official Statement”** means Issuer’s Official Statement relating to the Series 2020C Bonds.

**“Operating Revenues”** shall mean the Gross Revenues, less investment income and less Current Expenses.

**“Ordinance”** means Ordinance No. 51-349 of the Issuer authorizing the issuance of the Series 2020C Bonds, as amended from time to time.

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

- (a) Utility Indebtedness theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation pursuant to the Bond Resolution;
- (b) Utility Indebtedness deemed to be paid in accordance with the provisions of the Bond Resolution;
- (c) Utility Indebtedness in exchange for or in lieu of which other Utility Indebtedness has been authenticated and delivered under the Bond Resolution; and
- (d) Utility Indebtedness, the principal or interest of which has been paid by the Bond Insurer.

**“Outstanding Parity Bond Resolution”** means the ordinances and resolutions authorizing the issuance of the Outstanding Parity Bonds.

**“Outstanding Parity Bonds”** means the Outstanding Series 2011A Bonds, Series 2014 Bonds, Series 2015 Bonds, Series 2016 Bonds, Series 2017 Bonds, Series 2019 Bonds, and Series 2020A Bonds; the Series 2020B Bonds have been issued but are not yet Outstanding under the terms of the Series 2020B Bond Resolution.

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

**“Parity Bonds”** means the Outstanding Parity Bonds, the Series 2020C Bonds and any Additional Bonds hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Series 2020C Bonds with respect to the Net Revenues.

**“Parity Indebtedness”** means, collectively, the Parity Bonds and Parity Obligations.

**“Parity Obligations”** means any Additional Obligations hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Parity Bonds with respect to the lien on the Net Revenues.

**“Parity Resolution”** means, collectively, the Outstanding Parity Bond Resolution, the Series 2020C Bond Resolution and the ordinances and/or resolutions under which any Additional Bonds which constitute Parity Bonds are hereafter issued.

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

**“Paying Agent”** means: (a) with respect to the Outstanding Parity Bonds and the Series 2020C Bonds, the State Treasurer, and its successors and assigns; and (b) with respect to Additional Indebtedness, the entity designated as Paying Agent in the supplemental resolution authorizing such Additional Indebtedness.

**“Payment to the City”** shall mean the payment to the City’s general fund as a payment for operation of the Utility. The amount of the annual Payment to the City shall be governed by the terms of such ordinances of the City which are then in effect with respect to the then outstanding Utility Indebtedness.

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

**“Pre-2014 Bonds”** means, collectively, the Series 2011A Bonds and the Series 2012A Bonds.

**“Principal and Interest Account”** shall mean the Water and Sewer Utility Principal and Interest Account.

**“Purchase Price”** means, with respect to the Series 2020C Bonds, the principal amount of the Series 2020C Bonds, plus accrued interest to the date of delivery, plus a premium of \$919,478.76.

**“Purchaser”** means, with respect to the Series 2020C Bonds, The Baker Group LP, Oklahoma City, Oklahoma, 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 this Bond Resolution.

**“Rating Agency”** means any company, agency or entity that provides financial ratings for any Utility Indebtedness.

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

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

**“Redemption Fund”** means the fund by that name created in *Section 501* hereof.

**“Redemption Price”** when used with respect to any Utility Indebtedness to be redeemed means the price at which such Utility Indebtedness 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.

**“Refunded Bonds”** means the Series 2012A Bonds maturing in the years 2021 to 2032, inclusive, in the aggregate principal amount of \$11,275,000.

**“Refunded Bonds Paying Agent”** means the paying agent for the Refunded Bonds as designated in the Refunded Bonds Resolution, and any successor or successors at the time acting as paying agent for any of the Refunded Bonds.

**“Refunded Bonds Redemption Date”** means October 15, 2020.

**“Refunded Bonds Resolution”** means the Series 2012A Bond Resolution.

**“Refunding Indebtedness”** means Utility Indebtedness issued for the purpose of refunding any Outstanding Utility Indebtedness.

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

**“Revenue Fund”** means the Water and Sewer Utility Revenue Fund.

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

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



**“Series 2011A Bond Resolution”** means collectively the Issuer's Ordinance No. 49-148 and Resolution No. 11-260, which authorized the Series 2011A Bonds.

**“Series 2011A Bonds”** means the Issuer’s Water and Sewer Utility Refunding Revenue Bonds, Series 2011A, dated November 17, 2011.

**“Series 2012A Bond Resolution”** means collectively the Issuer's Ordinance No. 49-266 and Resolution No. 12-090 which authorized the Series 2012A Bonds.

**“Series 2012A Bonds”** mean the Issuer’s Water and Sewer Utility Revenue Bonds, Series 2012A, dated May 1, 2012.

**“Series 2014 Bonds”** means, collectively, the Series 2014A Bonds and Series 2014B Bonds.

**“Series 2014A Bond Resolution”** means collectively the Issuer's Ordinance No. 49-786 and Resolution No. 14-188 which authorized the Series 2014A Bonds.

**“Series 2014A Bonds”** means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2014A, dated August 1, 2014.

**“Series 2014B Bond Resolution”** means collectively the Issuer's Ordinance No. 49-901 and Resolution No. 14-370, which authorized the Series 2014B Bonds.

**“Series 2014B Bonds”** means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2014B, dated December 1, 2014.

**“Series 2015 Bonds”** means, collectively, the Series 2015B Bonds, Series 2015C Bonds and Series 2015D Bonds.

**“Series 2015B Bond Resolution”** means collectively the Issuer's Ordinance No. 49-975 and Resolution No. 15-086, which authorized the Series 2015B Bonds.

**“Series 2015B Bonds”** means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2015B, dated April 1, 2015.

**“Series 2015C Bond Resolution”** means collectively the Issuer's Ordinance No. 50-096 and Resolution No. 15-341, which authorized the Series 2015C Bonds.

**“Series 2015C Bonds”** means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2015C, dated November 1, 2015.

**“Series 2015D Bond Resolution”** means collectively the Issuer's Ordinance No. 50-097 and Resolution No. 15-342, which authorized the Series 2015D Bonds.

**“Series 2015D Bonds”** means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2015D, dated November 1, 2015.

**“Series 2016 Bond Resolution”** means, collectively, the Series 2016A Bond Resolution and the Series 2016B Bond Resolution.

**“Series 2016 Bonds”** means, collectively, the Series 2016A Bonds and the Series 2016B Bonds.

**“Series 2016A Bond Resolution”** means collectively the Issuer's Ordinance No. 50-294 and Resolution No. 16-200, which authorized the Series 2016A Bonds.

**“Series 2016A Bonds”** means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2016A, dated August 1, 2016.

**“Series 2016B Bond Resolution”** means collectively the Issuer's Ordinance No. 50-295 and Resolution No. 16-201, which authorized the Series 2016B Bonds.

**“Series 2016B Bonds”** means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2016B, dated August 1, 2016.

**“Series 2017 Bonds”** means, collectively, the Series 2017A Bonds and the Series 2017B Bonds.

**“Series 2017A Bond Resolution”** means collectively the Issuer's Ordinance No. 50-536 and Resolution No. 17-187, which authorized the Series 2017A Bonds.

**“Series 2017A Bonds”** means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2017A, dated June 1, 2017.

**“Series 2017B Bond Resolution”** means collectively the Issuer's Ordinance No. 50-650 and Resolution No. 17-454, which authorized the Series 2017B Bonds.

**“Series 2017B Bonds”** means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2017B, dated December 1, 2017.

**“Series 2019 Bonds”** means, collectively, the Series 2019A Bonds and the Series 2019B Bonds.

**“Series 2019A Bond Resolution”** means collectively the Issuer's Ordinance No. 50-925 and Resolution No. 19-055, which authorized the Series 2019A Bonds.

**“Series 2019A Bonds”** means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2019A, dated March 1, 2019.

**“Series 2019B Bond Resolution”** means collectively the Issuer's Ordinance No. 50-139 and Resolution No. 19-431, which authorized the Series 2019B Bonds.

