
RESOLUTION NO. 2016-44

OF

LEAVENWORTH COUNTY, KANSAS

ADOPTED

DECEMBER 8, 2016

**GENERAL OBLIGATION SALES TAX BONDS
SERIES 2016-A**

AND

**TAXABLE GENERAL OBLIGATION SALES TAX BONDS
SERIES 2016-B**

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***EXHIBIT A – FORM OF BONDS*A-1**

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RESOLUTION NO. 2016-44

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION SALES TAX BONDS, SERIES 2016-A AND TAXABLE GENERAL OBLIGATION SALES TAX BONDS, SERIES 2016-B, OF LEAVENWORTH COUNTY, KANSAS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

WHEREAS, Leavenworth County, Kansas (the “Issuer” and the “County”) is a political subdivision, duly created, organized and existing under the Constitution and laws of the State; and

WHEREAS, pursuant to Resolution No. 2014-41 and K.S.A. 12-187 *et seq.* (the “Sales Tax Act”), a special election was duly held in the Issuer on February 3, 2015, on the question (the “Ballot Question”) of whether to: (1) continue a one percent (1.0%) Countywide retailers’ sales tax (the “Sales Tax”), the proceeds of which shall be used only to finance capital improvements, infrastructure, facilities, the purchase of equipment, debt reduction and economic development projects in the county and cities within the county, the collection of the Sales Tax to commence on January 1, 2017, or as soon thereafter as permitted by law, and to terminate on December 31, 2036; and (2) issue sales tax/general obligation bonds in a principal amount of not to exceed \$40,000,000 to pay the costs of the above-referenced projects and associated financing costs; and

WHEREAS, it was found and determined that more than a majority of the qualified electors of the Issuer voting on the question had voted in favor of the issuance of said bonds for the purpose aforesaid; and

WHEREAS, pursuant to Resolution No. 2016-35, K.S.A. 68-580 *et seq.* and Charter Resolution 2016-1, the Issuer has previously authorized certain road improvements described as follows:

1. The improvement of 147th Street from Fairmount Road to Parallel Road;
2. The improvement of McIntyre Road from K-7/U.S. 73 Highway to K-5 Highway;
3. The improvement of Eisenhower Street (County Road 34) from approximately one-half mile east of 20th Street of the City of Leavenworth to County Road 5; and
4. The improvement of the secondary road system of the County;

(collectively, the “Road Improvements”); and

WHEREAS, pursuant to Resolution No. 2016-32 and K.S.A. 19-101 *et seq.*, the Issuer has previously authorized the issuance of general obligation bonds to fund an economic development contribution to the Leavenworth County Port Authority for the purposes of providing an economic development contribution and grant related to a new industrial park within the City of Leavenworth, Kansas (the “Leavenworth Industrial Park Contribution”); and

WHEREAS, pursuant to Resolution No. 2016-33 and K.S.A. 19-101 *et seq.*, the Issuer has previously authorized the issuance of general obligation bonds to fund an economic development contribution to the Leavenworth County Port Authority for the purposes of providing an economic

development contribution and grant related to a new industrial park within the City of Tonganoxie, Kansas (the “Tonganoxie Industrial Park Contribution”); and

WHEREAS, the Issuer is authorized under the provisions of the Sales Tax Act, to issue and sell general obligation bonds for the purpose of paying all or part of the cost of public facilities or improvements of the Issuer for which the Issuer is authorized pursuant to the Constitution or laws of the State to issue general obligation bonds (including the Road Improvements, the Leavenworth Industrial Park Contribution and the Tonganoxie Industrial Park Contribution) and to pledge sales tax revenues received from a County-wide retailers’ sales tax for the payment thereof; and

WHEREAS, \$8,500,000 of such general obligation sales tax bonds so authorized have been issued, and the governing body of the Issuer finds and determines that the total cost of the Road Improvements, the Leavenworth Industrial Park Contribution and the Tonganoxie Industrial Park Contribution (collectively referred to herein as the “Project”) and related expenses are at least \$40,000,000 and that it is necessary and advisable to issue an additional \$9,740,000 of its General Obligation Sales Tax Bonds, Series 2016-A (the “Series 2016-A Bonds”) and \$4,165,000 of its Taxable General Obligation Sales Tax Bonds, Series 2016-B (the “Series 2016-B Bonds,” together with the Series 2016-A Bonds, the “Series 2016 Bonds”) to finance the costs of the Project; and

WHEREAS, the governing body of the Issuer has caused to be prepared a comprehensive feasibility study showing that revenues received from the Sales Tax would be sufficient to retire such Series 2016 Bonds; and

