AN ORDINANCE INTRODUCED BY MAYOR JOAN WAGONN
AUTHORIZING THE CITY OF TOPEKA, KANSAS, TO
ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS,
SERIES A2000, (PAYLESS SHOESOURCE, INC.,
PROJECT) IN THE MAXIMUM PRINCIPAL AMOUNT OF
$10,563,000 FOR THE PURPOSE OF PURCHASING,
ACQUIRING, CONSTRUCTING, RECONSTRUCTING,
IMPROVING, REMODELING, EQUIPPING AND INSTALL-
ING CERTAIN FACILITIES; AUTHORIZING EXECU-
TION OF A TRUST INDENTURE BY AND BETWEEN THE
CITY AND UMB BANK, N.A., IN THE CITY OF
KANSAS CITY, MISSOURI, AS TRUSTEE; AUTHORIZ-
ING THE CITY TO LEASE SAID PROJECT TO
PAYLESS SHOESOURCE, INC.; AND AUTHORIZING
EXECUTION OF A LEASE BY AND BETWEEN SAID
CITY AND PAYLESS SHOESOURCE, INC.

WHEREAS, the City of Topeka, Kansas, (the "City") is author-
ized by K.S.A. 12-1740 to 12-1749d, inclusive, as amended, (the
"Act") to acquire, construct, improve and equip certain facili-
ties (as defined in the Act) for commercial, industrial and
manufacturing purposes, and to enter into leases and lease-pur-
chase agreements with any person, firm or corporation for said
facilities, and to issue revenue bonds for the purpose of paying
the cost of any such facilities; and

WHEREAS, the City has, pursuant to both the Act and Ordin-
ance No. 17130, as passed and approved by the Council of the
City on June 24, 1997, published as required by law, and amended
by Ordinance No. 17160 of the City, passed, approved and pub-
lished all as required by law, (the "1997 Ordinance"), issued
its Industrial Revenue Bonds, Series B1997, (Payless ShoeSource,
Inc. Project) dated August 1, 1997, in the aggregate principal
amount of $13,731,000, and outstanding as of December 1, 2000,
in the principal amount of $9,621,000, for the purpose of acquiring certain real property and constructing, purchasing and installing a commercial facility thereon (the "1997 Facility") and has leased the 1997 Facility to Payless ShoeSource, Inc., a Missouri corporation, (the "Tenant") pursuant to the terms and conditions of a Lease, dated as of August 1, 1997, entered into by and between the City and the Tenant; and

WHEREAS, the City has, pursuant to the Act and Ordinance No. 17299, as passed and approved by the Council of the City on September 22, 1998, and published as required by law (the "1998 Ordinance"), issued its Industrial Revenue Bonds, Series A1998, (Payless ShoeSource, Inc. Project) dated September 1, 1998, in the principal amount of $13,200,000 and outstanding as of December 1, 2000, in the principal amount of $10,560,000, for the purpose of acquiring, constructing and purchasing certain building improvements, fixtures, machinery and equipment (the "1998 Facility") to be installed on and in the 1997 Facility, and has leased the 1998 Facility to the Tenant pursuant to the terms and conditions of a Lease dated as of September 1, 1998, entered into by and between the City and Tenant; and

WHEREAS, the Tenant now wishes to extend and improve the 1997 Facility and the 1998 Facility by the purchase, construction and installation of building additions, fixtures, improvements, machinery and equipment (said additions, fixtures, improvements, machinery and equipment being herein referred to as the "A2000 Project"); and
WHEREAS, pursuant to Section 209 of the Trust Indenture dated as of August 1, 1997, between the City and the trustee designated therein (the "1997 Indenture") the City may issue additional bonds for the purpose of financing the extensions and improvements to the 1997 Facility and the 1998 Facility; and

WHEREAS, in accordance with the provisions of Section 209 of the 1997 Indenture, the City may pledge the 1997 Facility, the 1998 Facility and the A2000 Project and the net earnings therefrom to the payment of such additional series of industrial revenue bonds and interest thereon; and

WHEREAS, the City has heretofore and does hereby find and determine that it is desirable in order to promote, stimulate and develop the general economic welfare and prosperity of the City and the State of Kansas that the City issue its Taxable Industrial Revenue Bonds, Series A2000 (Payless ShoeSource, Inc., Project), dated the date of issuance, in the principal amount not exceeding $10,563,000 (the "Series A2000 Bonds"), for the purpose of paying the costs of acquiring, constructing, improving and equipping the A2000 Project as more fully described in the Indenture and in the Lease hereinafter authorized and which A2000 Project shall be leased by the City to the Tenant; and