**“Series 2019B Bonds”** means the Issuer's Taxable Water and Sewer Utility Refunding Revenue Bonds, Series 2019B, dated December 1, 2019.

**“Series 2020A Bond Resolution”** means collectively the Issuer's Ordinance No. 51-208 and Resolution No. 20-093, which authorized the Series 2020A Bonds.

**“Series 2020A Bonds”** means the Issuer's Water and Sewer Utility Revenue Bonds, Series 2020A, dated May 1, 2020.

**“Series 2020B Bond Resolution”** means collectively the Issuer's Ordinance No. 51-211 and Resolution No. 20-096, which authorized the Series 2020B Bonds.

**“Series 2020B Bonds”** means the Issuer's Not to Exceed \$331,000,000 Taxable Water and Sewer Utility Revenue Bonds, Series 2020B (WIFIA), dated May 14, 2020.

**“Series 2020C Bond Reserve Requirement”** shall mean a sum equal to greater of the amount of interest which shall become due and payable on the Series 2020C Bonds during the next Fiscal Year (determined in each year) or the maximum amount of interest which shall become due and payable on the Series 2020C Bonds in any subsequent year, except that, in no event shall the amount of the 2019B Bond Reserve Requirement ever exceed the amount which is the lesser of ten percent (10%) of the original principal amount of the Series 2020C Bonds (determined as of the date of issuance of the Series 2020C Bonds), the maximum annual principal and interest requirements on the Series 2020C Bonds (determined as of the date of issuance of the Series 2020C Bonds), or one hundred twenty-five percent (125%) of the average annual debt service on the Series 2020C Bonds (determined as of the date of issuance of the Series 2020C Bonds).

**“Series 2020C Bond Reserve Subaccount”** shall mean the Water and Sewer Utility Refunding Revenue Bonds, Series 2020C, Bond Reserve Subaccount created within the Bond Reserve Account.

**“Series 2020C Bond Resolution”** means collectively the Issuer's Ordinance and this Resolution, which authorized the Series 2020C Bonds.

**“Series 2020C Bonds”** means the Issuer's Water and Sewer Utility Refunding Revenue Bonds, Series 2020C, dated October 1, 2020, authorized and issued by the Issuer pursuant the Series 2020C Bond Resolution.

**“Series 2020C Costs of Issuance Account”** shall mean the Water and Sewer Utility Refunding Revenue Bonds, Series 2020C, Costs of Issuance Account created by this Resolution.

**“Series 2020C Principal and Interest Subaccount”** shall mean the Water and Sewer Utility Refunding Revenue Bonds, Series 2020C, Principal and Interest Subaccount created by this Resolution within the Principal and Interest Account.

**“Sewer Utility”** shall mean and include the sanitary sewer system now owned and operated by the City, and consisting of sewage disposal works, sewers, drains, pumping plants, force mains, service connections, canals, ponds, machinery, equipment and other property appurtenant thereto and any improvements, extensions and enlargements to the Sewer Utility hereafter constructed or acquired.

**“Short-Term Indebtedness”** means Utility Indebtedness 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 *Section 204* hereof for the payment of Defaulted Interest.

**“Standard & Poor’s”** means Standard & Poor’s Ratings Services, a division of S&P Global, 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 Utility Indebtedness or any installment of interest thereon means the date specified in such Utility Indebtedness and the Bond Resolution as the fixed date on which the principal of such Utility Indebtedness or such installment of interest is due and payable.

**“Subordinate Indebtedness”** means, collectively the Subordinate Lien Bonds and Subordinate Lien Obligations

**“Subordinate Lien Bonds”** means any Additional Bonds payable from the Revenues, and issued on a subordinate lien basis to any Parity Bonds.

**“Subordinate Lien Obligations”** means any Additional Obligations payable from, and secured by a lien on, the Revenues, which lien is junior to that of any Parity Obligations.

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

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

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

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

**“Utility”** shall mean the combined City of Wichita, Kansas Water Utility and Sewer Utility, and any improvements, extensions and enlargements thereto hereafter constructed or acquired.

**“Utility Indebtedness”** means collectively the Bonds and any Additional Obligations which are secured by an interest in, the Gross Revenues.

**“Value”** means, for purposes of the Bond Resolution, 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, if not there, then 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 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.

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

**“Water Utility”** shall mean and include the waterworks system now owned and operated by the Issuer and consisting of real estate, water rights, purification and pumping plants, reservoirs, mains, wells, pipelines, meters, hydrants, service connections, machinery, equipment and other property appurtenant thereto, and any improvements, extensions and enlargements to the Water Utility hereafter constructed or acquired.

## ARTICLE II

### AUTHORIZATION AND DETAILS OF THE BONDS

**Section 2214. Authorization of the Series 2020C Bonds.** The Series 2020C Bonds have been heretofore authorized and directed to be issued pursuant to the Ordinance in the principal amount of \$10,395,000, for the purpose of providing a portion of the funds to: (a) refund the Refunded Bonds; and (b) pay Costs of Issuance. The Series 2020C Bonds shall be Parity Bonds and shall constitute Long-Term Indebtedness.

**Section 2215. Description of the Series 2020C Bonds.** The Series 2020C Bonds shall consist of fully registered bonds in Authorized Denominations, and shall be numbered in such manner as the Bond Registrar shall determine. All of the Series 2020C 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:

| <b>Stated Maturity</b>  | <b>Principal</b>     | <b>Annual Rate</b>        | <b>Stated Maturity</b>  | <b>Principal</b>     | <b>Annual Rate</b>        |
|-------------------------|----------------------|---------------------------|-------------------------|----------------------|---------------------------|
| <b><u>October 1</u></b> | <b><u>Amount</u></b> | <b><u>of Interest</u></b> | <b><u>October 1</u></b> | <b><u>Amount</u></b> | <b><u>of Interest</u></b> |
| 2021                    | \$750,000            | 3.50%                     | 2027                    | \$885,000            | 3.50%                     |
| 2022                    | 750,000              | 3.50%                     | 2028                    | 910,000              | 3.00%                     |
| 2023                    | 770,000              | 3.50%                     | 2029                    | 945,000              | 2.00%                     |
| 2024                    | 800,000              | 3.50%                     | 2030                    | 970,000              | 2.00%                     |
| 2025                    | 825,000              | 3.50%                     | 2031                    | 985,000              | 2.00%                     |
| 2026                    | 850,000              | 3.50%                     | 2032                    | 955,000              | 2.00%                     |

The Series 2020C 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 2020C Bonds shall be issued as Book-Entry-Only Bonds and administered in accordance with the provisions of *Section 209* hereof.

Each of the Series 2020C 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 2216. 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 2020C Bonds and Bond Registrar with respect to the registration, transfer and exchange of the Series 2020C 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 2020C Bonds.

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

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

**Section 2217. Method and Place of Payment of the Bonds.** The principal of, or Redemption Price, and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

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

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner or (b) in the case of an interest payment to any Owner of \$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 therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice at the address of such Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

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

**Section 2218. Registration, Transfer and Exchange of Bonds.** The Issuer covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of the Bond Registrar as herein provided. Each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register.

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

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

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

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

The Issuer and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute Owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Owner or upon the Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the

sum or sums so paid, and neither the Issuer nor the Paying Agent shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Bond Registrar, the Bond Register may be inspected and copied by the by the Bond Insurer, if any, or 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 2219. Execution, Registration, Authentication and Delivery of Bonds.** Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the Issuer by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Clerk and the seal of the Issuer shall be affixed thereto or imprinted thereon. The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and to cause the Bonds to be registered in the office of the Clerk, which registration shall be evidenced by the manual or facsimile signature of the Clerk with the seal of the Issuer affixed thereto or imprinted thereon. The Bonds shall also be registered in the office of the State Treasurer, which registration shall be evidenced by the manual or facsimile signature of the State Treasurer with the seal of the State Treasurer affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

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

The Series 2020C Bonds shall have endorsed thereon a certificate of authentication substantially in the form attached hereto as *Exhibit A* hereof, which shall be manually executed by an authorized officer or employee of the Bond Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Series 2020C 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 2020C Bond shall be conclusive evidence that such Series 2020C Bond has been duly authenticated and delivered under this Bond Resolution. Upon authentication, the Bond Registrar shall deliver the Series 2020C Bond to the Purchaser upon instructions of the Issuer or its representative.