WHEREAS, the governing body of the Issuer has advertised the sale of the Series 2016 Bonds in accordance with the law and has awarded the sale of such bonds to the best bidder; and

WHEREAS, the governing body of the Issuer hereby finds and determines that it is necessary for the Issuer to authorize the issuance and delivery of the Series 2016-A Bonds in the principal amount of \$9,740,000 and Series 2016-B Bonds in the principal amount of \$4,165,000 to pay the costs of the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF LEAVENWORTH COUNTY, KANSAS, AS FOLLOWS:

ARTICLE I

DEFINITIONS

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

“**Act**” means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, K.S.A. 12-187 *et seq.*, K.S.A. 19-101 *et seq.*, K.S.A. 25-716, K.S.A. 68-580 *et seq.*, and Charter Resolution No. 2016-1 of the Issuer, all as amended and supplemented from time to time.

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

“Additional Obligations” means any leases or other obligations of the Issuer payable from the Sales Tax Revenues, other than the Series 2016 Bonds.

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

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

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

“Bond and Interest Fund” means the Bond and Interest Fund of the Issuer for its general obligation bonds.

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

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

“Bond Registrar” means: (a) with respect to the Series 2016 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 Register” means the books for the registration, transfer and exchange of Bonds kept at the office of the Bond Registrar.

“Bonds” means the Series 2015 Bonds, the Series 2016 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.

“Chairman” means the duly elected and acting Chairman, or in the Chairman’s absence, the duly appointed and/or elected Vice Chairman or Acting Chairman 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.

“Compliance Account” means the Compliance Account created pursuant to *Section 501* hereof.

“Compliance Services Agreement” means the agreement between the Issuer and Bond Counsel relating to post-issuance compliance services relating to the Code and the SEC Rule.

“Consultant” means 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 this Resolution.

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

“Costs of Issuance” means all costs of issuing the Bonds, including but not limited to 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 ratings on the Bonds, and any premiums or expenses incurred in obtaining municipal bond insurance on the Bonds.

“Costs of Issuance Account” means (a) the Costs of Issuance Account for General Obligation Sales Tax Bonds, Series 2016-A and (b) the Costs of Issuance Account for Taxable General Obligation Sales Tax Bonds, Series 2016-B, created pursuant to **Section 501** hereof.

“County” means Leavenworth County, Kansas.

“Dated Date” means December 22, 2016.

“Debt Service Account” means the (a) Debt Service Account for General Obligation Sales Tax Bonds, Series 2016-A and (b) Debt Service Account for Taxable General Obligation Sales Tax Bonds, Series 2016-B, created within the Bond and Interest Fund pursuant to **Section 501** hereof.

“Debt Service Coverage Ratio” means, for any Fiscal Year, with respect to Additional Bonds and Additional Obligations, the ratio determined by dividing (i) a numerator equal to the Sales Tax Revenues for such Fiscal Year by (ii) a denominator equal to the Maximum Annual Debt Service on all Indebtedness that does not constitute Subordinate Lien Bonds.

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

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

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

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

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

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) such obligations are rated in a rating category by Moody's or Standard & Poor's that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

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

“Disclosure Undertaking” means the Issuer's Omnibus Continuing Disclosure Undertaking, as may be amended and supplemented, relating to certain obligations contained in the SEC Rule.

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

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

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

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

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

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

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

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

(e) A monetary default shall have occurred on any Indebtedness.

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

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

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

“Fitch” means Fitch Ratings, 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, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

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

“Indebtedness” means collectively the Bonds and any Additional Obligations which are payable out of, or secured by an interest in, the income and Sales Tax Revenues derived by the Sales Tax.

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

“Interest Payment Date(s)” means (a) with respect to the Series 2016 Bonds, the Stated Maturity of an installment of interest on any Series 2016 Bond, which shall be March 1 and September 1 of each year, commencing September 1, 2017; and (b) with respect to Additional Bonds, the Stated

Maturity of an installment of interest on such Additional Bonds, as set forth in the supplemental resolution authorizing such Additional Bonds.

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

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

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

“Maturity” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

“Maximum Annual Debt Service” means the maximum amount of Debt Service Requirements as computed for the then current or any future Fiscal Year.

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

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

(a) To the Issuer at:

County Courthouse
300 Walnut St., Suite 106
Leavenworth, Kansas 66048

(b) To the Paying Agent at:

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

(c) To the Purchaser:

Series 2016-A Bonds:

Robert W. Baird & Co., Inc.
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202-5391
Phone: (414) 765-7331

Series 2016-B Bonds:

Country Club Bank
9400 Mission Road
Prairie Village, Kansas 66206
Phone: (816) 751-1420
Fax: (913) 385-0105

Additional Bonds:

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

- (d) To the Rating Agency:

Standard & Poor's Ratings Services,
a division of McGraw Hill Financial Inc.
55 Water Street, 38th Floor
New York, 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 Bond Services.
(c) With respect to any Purchaser, the manager of its Municipal Bond Department.
(d) With respect to any Rating Agency, any Vice President thereof.

