ORDINANCE NO. 18163

AN ORDINANCE INTRODUCED BY MAYOR JAMES A. MCCLINTON
AUTHORIZING THE ISSUANCE OF $46,180,000 AGGREGATE
PRINCIPAL AMOUNT OF COMBINED UTILITY IMPROVEMENT AND
REFUNDING REVENUE BONDS, SERIES 2004-A, OF THE CITY OF
TOPEKA, KANSAS, UNDER THE AUTHORITY OF K.S.A. 10-116a,
K.S.A. 10-1201 ET SEQ., AND ALL AMENDMENTS THERETO.

WHEREAS, pursuant to K.S.A. 10-1201 et seq., as amended (the "Act"), the governing
body of the City of Topeka, Shawnee County, Kansas, (the "City") by its Ordinances Nos.
18105, 18106, 18107, 18108, 18109, 18110 and 18111 adopted by two-thirds vote of the
members thereof, and published as required by law, expressed its intent to improve the City's
stormwater, wastewater and water supply systems (collectively, the "System") by making certain
stormwater collection, sanitary sewer and water distribution improvements together with all
things necessary and incidental thereto (the "Improvements") and authorizing that notice of the
City's intention to make the Improvements and finance the costs thereof be given in accordance
with the requirements of the Act; and

WHEREAS, pursuant to the Act, the City did cause to be published in its official
newspaper, a paper of general circulation in the City, its Notice(s) of Intention to complete the
Improvements and finance the cost thereof by issuing revenue bonds of the City, in the
maximum principal amount of $38,327,839.00, to pay all or part of the cost of the Improvements
incurred or to be incurred by the City in connection with the Improvements; and

WHEREAS, a sufficient protest against the making of the Improvements and the
issuance of revenue bonds of the City in the maximum principal amount of $38,327,839.00 to
pay the cost thereof was not received by the City Clerk within fifteen (15) days of the date of the
publication of the City's Notice of Intention; and

WHEREAS, the City has heretofore duly authorized, issued and delivered its
$11,315,000 principal amount of Water and Water Pollution Control Utility Refunding Revenue
Bonds, Series 1998A, dated June 1, 1998, (the "Refunded Bonds") pursuant to its Ordinance and
Resolution adopted June 16, 1998, in accordance with the requirements of K.S.A. 10-1201 et
seq., and K.S.A. 10-116a, all as amended (the "Refunded Bond Ordinance"); and
WHEREAS, as of January 1, 2004, there remains outstanding of the Refunded Bonds the principal amount of $8,030,000 bearing interest payable semiannually on February 1 and August 1 each year and maturing serially on August 1, as follows:

<table>
<thead>
<tr>
<th>YEAR (AUGUST 1)</th>
<th>AMOUNT</th>
<th>INTEREST RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$825,000</td>
<td>4.15%</td>
</tr>
<tr>
<td>2005</td>
<td>860,000</td>
<td>4.20</td>
</tr>
<tr>
<td>2006</td>
<td>900,000</td>
<td>4.25</td>
</tr>
<tr>
<td>2007</td>
<td>945,000</td>
<td>4.30</td>
</tr>
<tr>
<td>2008</td>
<td>990,000</td>
<td>4.40</td>
</tr>
<tr>
<td>2009</td>
<td>1,035,000</td>
<td>4.45</td>
</tr>
<tr>
<td>2010</td>
<td>1,085,000</td>
<td>4.55</td>
</tr>
<tr>
<td>2011</td>
<td>1,140,000</td>
<td>4.65</td>
</tr>
<tr>
<td>2012</td>
<td>250,000</td>
<td>4.70</td>
</tr>
</tbody>
</table>

WHEREAS, pursuant to Section 203 of the Refunded Bond Ordinance, the State Treasurer of the State of Kansas, Topeka, Kansas, was designated as the City's Paying Agent and Bond Registrar for the payment of the principal of and interest on the Refunded Bonds; and

WHEREAS, pursuant to Section 301 of the Refunded Bond Ordinance, the Refunded Bonds maturing on August 1, 2004, and thereafter are subject to redemption and payment at the option of the City on August 1, 2003, and thereafter in whole or in part on any date at the redemption price equal to the principal amount thereof with a premium of one percent of the principal amount redeemed, such premium to decline one-half of one percent (1/2 of 1%) each Interest Payment Date thereafter, plus accrued interest to the date of redemption; and