**Section 2220. 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 2221. 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 2222. Book-Entry Bonds; Securities Depository.** Any series of Bonds may be issued as Book-Entry-Only Bonds. If so, such series of Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Registrar issues Replacement Bonds as provided in this Section. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraph.

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

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

**Section 2223. Nonpresentment of Bonds.** If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay, without liability for interest thereon, to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

**Section 2224. 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 902** 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 902** 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 Utility 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 Utility 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 902**; 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 211(a)(1)(D)** or may be treated as principal payable on the principal maturity date of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness.

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

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

(1) If the Issuer has obtained a binding commitment of a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of

which such bank or financial institution is the principal subsidiary, are then rated “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 Utility 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.

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

**Section 2225. Preliminary and Final Official Statement.** The Preliminary Official Statement relating to the Series 2020C Bonds, dated August 28, 2020, is hereby ratified and approved. The final Official Statement is hereby authorized to be prepared by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor and Director of Finance are hereby authorized to execute the final Official Statement as so supplemented, amended and completed, and the use and public distribution of the final Official Statement by the Purchaser in connection with the reoffering of the Bonds is hereby authorized. The proper officials of the Issuer are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Series 2020C Bonds.

The Issuer agrees to provide to the Purchaser within seven business days of the date of the sale of Bonds sufficient copies of the final Official Statement to enable the Purchaser to comply with the

requirements of the SEC Rule and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

**Section 2226. Sale of the Series 2020C Bonds.** The sale of the Series 2020C Bonds to the Purchaser is hereby ratified and confirmed. Delivery of the Series 2020C Bonds shall be made to the Purchaser as soon as practicable after the adoption of this Bond Resolution, upon payment of the Purchase Price.

**Section 2227. Parity Bond Certification.** The Issuer hereby represents and covenants that the Series 2020C Bonds directed to be issued by this Resolution are so issued in full compliance with the restrictions and conditions upon which the Issuer may issue Additional Bonds which stand on a parity of lien with the Net Revenues with the Parity Indebtedness heretofore issued and Outstanding, as set forth and contained in the Outstanding Parity Bond Resolution, and that the Series 2020C Bonds herein directed to be issued are so issued in all respects on a parity and equality with the Parity Indebtedness heretofore issued and Outstanding.

### ARTICLE III

#### REDEMPTION OF BONDS

**Section 3214. Redemption by Issuer.** The Bonds shall be subject to redemption and payment prior to their Stated Maturity, as follows:

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

(1) *Series 2020C Bonds.* At the option of the Issuer, Series 2020C Bonds maturing on October 1 in the years 2029 and thereafter will be subject to redemption and payment prior to their Stated Maturity on October 1, 2028, and thereafter as a whole or in part (selection of maturities and the amount of Series 2020C Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

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

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

(1) *General.* The Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the Issuer may: (1) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption

obligation of the Issuer under this Section for any Term Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection. Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Issuer to redeem Term Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same Stated Maturity as designated by the Issuer, and the principal amount of Term Bonds to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the Issuer intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the Issuer will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with, with respect to such mandatory redemption payment.

(2) *The Series 2020C Term Bonds.* There are **no** Series 2020C Term Bonds.

**Section 3215. 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 3216. 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 Insurer and the Purchaser. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

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

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

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

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

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

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

In addition to the foregoing notice, the Issuer shall provide such notices of redemption as are required by the Disclosure Undertaking. Further notice may be given by the Issuer or the Bond Registrar

on behalf of the Issuer as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed:

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

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

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

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

## ARTICLE IV

### SECURITY FOR BONDS

**Section 4214. Security for the Bonds.** The Series 2020C Bonds shall be special obligations of the Issuer payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the City hereby pledges said Net Revenues to the payment of the principal of and interest on the Series 2020C Bonds. The Series 2020C Bonds shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction, and the taxing power of the City is not pledged to the payment of the Series 2020C Bonds, either as to principal or interest.

The covenants and agreements of the City contained herein and in the Series 2020C Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Series 2020C Bonds, all of which Series 2020C Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Series 2020C Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Bond Resolution. The Series 2020C Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues with any Parity Indebtedness. The Series 2020C Bonds shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Parity Indebtedness; and the Parity Indebtedness shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Series 2020C Bonds.



## ARTICLE V

### ESTABLISHMENT OF FUNDS AND ACCOUNTS DEPOSIT AND APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

**Section 5214. Creation of Funds and Accounts.** Simultaneously with the issuance of the Series 2020C Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

- (a) Principal and Interest Subaccount for Water and Sewer Utility Refunding Revenue Bonds, Series 2020C;
- (b) Bond Reserve Subaccount for Water and Sewer Utility Refunding Revenue Bonds, Series 2020C;
- (c) Redemption Fund for Refunded Bonds;
- (d) [Intentionally Omitted]; and
- (e) Costs of Issuance Account for Water and Sewer Utility Refunding Revenue Bonds, Series 2020C.

The Funds and Accounts established herein shall be administered in accordance with the provisions of this Series 2020C Bond Resolution so long as the Series 2020C Bonds are Outstanding.

The following separate Funds and Accounts created and established in the treasury of the Issuer are hereby ratified and confirmed:

- (a) Water and Sewer Utility Revenue Fund;
- (b) Water and Sewer Utility Bond Reserve Account;
- (c) Water and Sewer Utility Depreciation and Replacement Account;
- (d) Water and Sewer Utility Improvement Account;
- (e) Principal and Interest Subaccounts for Outstanding Parity Bonds; and
- (f) Bond Reserve Subaccounts for Outstanding Parity Bonds.

The Funds and Accounts referred to in this paragraph shall be administered in accordance with the provisions of Bond Resolution so long as the Utility Indebtedness is Outstanding.

**Section 5215. Deposit of Series 2020C Bond Proceeds and Other Moneys.** The net proceeds received from the sale of the Series 2020C Bonds and certain other moneys shall be deposited simultaneously with the delivery of the Series 2020C Bonds as follows:

- (a) All accrued interest and excess proceeds received from the sale of the Series 2020C Bonds shall be deposited in the Series 2020C Principal and Interest Subaccount.

(b) An amount necessary to pay Costs of Issuance shall be deposited in the Series 2020C Costs of Issuance Account.

(c) An amount necessary to bring the Series 2020C Bond Reserve Subaccount to the Series 2020C Bond Reserve Requirement shall be deposited in the 2020C Bond Reserve Subaccount.

(d) The remaining balance of the proceeds derived from the sale of the Series 2020C Bonds shall be deposited to the Redemption Fund.

(e) Simultaneously with the issuance of the Series 2020C Bonds, the Issuer shall transfer to the Redemption Fund a portion of the funds held in the Bond Reserve Subaccount for the Refunded Bonds in amount necessary to refund the Refunded Bonds; the remaining funds in the Bond Reserve Subaccount for the Refunded Bonds shall be deposited into the Bond Reserve Subaccount for the Series 2020C Bonds.

**Section 5216. [Intentionally Omitted]**

**Section 5217. 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 Series 2020C Bonds, shall be transferred to the Issuer for deposit into the Series 2020C Principal and Interest Subaccount.

**Section 5218. Application of Moneys in the Redemption Fund.** Moneys in the Redemption Fund shall be immediately paid and transferred to the paying agent for the Refunded Bonds, with irrevocable instructions to apply such amount to the payment of the principal of, redemption premium, and interest on the Refunded Bonds on the Refunded Bonds Redemption Date. Any moneys remaining in the Redemption Fund not needed to retire the Refunded Bonds shall be transferred into the Series 2020C Principal and Interest Subaccount.