WHEREAS, the City further finds and determines that it is necessary and desirable in connection with the issuance of said Series A2000 Bonds to execute and deliver a Trust Indenture dated as of December 1, 2000, (the "Indenture") with UMB Bank, n.a., Kansas City, Missouri, as Trustee, (the "Trustee") for the
purpose of issuing and securing the Series A2000 Bonds as provid-
ed therein, and to enter into a Lease dated as of December 1, 2000, (the "Lease") with the Tenant, pursuant to which the City shall cause the A2000 Project to be purchased, acquired, con-
structed and leased to the Tenant in consideration of payments of Basic Rent, Additional Rent and other charges provided for therein.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TOPEKA, KANSAS:

Section 1. Definition of Terms. That all capitalized terms and phrases not otherwise defined herein shall have the respective meanings set forth in the Indenture and/or the Lease herein authorized.

Section 2. Authority to Cause the Project to be Purchased and Constructed. That the City is hereby authorized to cause the A2000 Project to be purchased, acquired, constructed and installed, all in the manner and as more particularly described in the Indenture and/or the Lease hereinafter authorized.

Section 3. Authorization of and Security for the Bonds. That there is hereby authorized and directed to be issued a series of industrial revenue bonds to be designated "City of Topeka, Kansas, Taxable Industrial Revenue Bonds, Series A2000 (Payless ShoeSource, Inc., Project)" in the maximum principal amount of $10,563,000 (the "Series A2000 Bonds") for the purpose of providing funds to pay the cost of acquiring, constructing, improving and equipping the A2000 Project. The Series A2000 Bonds shall be dated and bear interest, shall mature and be
payable at such times, shall be in such form, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued as prescribed and subject to the provisions, covenants and agreements set forth in the Indenture. The Series A2000 Bonds shall be special limited obligations of the City, payable solely from the revenues derived by the City pursuant to the Lease, or otherwise in connection with the A2000 Project. The Series A2000 Bonds shall not be general obligations of or constitute a pledge of the faith and credit of the City within the meaning of a constitutional or statutory provision and shall not be payable in any manner from tax revenues.

Section 4. Authorization of Indenture. That the City is hereby authorized to enter into the Indenture dated as of December 1, 2000, by and between the City and UMB Bank, n.a., Kansas City, Missouri, as Trustee, under which the City shall pledge and assign to the Trustee, for the benefit of the owner(s) of the Series A2000 Bonds, the Trust Estate created thereby, all upon the terms and conditions set forth in said Indenture.

Section 5. Lease of the Project. That the City shall cause the A2000 Project to be purchased, acquired, constructed and installed and leased by the City to the Tenant pursuant to and in accordance with the provisions of the Lease dated as of December 1, 2000, by and between the City and the Tenant and shall otherwise observe and perform or cause to be observed and performed the agreements set forth in the Lease.

Section 6. Execution of Bonds and Agreements. That the Mayor of the City of Topeka, Kansas, is hereby authorized and
directed to execute the Series A2000 Bonds and deliver the same to the Trustee for authentication for and on behalf of and as the act and deed of the City in the manner provided in the Indenture. The Mayor is hereby further authorized and directed to execute and deliver the Indenture and the Lease for and on behalf of and as the act and deed of the City with such corrections or amendments thereto as the Mayor shall approve, which approval shall be evidenced by her execution thereof, and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the purposes and intent of this Ordinance. The City Clerk or the Deputy City Clerk of the City are hereby authorized and directed to attest the execution of the Series A2000 Bonds, the Indenture, the Lease and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 7. Pledge of the A2000 Project. That the City hereby pledges the A2000 Project to the payment of the Series A2000 Bonds in accordance with K.S.A. 12-1744 and pursuant to the terms and conditions as set forth in the Indenture. The lien created by such pledge shall be discharged when the Series A2000 Bonds shall be deemed to have been paid within the meaning of the Indenture.

Section 8. Further Authority. That the City shall, and the officers, agents and employees of the City are hereby authorized and directed to take such action and execute such other documents, certificates and instruments as may be necessary or
desirable to carry out and comply with the provisions of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Series A2000 Bonds, the Inden- ture and the Lease, all as necessary to carry out and give effect to the transaction contemplated hereby and thereby.

Section 9. Effective Date. That this Ordinance shall take effect and be in force from and after its passage and publication in the official newspaper of the City.

PASSED and approved by the Council of the City of Topeka, Kansas, this 19th day of December, 2000.

ATTEST:

Iris E. Walker, City Clerk

CITY OF TOPEKA, KANSAS

Joan Wagonon, Mayor

CAPITAL CITY INCORPORATED

AN CANSAS

APPROVED AS TO FORM & LEGALITY
E.D.S.
DEC 7, 2000
CITY ATTORNEY'S OFFICE