"Official Statement" means Issuer's Official Statement relating to the Bonds.

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

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

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

"Parity Bonds" means the Series 2015 Bonds, the Series 2016 Bonds and any Additional Bonds hereafter issued that meet the conditional requirements of this Bond Resolution.

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

“Parity Resolution” means this Bond Resolution and the resolutions under which any Additional Bonds which constitute Parity Bonds are hereafter issued.

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

“Paying Agent” means: (a) with respect to the Series 2016 Bonds, the State Treasurer, and its successors and assigns; and (b) with respect to Additional Bonds, the entity designated as Paying Agent in the supplemental resolution authorizing such Additional Bonds.

“Permitted Investments” shall mean the investments 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, federal home loan mortgage corporation or government national mortgage association; (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; or (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)), all as may be further restricted or modified by amendments to applicable State law.

“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.

“Project” means the project referred to in the preamble to the Resolution and any Substitute Project.

“Project Fund” means (a) the Project Fund for General Obligation Sales Tax Bonds, Series 2016-A, and (b) the Project Fund for Taxable General Obligation Sales Tax Bonds, Series 2016-B created by *Section 501* hereof.

“Purchase Price” means: (a) with respect to the Series 2016-A Bonds the principal amount of the Series 2016-A Bonds, plus a bid premium of \$117,418.95 plus accrued interest to the date of delivery; (b) with respect to the Series 2016-B Bonds the principal amount of the Series 2016-B Bonds, plus a bid

premium of \$5,503.85 plus accrued interest to the date of delivery; and (c) with respect to Additional Bonds, the amount set forth in the supplemental resolution authorizing such Additional Bonds.

“Purchaser” means: (a) with respect to the Series 2016-A Bonds, Robert W. Baird & Co., Inc., Milwaukee, Wisconsin, the original purchaser of the Series 2016-A Bonds, and any successor and assigns; (c) with respect to the Series 2016-B Bonds, Country Club Bank, Prairie Village, Kansas, the original purchaser of the Series 2016-B Bonds, and any successor and assigns; and (c) with respect to Additional Bonds, the original purchaser of such Additional Bonds, as set forth in the supplemental resolution authorizing such Additional Bonds.

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

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

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

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

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

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

“Sales Tax” means the one percent (1.00%) retailers’ sales tax collected within the boundaries of the Issuer, which was authorized under the Act by the special election held on February 3, 2015, and implemented by resolution of the Issuer.

“Sales Tax Revenue Fund” means the Sales Tax Revenue Fund created by *Section 501* hereof.

“Sales Tax Revenues” means all sales tax revenues received by the Issuer from the collection of the Sales Tax.

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

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

“Series 2015 Bonds” means the Issuer’s General Obligation Sales Tax Bonds, Series 2015, in the aggregate principal amount of \$8,500,000, authorized and issued by the Issuer pursuant to Resolution No. 2015-33 of the Issuer.

“Series 2016 Bonds” means the Series 2016-A Bonds and the Series 2016-B Bonds.

“Series 2016-A Bonds” means the Issuer’s General Obligation Sales Tax Bonds, Series 2016-A, in the aggregate principal amount of \$9,740,000, authorized and issued by the Issuer pursuant to this Bond Resolution.

“Series 2016-B Bonds” means the Issuer’s Taxable General Obligation Sales Tax Bonds, Series 2016-B, in the aggregate principal amount of \$4,165,000, authorized and issued by the Issuer pursuant to this Bond Resolution.

“Short-Term Indebtedness” means 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 *Article II* hereof for the payment of Defaulted Interest.

“Standard & Poor’s” means S&P Global Ratings, 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.

“State” means the state of Kansas.

“State Treasurer” means the duly elected Treasurer or, in the Treasurer’s absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

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

“Subordinate Lien Bonds” means any Additional Bonds or Additional Obligations issued pursuant to *Section 903* hereof.

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

“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 of the Issuer or, in the Treasurer’s absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

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

such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

“**Variable Rate Indebtedness**” means any 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 Indebtedness.

ARTICLE II

AUTHORIZATION AND DETAILS OF THE BONDS

Section 201. Authorization of the Bonds.

(a) The Series 2016-A Bonds shall be issued and hereby are authorized and directed to be issued in the principal amount of \$9,740,000, for the purpose of providing funds to: (a) pay the costs of the Project; and (b) pay Costs of Issuance related to the Series 2016-A Bonds.