## ARTICLE VI

### COLLECTION AND APPLICATION OF REVENUES

**Section 6214. Revenue Fund.** The Issuer covenants and agrees that from and after the delivery of the Series 2020C Bonds, and continuing as long as any of the Utility Indebtedness remains Outstanding, all of the Gross Revenues shall as and when received be paid and deposited into the Revenue Fund. Said Revenues 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 the Outstanding Parity Bond Resolutions.

**Section 6215. Application of Moneys in Funds and Accounts.** The Issuer covenants and agrees that from and after the delivery of the Series 2020C Bonds and continuing so long as any of the Bonds shall remain Outstanding, it will administer and allocate all of the moneys then held in the Revenue Fund as follows:

(a) **Operation and Maintenance.** The cost of Current Expenses shall be paid currently as bills accrue. Such amount as may be necessary in the opinion of the Governing Body to pay the reasonable and

proper Current Expenses for the ensuing sixty (60) days may be retained and accumulated in the Revenue Fund before making transfers to other Funds and Accounts.

**Parity Resolutions.** The following transfers shall be made on a parity of lien basis with the transfers and requirements of the Bond Resolution with respect to any Parity Indebtedness, and the term Parity Obligations shall be substituted for Bonds, as appropriate.

(b) **Principal and Interest Account.** There shall next be paid and credited on the first day of each month to the Principal and Interest Account, for credit to the respective Subaccounts thereof, a proportionate amount necessary to meet on each Bond Payment Date the payment of all interest on and principal of the Parity Bonds. All amounts paid and credited to the various Principal and Interest Subaccounts shall be expended and used by the Issuer for the sole purpose of paying the Debt Service Requirements of respective Parity Bonds as and when the same become due at Maturity and on each Interest Payment Date.

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

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

(c) **Bond Reserve Account.** There shall next be set aside and credited monthly to the Bond Reserve Account, for the credit of the respective subaccounts thereof as appropriate, the amount, if any, required to restore the Bond Reserve Account to the Bond Reserve Requirement. Except as hereinafter provided, all amounts paid and credited to the Bond Reserve Account shall be expended and used by the Issuer solely to prevent any default in the payment of interest on or principal of the Parity Bonds on any Maturity date or Interest Payment Date if the moneys in the respective Principal and Interest Subaccounts are insufficient to pay the Debt Service Requirements of said Parity Bonds as they become due. So long as the Bond Reserve Account aggregates the Bond Reserve Requirement, no further payments into said Account shall be required, but if the Issuer is ever required to expend and use a part of the moneys in any subaccount for the purpose herein authorized and such expenditure reduces the amount of such subaccount below the Bond Reserve Requirement for such subaccount, or if the Value of any such subaccount is below the Bond Reserve Requirement, the Issuer shall make monthly payments into such subaccount so that such subaccount shall again aggregate the Bond Reserve Requirement within twelve (12) months of such deficiency.

The prior written consent of the Bond Insurer, if any, shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Bond Reserve Account.

(d) **Debt Service Accounts-Subordinate Indebtedness.** There shall next be paid and credited monthly to the debt service account(s) for any Subordinate Indebtedness, to the extent necessary to meet on each Bond Payment Date an amount equal to the payment of all interest on and principal of any Subordinate Indebtedness. The amounts required to be paid and credited to the debt service account(s) for any Subordinate Indebtedness 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 Indebtedness.

(e) **Depreciation and Replacement Account.** There shall next be paid and credited monthly to the Depreciation and Replacement Account minimum monthly amounts to the end that the Depreciation and Replacement Account will reach the Depreciation and Replacement Account Requirement within a period of thirty (30) months from the date of the first such transfer. Except as hereinafter provided, moneys in the Depreciation and Replacement Account shall be expended and used by the Issuer for the purpose of: (1) making extraordinary maintenance and repairs to the Utility, (2) making capital improvements in and to the Utility, and (3) keeping the Utility in good repair and working order so that it may continue in effective and efficient operation. If no other funds are available therefor, moneys in the Depreciation and Replacement Account may be used to pay Current Expenses. After the Depreciation and Replacement Account aggregates the Depreciation and Replacement Account Requirement, no further payments into the Depreciation and Replacement Account shall be required, but if the Issuer is ever required to expend a part of the moneys in the Depreciation and Replacement Account for its authorized purposes and such expenditure reduces the amount of the Depreciation and Replacement Account below the Depreciation and Replacement Requirement, then the Issuer shall resume and continue minimum monthly payments into the Depreciation and Replacement Account aggregates the Depreciation and Replacement Requirement within a period of eighteen (18) months of such deficiency.

(f) **General Obligation Indebtedness.** There shall next be paid and credited monthly to such of the Issuer's funds or accounts determined by the Director of Finance, proportionate monthly amounts equal to the Debt Service Requirements on General Obligation Indebtedness accruing in the next twelve (12) months.

(g) **Payment to the City.** There shall next be paid and credited monthly to such of the Issuer's funds or accounts determined by the Director of Finance, proportionate monthly amounts equal to the next required Payment to the City.

(h) **Improvement Account.** All moneys in the Revenue Fund on each January 1 not required for payment of the Current Expenses and all transfers required by subsections (a) to (f) hereof for the next ninety (90) days shall be credited to the Improvement Account. When the Pre-2014 Bonds are no longer Outstanding, transfers from the Revenue Fund to the Improvement Fund may be made on a monthly basis in such amounts as may be determined by the Director of Finance. Moneys in the Improvement Account may be expended and used for the following purposes:

- (1) Paying the Current Expenses.
- (2) Paying the cost of extending, enlarging or improving the Utility.
- (3) Preventing default in, making payments into or increasing the amounts in any of the Funds and Accounts or other payments required by subsections (a) to (g) hereof.
- (4) Calling, redeeming and paying prior to Stated Maturity, or, at the option of the Issuer, purchasing in the open market at fair market value, any Utility Indebtedness or General Obligation Indebtedness.
- (5) Any other lawful purpose in connection with the operation of the Utility and benefiting the Utility.
- (6) To make transfers to the Revenue Fund.

(i) **Deficiency of Payments into Funds and Accounts.** If at any time the Gross Revenues are insufficient to make any payment on the date or dates hereinbefore specified, the Issuer will make good the

amount of such deficiency by making additional payments or credits out of the first available Gross Revenues, such payments and credits being made and applied in the order hereinbefore specified in this Section.

**Section 6216. Transfer of Funds to Paying Agent.** The Treasurer of the Issuer shall withdraw from the Principal and Interest Account, and, to the extent necessary to prevent a default in the payment of either principal of or interest on the Utility Indebtedness, from the Bond Reserve Account, and the Improvement Account, sums sufficient to pay the principal of and interest on the Utility Indebtedness as and when the same become due on any Bond Payment Date, and to forward such sums to the Paying Agent in a manner which ensures the Paying Agent will have available funds in such amounts on or before the Business Day immediately preceding each Bond Payment Date. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Bond Resolution.

**Section 6217. Payments Due on Saturdays, Sundays and Holidays.** In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

## ARTICLE VII

### DEPOSIT AND INVESTMENT OF MONEYS

**Section 7214. Deposits and Investment of Moneys.**

(a) Moneys in each of the Funds and Accounts shall be deposited and shall be adequately secured as provided by the laws of the State.

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

(c) The Value of any Fund or Account shall be determined at the end of each calendar month. Such valuation shall also be made in conjunction with redemption of any Utility Indebtedness.

## ARTICLE VIII

### GENERAL COVENANTS AND PROVISIONS

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

**Section 8214. Efficient and Economical Operation.** The Issuer will continuously own and will operate the Utility as a revenue producing facility in an efficient and economical manner and will keep and maintain the same in good repair and working order.