WHEREAS, the City has determined and hereby determines that it is in the best interest of the City and the patrons and taxpayers thereof that the Refunded Bonds be paid and redeemed as the same mature and otherwise become subject to redemption and payment on February 20, 2004, (the "Redemption Date") and that refunding revenue bonds of the City payable from the revenues derived from the operation of the System of the City be issued in the principal amount of $8,200,000; and

WHEREAS, such redemption and refunding would help the City achieve interest cost savings on its bonded indebtedness, provide a more orderly plan of financing for the City and result in a general restructuring of the debt service obligation of the City; and

WHEREAS, it is necessary at this time that the City proceed forthwith to sell and deliver its Combined Utility Improvement and Refunding Revenue Bonds, Series 2004-A, in the principal sum of $46,180,000 (the "Series 2004-A Bonds") for the purpose of providing funds to (1) pay that portion of the costs of making the Improvements (i.e., $35,056,407.10), (2) currently
WHEREAS, the City on June 30, 1998, issued its Refunded Bonds and its Water and Water Pollution Control Utility Revenue Bonds, Series 1998B in the amount of $31,440,000 (the “Series 1998B Bonds”); and

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

WHEREAS, on March 25, 2003, the City combined its stormwater utility with the water and water pollution control utility creating a water, water pollution control and stormwater utility system (the “Combined Utility”).

WHEREAS, The Series 2004-A Bonds are parity obligations of the City’s System and, as such shall have equal lien status with the Refunded Bonds, Series 1998-B Bonds and Series 2001-A Bonds.

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

Section 1. That for the purposes of providing funds to (1) pay the costs of making the Improvements (2) currently refund the City’s Refunded Bonds (3) fund a debt service reserve fund for the Bonds and (4) pay the costs of issuing the Bonds as aforesaid, there is hereby authorized and directed to be issued Combined Utility Improvement and Refunding Revenue Bonds of the City in the aggregate principal amount of Forty-six Million One Hundred Eighty Thousand Dollars ($46,180,000) (the "Bonds") as provided by the Act. The 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 in the manner prescribed and subject to the provisions, covenants and agreements set forth in a resolution of the Governing Body of the City adopted the same date as the date of the passage and approval of this Ordinance (the "Resolution").

Section 2. That the Mayor and City Clerk are hereby authorized to prepare and execute the Bonds and when so executed, the Bonds shall be registered as required by law and the Governing Body shall annually make provisions for the payment of the principal of, redemption premium, if any, and interest on the Bonds as the same shall become due from the revenues derived by the City from the rates, fees or charges collected by the City from the operation of the System, including all improvements, extensions and enlargements thereto hereafter constructed or acquired by the City and not from any other fund or source. The Bonds shall constitute a lien upon the revenues produced from the System of the City.

Section 3. 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 Bonds and the Resolution all as necessary to carry out and give effect to the
transaction contemplated hereby and thereby.

Section 4. That if any portion or provision of this Ordinance or the Bonds shall for any
reason be held to be invalid or unenforceable, the invalidity or unenforceability of such portion
or provisions shall not effect any of the remaining provisions of this Ordinance or the Bonds, but
this Ordinance and said Bonds shall be construed and enforced as if such illegal or invalid
provision had not been contained herein.

Section 5. That the Bonds shall be issued and sold to the purchaser thereof in accordance
with both its bid for the purchase thereof and the terms and conditions of this Ordinance.

Section 6. That this Ordinance shall take effect and be in force from and after its passage
and publication in the official City newspaper.

Passed by the Governing Body and approved by the Council of the City of Topeka,
Kansas, this 20th day of January, 2004.

CITY OF TOPEKA, KANSAS

ATTEST:

James A. McClinton, Mayor

Iris E. Walker, City Clerk

Iris E. Walker, City Clerk of the City of Topeka, Shawnee County, Kansas, do
hereby certify that the above and foregoing is a true and correct copy of Ordinance No. 18163
adopted and approved by the City Council on January 20, 2004.