**Section 8215. Rate Covenant.** The Issuer, in accordance with and subject to applicable legal requirements, will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the Utility as will produce Gross Revenues sufficient to: (a) pay the Current Expenses; (b) pay the Debt Service Requirements on the Utility Indebtedness as and when the same become due at the Maturity thereof or on any Interest Payment Date; (c) provide reasonable and adequate reserves for the payment of the Utility Indebtedness and for the protection and benefit of the Utility as provided in the Bond Resolution; and (d) enable the Issuer to have in each Fiscal Year, a Debt Service Coverage Ratio of not less than 1.20 on all Parity Indebtedness at the time Outstanding; 1.00 on all Subordinate Indebtedness at the time Outstanding; 1.00 on all General Obligation Indebtedness at the time Outstanding; and 1.00 with respect to the Payment to the City; provided however, in determining the Net Revenues Available for Debt Service, estimated additional net income to be derived from rate increases in effect and being charged prior to the end of the applicable Fiscal Year, as determined by the Consultant, may be taken into account, and that, without giving effect to any such adjustments from rate increases, the Debt Service Coverage Ratio shall be not less than 1.00 of the current Fiscal Year's Debt Service Requirements for all Utility Indebtedness.

The Issuer will, from time to time as often as necessary, in accordance with and subject to applicable legal requirements, revise the rates and charges aforesaid in such manner as may be necessary or proper so that the Net Revenues Available for Debt Service will be sufficient to cover the obligations under the provisions of the Bond Resolution. If in any Fiscal Year, Net Revenues Available for Debt Service are an amount less than as hereinbefore provided, the Issuer will make adjustments to such rates, fees and charges to bring the Utility into compliance with this covenant. It shall be the policy of the Issuer that the rates, fees and charges established for the Water Utility and the Sewer Utility shall each be sufficient to provide Net Revenues Available for Debt Service with respect to Utility Indebtedness issued for improvements to each such component of the Utility which meet the coverage requirements set forth herein to the extent reasonably practical.

**Section 8216. Restrictions on Mortgage or Sale of Utility.** The Issuer will not mortgage, pledge or otherwise encumber the Utility or any part thereof, nor will it sell, lease or otherwise dispose of the Utility or any material part thereof; provided, however, the Issuer may:

(a) sell at fair market value any portion of the Utility which has been replaced by other similar property of at least equal value, or which ceases to be necessary for the efficient operation of the Utility, and in the event of sale, the Issuer will apply the proceeds to either (1) redemption of Outstanding Utility Indebtedness in accordance with the provisions governing repayment of Utility Indebtedness in advance of Stated Maturity, or (2) replacement of the property so disposed of by other property the revenues of which shall be incorporated into the Utility as hereinbefore provided;

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

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

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

(1) The transferee entity is a political subdivision organized and existing under the laws of the State, or instrumentality thereof, or an organization described in Code § 501(c)(3), and expressly assumes in writing the due and punctual payment of the principal of and premium, if any, and interest on all outstanding Utility Indebtedness according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Bond Resolution;

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

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

(4) Such transferee entity possesses such licenses to operate the Utility as may be required if it is to operate the Utility;

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

(6) The Issuer receives the written consent of the Bond Insurer, if any.

**Section 8217. Insurance.** The Issuer will carry and maintain such reasonable amount of all risk insurance on all properties and all operations of the Utility as would be carried by a privately owned utility with similar property and performing similar functions, insofar as the properties are of an insurable nature; and in the event of loss or damage, the Issuer will use the Net Proceeds of such insurance to reconstruct or replace the damaged or destroyed property, or if such reconstruction or replacement be unnecessary, then such Net Proceeds shall be used in redeeming or paying off Outstanding Utility Indebtedness, in accordance with their call provisions. The Issuer also will carry general liability insurance in amounts not less than the then maximum liability of a governmental entity for claims arising out of a single occurrence, as provided by the State's tort claims act or other similar future law (currently \$500,000.00 per occurrence). In lieu of the foregoing, the Issuer may establish a self-insurance program which will provide substantially the same protection for the Owners.

**Section 8218. Books, Records and Accounts.** As long as any Utility Indebtedness are Outstanding, the Issuer shall keep proper and separate books of records and accounts in which complete and correct entries shall be made showing the Gross Revenues collected for services by the Utility and all sums expended in the operation thereof and all sums deposited in the Funds and Accounts above mentioned and all disbursements, transfers and transactions relating to the Utility as a whole, and to the several components of the Utility separately. The books and accounts shall be kept in accordance with generally accepted accounting principles.

The Utility shall make comparative quarterly reports to the Office of the City Manager relative to Utility incomes, Utility expenses and net income from operations. If any such quarterly report shall disclose that the Issuer will not have available the necessary funds for carrying out and complying with all of the requirements of this Resolution, then the Issuer shall within sixty (60) days proceed to cause to be charged and collected rates, fees and charges for the use and services of the Utility which will provide adequate funds to meet such requirements.

**Section 8219. Annual Budget.** The Issuer shall prepare an Annual Budget in its customary form estimating anticipated expenditures and income and containing a statement relative to the amounts of insurance being carried and to be carried.

**Section 8220. Annual Audit.** The Issuer shall annually cause an audit to be made by an Independent Accountant of the operation of the Utility, which audit shall be open to public inspection and shall be completed within six (6) months after the completion of the Fiscal Year. If the audit shall disclose that proper provision has not been made for carrying out and complying with all of the requirements of this Resolution, then the Issuer shall within sixty (60) days proceed to cause to be charged and collected rates, fees and charges for the use of services of the Utility which will provide adequate funds to meet all such requirements. As soon as possible after the completion of the annual audit, the governing body of the Issuer shall review the report of such audit, and if the audit report discloses that proper provision has not been made for all of the requirements of this Bond Resolution and the Act, the Issuer will promptly cure such deficiency and will promptly proceed to modify the rates and charges to be charged for the use and services furnished by the Utility or take such other action as may be necessary to adequately provide for such requirements.

**Section 8221. Right of Inspection.** The Owner of any Bond or such Owner's duly authorized attorney, accountant or investment counselor and, the Bond Insurer, if any, shall have the right at all reasonable times during normal business hours to inspect any records, accounts or data relating thereto in accordance with State law.

**Section 8222. Performance of Duties and Covenants.** The Issuer will faithfully and punctually perform all duties, covenants and obligations with respect to the operation of the Utility now or hereafter imposed upon the Issuer by the Constitution and laws of the State and by the provisions of this Bond Resolution.

**Section 8223. Report on Utility Condition.** The Issuer shall annually cause a qualified employee of the Issuer to make an examination of and report on the condition and operations of the Utility. Not less than every three (3) years, the Issuer will cause the Consulting Engineers to make an examination and written report on the condition and operation of the Utility, such report to include recommendations as to any changes in such operation deemed desirable. Such report shall also make references to any unusual or extraordinary items of maintenance and repair and any extensions, enlargements or improvements that may be needed in the period prior to the preparation of the next consultant's report required by this Section. A copy of such report will be filed with the Clerk.



## ARTICLE IX

### ADDITIONAL BONDS AND OBLIGATIONS

**Section 9214. Prior Lien Bonds.** So long as any of the Parity Bonds remain Outstanding, the Issuer will not issue any Utility Indebtedness payable out of the Gross Revenues which are superior to the Parity Indebtedness with respect to the lien on the Net Revenues.

**Section 9215. Parity Indebtedness.** The Issuer will not issue any Utility Indebtedness which stands on a parity or equality of lien against the Net Revenues with the Parity Indebtedness unless the following conditions are met:

(a) The Issuer shall not be in default in the payment of the Debt Service Requirements on any Parity Indebtedness 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 (unless such Utility Indebtedness is being issued to provide funds to cure such default) nor shall any other Event of Default have occurred and be continuing;

(b) The Issuer shall deliver the following:

(1) *Long-Term Indebtedness.* A certificate signed by the Issuer evidencing that the Debt Service Coverage Ratio for the two (2) Fiscal Years immediately preceding the issuance of such Utility Indebtedness, as reflected by information provided by the Independent Accountant, shall be not less than 1.20, including the Utility Indebtedness proposed to be issued. In the event that the Issuer has instituted any increase in rates for the use and services of the Utility and such increase shall not have been in effect during the full two (2) Fiscal Years immediately preceding the issuance of such proposed Utility Indebtedness, the additional Net Revenues Available for Debt Service which would have resulted from the operation of the Utility during said two (2) preceding Fiscal Years had such rate increase been in effect for the entire period may be added to the stated Net Revenues for the calculation of the Debt Service Coverage Ratio, provided that such estimated additional Net Revenues shall be determined by a Consultant.

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

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

(ii) The Short-Term Indebtedness could be incurred 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 20 years (or such shorter period as such Consultant indicates is reasonable to assume in such statement) from

the date of issuance of the Short-Term Indebtedness and bears interest on the unpaid principal balance at the Index Rate and is payable on a level annual debt service basis over a 20-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement).

(3) *Interim Indebtedness.* A certificate signed by the Issuer 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 is such Consultant's opinion that it is reasonable to assume that the Issuer will be able to refinance such Interim Indebtedness prior to its Stated Maturity 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 20 years (or such shorter period as such Consultant indicates is reasonable to assume in such statement) from the date of issuance of the Interim Indebtedness and bears interest on the unpaid principal balance at the Index Rate and is payable on a level annual debt service basis over a 20-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement).

(c) When the issuance of Utility Indebtedness of equal stature and priority is permitted by the laws of the State.

(d) With respect to the issuance of Additional Bonds, an additional deposit to the Bond Reserve Account shall be made to bring the Bond Reserve Account to an amount equal to the Bond Reserve Requirement.

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

Additional Utility Indebtedness issued under the conditions hereinbefore set forth shall stand on a parity with other Parity Indebtedness and shall enjoy complete equality or lien on and claim against the Net Revenues, and the Issuer may make equal provision for paying the Debt Service Requirements on such Utility Indebtedness out of the Revenue Fund and may likewise provide for the creation of reasonable debt service accounts and debt service reserve accounts for the payment of the Debt Service Requirements on such Utility Indebtedness and the interest thereon out of moneys in the Revenue Fund.

**Section 9216. Subordinate Indebtedness.** Nothing shall prohibit or restrict the right of the Issuer to issue Subordinate Indebtedness for any lawful purpose in connection with the operation of and benefiting the Utility and to provide that the Debt Service Requirements on such Subordinate Indebtedness shall be payable out of the Net Revenues Available for Debt Service, provided at the time of the issuance of such Subordinate Indebtedness the Issuer is not in default in the performance of any covenant or agreement contained in the Bond Resolution (unless such Utility Indebtedness shall be issued to cure such default and shall be junior and subordinate to the Parity Indebtedness) so that if at any time the Issuer shall be in default in paying either interest on or principal of the Parity Indebtedness, or of the Issuer is in default in payment of Current Expenses, Debt Service Requirements on Parity Indebtedness or transfers required by the Bond Resolution prior to the payment of Debt Service Requirements on Subordinate Indebtedness, the Issuer shall make no payments of Debt Service Requirements on said Subordinate Indebtedness until said default or defaults be cured.

**Section 9217. Refunding Indebtedness.** The Issuer shall have the right, without complying with the provisions of *Section 902* hereof, to issue Refunding Indebtedness for the purpose of refunding any of the Utility Indebtedness under the provisions of any law then available, and the Refunding Indebtedness so issued shall enjoy complete equality of pledge as did the Utility Indebtedness that was refunded.

## ARTICLE X

### DEFAULT AND REMEDIES

**Section 10214. Remedies.** The Bond Resolution and all of the provisions thereof shall constitute a contract between the Issuer, the Bond Insurer, if any, and each of the Owners of Utility Indebtedness, and any such Owner may by suit, action, mandamus, injunction or other proceeding, either at law or in equity, enforce and compel performance of all duties, obligations and conditions determined and required by the Bond Resolution, subject to the limitations of hereinafter set forth; provided however, that no Owner of Subordinate Indebtedness shall have the ability to impair the rights of Owners of Parity Indebtedness. Upon the happening and continuance of any Event of Default, then and in every such case any Owner may proceed, subject to the provisions of the Bond Resolution, to protect and enforce the rights of the Owners by a suit, action or special proceeding in equity, or at law, either for the specific performance of any covenant or agreement contained therein or in aid or execution of any power therein granted or for the enforcement of any proper legal or equitable remedy as such Owner shall deem most effectual to protect and enforce such rights.

Anything in the Bond Resolution to the contrary notwithstanding, if at any time moneys in the Principal and Interest Account shall not be sufficient to pay the interest on or the principal of the Utility Indebtedness as the same shall become due and payable, such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Section or otherwise, shall be applied as follows:

(a) If the principal of all the Parity Indebtedness shall not have become due and payable, all such moneys shall be applied:

*first:* to the payment of the persons entitled thereto of all installments of interest then due and payable in the order in which such installments became due and payable, and, if the amount available shall not be sufficient to pay in full any particular installments, then to the payment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Parity Indebtedness;

*second:* to the payment to the persons entitled thereto of the unpaid principal of any of the Parity Indebtedness which shall have become due and payable (other than Parity Indebtedness called for redemption for the payment of which moneys are held pursuant to the provisions of the Bond Resolution), in the order of their due dates, with interest on the principal amount of such Parity Indebtedness at the respective rates specified therein from the respective dates upon which such Parity Indebtedness became due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Parity Indebtedness due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of

such principal due on such date, to the persons entitled thereto without any discrimination or preference; and

*third:* to the payment of the interest on and the principal of the Parity Indebtedness, to the purchase and retirement of the Parity Indebtedness and to the redemption of the Parity Indebtedness, all in accordance with the provisions of the Bond Resolution.

(b) If the principal of all of the Parity Indebtedness shall have become due and payable, all such moneys shall be applied:

*first:* to the payment to the persons entitled thereto of all installments of interest due and payable on or prior to maturity, if any, in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Parity Indebtedness, and then to the payment of any interest due and payable after maturity on the Parity Indebtedness, ratably, to the person entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Parity Indebtedness; and

*second:* to the payment of the principal of the Parity Indebtedness, ratably, to the persons entitled thereto, without preference or priority of any Parity Indebtedness over any other Parity Indebtedness.

(c) If the principal of all the Subordinate Indebtedness shall not have become due and payable, all such moneys shall be applied:

*first:* to the payment of the persons entitled thereto of all installments of interest then due and payable in the order in which such installments became due and payable, and, if the amount available shall not be sufficient to pay in full any particular installments, then to the payment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Indebtedness;

*second:* to the payment to the persons entitled thereto of the unpaid principal of any of the Subordinate Indebtedness which shall have become due and payable (other than Subordinate Indebtedness called for redemption for the payment of which moneys are held pursuant to the provisions of the Bond Resolution), in the order of their due dates, with interest on the principal amount of such Subordinate Indebtedness at the respective rates specified therein from the respective dates upon which such Subordinate Indebtedness became due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Subordinate Indebtedness due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and

*third:* to the payment of the interest on and the principal of the Subordinate Indebtedness, to the purchase and retirement of the Subordinate Indebtedness and to the

redemption of the Subordinate Indebtedness, all in accordance with the provisions of the Bond Resolution.

(d) If the principal of all of the Subordinate Indebtedness shall have become due and payable, all such moneys shall be applied:

*first:* to the payment to the persons entitled thereto of all installments of interest due and payable on or prior to maturity, if any, in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Indebtedness, and then to the payment of any interest due and payable after maturity on the Subordinate Indebtedness, ratably, to the person entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Indebtedness; and

*second:* to the payment of the principal of the Subordinate Indebtedness, ratably, to the persons entitled thereto, without preference or priority of any Subordinate Indebtedness over any other Subordinate Indebtedness.

Whenever moneys are to be applied by the Issuer pursuant to the foregoing provisions, such moneys shall be applied at such times, and from time to time, as the Director of Finance, in his or her sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the Paying Agent in trust for the proper purpose shall constitute proper application by the Issuer; and the Issuer shall incur no liability whatsoever to any Owner or to any other person for any delay in applying any such moneys, so long as the Issuer acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application by the Director of Finance. Whenever the Director of Finance shall exercise such discretion in applying such moneys, she shall fix the date (which shall be an Interest Payment Date unless she shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Director of Finance shall give such notice as she may deem appropriate of the fixing of any such date, and shall not be required to make payment to the Owner of any unpaid Utility Indebtedness until the same shall be surrendered to the Paying Agent for appropriate endorsement, or for cancellation if fully paid.

In case any proceeding taken by any Owner on account of any default shall have been discontinued or abandoned for any reason, then and in every such case the Issuer and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights and remedies of the Owners shall continue as though no such proceedings had been taken. No Owner of any of any Utility Indebtedness shall have any right in any manner whatever to affect, disturb or prejudice the security of the Bond Resolution or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of the same class of Utility Indebtedness. No remedy herein conferred on the Owners is intended to be exclusive of any other remedy or remedies, and each and every remedy conferred shall be cumulative and shall be in addition to every other remedy given hereunder and under the Act or now or hereafter existing at law or in equity or by statute. No delay or omission of any Owner to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given to the Owners may be exercised from time to time and as often as may be deemed expedient.

**Section 10215. Limitation on Rights of Owners.** No Owner of any Utility Indebtedness shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Bond Resolution or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (a) an Event of Default shall have occurred, (b) the Owners of twenty-five percent (25%) in aggregate principal amount of same class of the Utility Indebtedness then Outstanding shall have made written request to the Issuer, shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and (c) the Issuer shall thereafter fail or refuse to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case, at the option of the Issuer, to be conditions precedent to the execution of the powers and trusts of the Bond Resolution, and to any action or cause of action for the enforcement of the Bond Resolution, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Owners of the Utility Indebtedness shall have any right in any manner whatsoever to affect, disturb or prejudice the Bond Resolution by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of the Utility Indebtedness then Outstanding. Nothing in the Bond Resolution contained shall, however, affect or impair the right of any Owner to payment of Debt Service Requirements on any Utility Indebtedness at and after the maturity thereof or the obligation of the Issuer to pay the Debt Service Requirements on each of the Utility Indebtedness issued hereunder to the respective Owners thereof at the time, place, from the source and in the manner herein and in the Utility Indebtedness expressed.

**Section 10216. 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. If action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the Issuer and the Owners shall be restored to their former positions and rights, respectively, and all rights, remedies, powers and duties of the Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

**Section 10217. No Obligation to Levy Taxes.** Nothing contained in this Bond Resolution shall be construed as imposing on the Issuer any duty or obligation to levy any taxes either to meet any obligation incurred herein or to pay the principal of or interest on the Utility Indebtedness.

**Section 10218. Control of Remedies Upon an Event of Default and Event of Insolvency.** Notwithstanding anything herein to the contrary, upon the occurrence and continuance of an Event of Default, the Bond Insurer, if any, provided the Bond Insurance Policy is in full force and effect and the Bond Insurer shall not be in default thereunder, shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners under this Bond Resolution. Any reorganization or liquidation plan with respect to the Issuer must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Owners who hold the Insured Bonds insured by the Bond Insurer absent a default by the Bond Insurer under the applicable Bond Insurance Policy insuring such Insured Bonds.

## ARTICLE XI

### DEFEASANCE

**Section 11214. Defeasance.** When any or all of the Utility Indebtedness, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Bond Resolution and the pledge of the Net Revenues hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Utility Indebtedness, 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 Utility Indebtedness 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 Utility Indebtedness 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 Utility Indebtedness, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption in compliance with the Bond Resolution. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the Issuer, for the purpose of paying and discharging any of the Utility Indebtedness, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Utility Indebtedness, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of the Bond Resolution. The Issuer shall notify the Bond Insurer of any defeasance of any Insured Bonds insured by the Bond Insurer.

Notwithstanding anything in the Bond Resolution to the contrary, in the event that the principal and/or interest due on the Insured Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Insured 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 12214. 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 2020C Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Mayor and Clerk 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 2020C Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

**Section 12215. 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 2020C 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 13214. Disclosure Requirements.** The Issuer hereby covenants with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking, which are incorporated herein by reference. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

**Section 13215. Failure to Comply with Continuing Disclosure Requirements.** In the event the Issuer fails to comply in a timely manner with its covenants contained in the preceding section, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement contained in the preceding section or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Issuer under such preceding section. The Purchaser or Beneficial Owner shall provide a copy of any such demand or notice to the Bond Insurer, if any.

### ARTICLE XIV

#### MISCELLANEOUS PROVISIONS

**Section 14214. Amendments.** The rights and duties of the Issuer and the Owners, and the terms and provisions of the Utility Indebtedness or of this Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Utility Indebtedness 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 Utility Indebtedness;
- (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Utility Indebtedness;
- (c) permit preference or priority of any Utility Indebtedness over any other Utility Indebtedness;
- (d) reduce the percentage in principal amount of Utility Indebtedness required for the written consent to any modification or alteration of the provisions of this Bond Resolution; or
- (e) permit the creation of a lien on the Revenues prior or equal to the lien of the Parity Indebtedness.

Any provision of the Utility Indebtedness 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 Utility Indebtedness 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 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 Utility Indebtedness 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 Utility Indebtedness or a prospective purchaser or owner of any Utility Indebtedness 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 Bond Insurer, if any, and the Owners of the Utility Indebtedness then Outstanding. It shall not be necessary to note on any of the Outstanding Utility Indebtedness any reference to such amendment or modification.

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

**Section 14215. 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 Utility Indebtedness, 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 Utility Indebtedness, the amount or amounts, numbers and other identification of Utility Indebtedness, 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 Utility Indebtedness Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Bond Resolution, Utility Indebtedness 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 Utility Indebtedness which the Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Utility Indebtedness 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 Utility Indebtedness and that the pledgee is not the Issuer.

**Section 14216. 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 and the Bond Insurer, if any. The Issuer, the Paying Agent, the Bond Insurer 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.

**Section 14217. Inconsistent Provisions.** In case any one or more of the provisions of the Series 2020C Bond Resolution or of the Utility Indebtedness issued hereunder shall for any reason be inconsistent with the provisions of the Outstanding Parity Bond Resolutions or the Parity Indebtedness: (a) the provisions of any Outstanding Parity Bond Resolution adopted prior to the Series 2020C Bond Resolution shall prevail with respect to Parity Indebtedness issued prior in time, so long as such Parity Indebtedness is Outstanding; and (b) the provisions of the Series 2020C Bond Resolution shall prevail with respect to any Parity Bond Resolution adopted subsequent to the Series 2020C Bond Resolution, so long as any Parity Indebtedness issued under the Series 2020C Bond Resolution is Outstanding.

**Section 14218. Electronic Transactions.** The issuance of the Series 2020C Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

**Section 14219. 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 14220. 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 14221. Governing Law.** This Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

**Section 14222. 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 September 15, 2020.

(SEAL)

\_\_\_\_\_  
Brandon J. Whipple, Mayor

ATTEST:

\_\_\_\_\_  
Karen Sublett, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Jennifer Magaña, 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. 20-278 (the "Bond Resolution") of the City of Wichita, Kansas, adopted by the Governing Body on September 15, 2020, 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: September 15, 2020.

\_\_\_\_\_  
Karen Sublett, City Clerk

**EXHIBIT A**  
**(FORM OF SERIES 2020C BONDS)**

**REGISTERED  
NUMBER** \_\_\_\_

**REGISTERED  
\$**\_\_\_\_\_

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

**UNITED STATES OF AMERICA  
STATE OF KANSAS  
COUNTY OF SEDGWICK  
CITY OF WICHITA  
WATER AND SEWER UTILITY REFUNDING REVENUE BOND  
SERIES 2020C**

**Interest  
Rate:**

**Maturity  
Date:**

**Dated  
Date: October 1, 2020**

**CUSIP:**

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**

**KNOW ALL PERSONS BY THESE PRESENTS:** That the City of Wichita, in the County of Sedgwick, State of Kansas (the “Issuer”), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Maturity Date shown above, unless called for redemption prior to said Maturity Date, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable semiannually on April 1 and October 1 of each year, commencing April 1, 2021 (the “Interest Payment Dates”), until the Principal Amount has been paid.

**Method and Place of Payment.** The principal or redemption price of this Series 2020C Bond shall be paid at maturity or upon earlier redemption to the person in whose name this Series 2020C Bond is registered at the maturity or redemption date thereof, upon presentation and surrender of this Series 2020C Bond at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”). The interest payable on this Series 2020C Bond on any Interest Payment Date shall be paid to the person in whose name this Series 2020C Bond is registered on the registration books maintained by the Bond Registrar at the close of business on the Record Date(s) for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding the Interest

Payment Date. Such interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner or, (b) in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Series 2020C Bonds, by electronic transfer to such Registered Owner upon written notice given to the Bond Registrar by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Registered Owner wishes to have such transfer directed. The principal or redemption price of and interest on the Series 2020C Bonds shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. Interest not punctually paid will be paid in the manner established in the within defined Bond Resolution.

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

**Authorization of Series 2020C Bonds.** This Series 2020C Bond is one of an authorized series of bonds of the Issuer designated “Water and Sewer Utility Refunding Revenue Bonds, Series 2020C,” aggregating the principal amount of \$10,395,000 (the “Series 2020C Bonds”) issued for the purposes set forth in the Ordinance of the Issuer authorizing the issuance of the Series 2020C Bonds and the Resolution of the Issuer prescribing the form and details of the Series 2020C Bonds (collectively the “Bond Resolution”). The Series 2020C Bonds are issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and laws of the State of Kansas, including K.S.A. 10-116a, K.S.A. 10-620 *et seq.* and K.S.A. 10-1201 *et seq.*, as amended by Charter Ordinance No. 211, all as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

**Special Obligations.** The Series 2020C Bonds are special obligations of the Issuer payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the taxing power of the Issuer is not pledged to the payment of the Series 2020C Bonds either as to principal or interest. The Series 2020C Bonds shall not be or constitute a general obligation of the Issuer, nor shall they constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provision, limitation or restriction. The Series 2020C Bonds stand on a parity and are equally and ratably secured with respect to the payment of principal and interest from the Net Revenues and in all other respects with the Outstanding Parity Bonds of the Issuer and any Parity Indebtedness to be issued. ***Under the conditions set forth in the Bond Resolution, the Issuer has the right to issue additional Utility Indebtedness payable from the same source and secured by the Net Revenues on a parity with said Net Revenues; provided, however, that such additional Utility Indebtedness may be so issued only in accordance with and subject to the covenants, conditions and restrictions relating thereto set forth in the Bond Resolution.***

The Issuer hereby covenants and agrees with the Registered Owner of this Series 2020C Bond that it will keep and perform all covenants and agreements contained in the Bond Resolution, and will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the Utility, as will produce Net Revenues sufficient to pay the costs of operation and maintenance of the Utility, pay the principal of and interest on the Series 2020C Bonds as and when the same become due, and provide reasonable and adequate reserve funds. Reference is made to the Bond Resolution for a description of the covenants and agreements made by the Issuer with respect to the collection, segregation and application of the Revenues, the nature and extent of the security for the Series 2020C Bonds, the rights, duties and obligations of the Issuer with respect thereto, and the rights of the Registered Owners thereof.

**Redemption Prior to Maturity.** The Series 2020C Bonds are subject to redemption prior to maturity as set forth in the Bond Resolution.

**Book-Entry System.** The Series 2020C Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Bond Resolution. One certificate with respect to each date on which the Series 2020C Bonds are stated to mature or with respect to each form of Series 2020C Bonds, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Series 2020C Bonds by the Securities Depository's participants, beneficial ownership of the Series 2020C Bonds in Authorized Denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Issuer and the Bond Registrar will recognize the Securities Depository nominee, while the Registered Owner of this Series 2020C Bond, as the owner of this Series 2020C Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Series 2020C Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to Beneficial Owners of the Series 2020C Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such Beneficial Owners. The Issuer and the Bond Registrar will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the Owner of this Series 2020C Bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Series 2020C Bond shall be made in accordance with existing arrangements among the Issuer, the Bond Registrar and the Securities Depository.

**Transfer and Exchange.** EXCEPT AS OTHERWISE PROVIDED IN THE BOND RESOLUTION, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY. This Series 2020C Bond may be transferred or exchanged, as provided in the Bond Resolution, only on the Bond Register kept for that purpose at the principal office of the Bond Registrar, upon surrender of this Series 2020C Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Bond Registrar duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Series 2020C Bond or Series 2020C Bonds in any Authorized Denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Bond Resolution and upon payment of the charges therein prescribed. The Issuer shall pay all costs incurred in connection with the issuance, payment and initial registration of the Series 2020C Bonds and the cost of a reasonable supply of bond blanks. The Issuer and the Paying Agent may deem and treat the person in whose name this Series 2020C Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. The Series 2020C Bonds are issued in fully registered form in Authorized Denominations.

**Authentication.** This Series 2020C Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter defined Bond Resolution until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Bond Registrar.

**IT IS HEREBY DECLARED AND CERTIFIED** that all acts, conditions, and things required to be done and to exist precedent to and in the issuance of this Series 2020C Bond have been properly done and performed and do exist in due and regular form and manner as required by the Constitution and laws of the State of Kansas, that the total indebtedness of the Issuer, including this series of bonds, does not

exceed any constitutional or statutory limitation, and that provision has been duly made for the collection and segregation of the Gross Revenues of the Water and Sewer Utility (the "Utility") and for the application of the same as provided in the hereinafter defined Bond Resolution.

**IN WITNESS WHEREOF**, the Issuer has caused this Series 2020C Bond to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its Clerk, and its seal to be affixed hereto or imprinted hereon.

**CITY OF WICHITA, KANSAS**

(Facsimile Seal)

\_\_\_\_\_  
(facsimile)  
Mayor

ATTEST:

By \_\_\_\_\_  
(facsimile)  
Clerk

---

**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This Series 2020C Bond is one of a series of Water and Sewer Utility Refunding Revenue Bonds, Series 2020C, of the City of Wichita, Kansas, described in the within-mentioned Bond Resolution.

Registration Date \_\_\_\_\_

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

By \_\_\_\_\_

Registration Number: 0709-087-100120-\_\_\_\_

---

**LEGAL OPINION**

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of such Series 2020C Bonds:

**GILMORE & BELL, P.C.**  
Attorneys at Law  
100 N. Main Suite 800  
Wichita, Kansas 67202

(PRINTED LEGAL OPINION)



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**BOND ASSIGNMENT**

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

\_\_\_\_\_  
(Name and Address)

\_\_\_\_\_  
(Social Security or Taxpayer Identification No.)

the Series 2020C Bond to which this assignment is affixed in the outstanding principal amount of \$\_\_\_\_\_, standing in the name of the undersigned on the books of the Bond Registrar. The undersigned do(es) hereby irrevocably constitute and appoint \_\_\_\_\_ as agent to transfer said Series 2020C Bond on the books of said Bond Registrar with full power of substitution in the premises.

Dated \_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Social Security or  
Taxpayer Identification No.

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

Signature guarantee:

By \_\_\_\_\_

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**CERTIFICATE OF CLERK**

STATE OF KANSAS                    )  
  ) SS.  
COUNTY OF SEDGWICK            )

The undersigned, Clerk of the City of Wichita, Kansas, does hereby certify that the within Series 2020C Bond has been duly registered in my office according to law as of October 1, 2020.

WITNESS my hand and official seal.

(Facsimile Seal)

\_\_\_\_\_  
(facsimile)  
Clerk

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**CERTIFICATE OF STATE TREASURER**

OFFICE OF THE TREASURER, STATE OF KANSAS

JAKE LATURNER, Treasurer of the State of Kansas, does hereby certify that a transcript of the proceedings leading up to the issuance of this Series 2020C Bond has been filed in the office of the State Treasurer, and that this Series 2020C Bond was registered in such office according to law on

\_\_\_\_\_.

WITNESS my hand and official seal.

(Facsimile Seal)

By: \_\_\_\_\_ (facsimile)  
Treasurer of the State of Kansas