(b) The Series 2016-B Bonds shall be issued and hereby are authorized and directed to be issued in the principal amount of \$4,165,000, for the purpose of providing funds to: (a) pay the costs of the Project; and (b) pay Costs of Issuance related to the Series 2016-B Bonds.

Section 202. Description of the Bonds.

(a) The Series 2016-A Bonds shall consist of fully registered bonds in an Authorized Denomination, and shall be numbered in such manner as the Bond Registrar shall determine.

(b) All of the Series 2016-A Bonds shall be dated as of the Dated Date, shall become due in the amounts, on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities as provided in *Article III* hereof, and shall bear interest at the rates per annum as follows:

SERIAL BONDS

<u>Stated Maturity</u> <u>March 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>	<u>Stated Maturity</u> <u>March 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
2018	\$160,000	3.000%	2028	\$490,000	3.000%
2019	270,000	3.000	2029	515,000	3.000
2020	290,000	3.000	2030	545,000	3.000
2021	310,000	3.000	2031	575,000	3.000
2022	355,000	3.000	2032	605,000	3.000
2023	380,000	3.000	2033	630,000	3.000
2024	405,000	3.000	2034	665,000	3.250
2025	425,000	3.000	2035	695,000	3.250
2026	445,000	3.000	2036	735,000	3.250
2027	470,000	3.000	2037	775,000	3.250

(c) All of the Series 2016-B Bonds shall be dated as of the Dated Date, shall become due in the amounts, on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities as provided in *Article III* hereof, and shall bear interest at the rates per annum as follows:

SERIAL BONDS

<u>Stated Maturity</u> <u>March 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
2018	\$445,000	2.250%
2019	580,000	2.250
2020	590,000	2.250
2021	610,000	2.250
2022	625,000	2.300
2023	645,000	2.500
2024	670,000	2.650

(d) The Series 2016 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 2016 Bonds shall be issued as Book-Entry-Only Bonds and administered in accordance with the provisions of **Section 210** hereof.

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

Section 203. Designation of Paying Agent and Bond Registrar. The State Treasurer is hereby designated as the Paying Agent for the payment of principal of and interest on the Series 2016 Bonds and Bond Registrar with respect to the registration, transfer and exchange of the Series 2016 Bonds. The Chairman 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 2016 Bonds.

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

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

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

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

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank ABA routing number and account number to which such Owner wishes to have such transfer directed.

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

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

Section 205. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Section 206. Registration, Transfer and Exchange of Bonds. The Issuer covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of the Bond Registrar as herein provided. Each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register.

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

Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature

satisfactory to the Bond Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

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

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

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

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

Section 207. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the Issuer by the manual or facsimile signature of the Chairman, attested by the manual or facsimile signature of the Clerk and the seal of the Issuer shall be affixed thereto or imprinted thereon. The Chairman 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 Chairman 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 2016 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 2016 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 2016 Bond shall be conclusive evidence that such Series 2016 Bond has been duly authenticated and delivered under this Bond Resolution. Upon authentication, the Bond Registrar shall deliver the Series 2016 Bond to the Purchaser upon instructions of the Issuer or its representative.

Section 208. Mutilated, Lost, Stolen or Destroyed Bonds. If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

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

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

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

Section 209. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and destroyed and shall file an executed counterpart of such certificate with the Issuer.

Section 210. Book-Entry Bonds; Securities Depository. 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 211. Calculation of Debt Service Requirements.

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

(1) The principal of Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness being treated as Long-Term Indebtedness under *Section 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 Indebtedness, provides adequate assurances that the Issuer will be able to meet the Debt Service Requirements due on such Indebtedness, the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness may be deemed to be payable in accordance with the terms of such arrangement or agreement; or

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

A Consultant shall deliver to the Issuer a certificate stating that it is reasonable to assume that installment obligations of such term of the Issuer can be incurred and stating the interest rate then applicable to installment obligations of such term of comparable quality. Interim Indebtedness may be deemed to be Indebtedness which, at the date of its original incurrence, would meet the conditions specified in the statement of the Consultant as required in **Section 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 210(a)(1)(D)** or may be treated as principal payable on the principal maturity date of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness.

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

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

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

(2) If the Issuer has entered into a binding agreement providing for the deposit with a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency), in trust (herein called a "Special Redemption Fund") of amounts, less investment earnings realized and retained in the Special Redemption Fund, equal in aggregate to the principal amount of

such Discount Indebtedness, or a portion thereof, and providing for the payment of such principal amount when due from the sums so deposited, and investment earnings realized thereon, then the Discount Indebtedness, or portion thereof, may be deemed to be payable in accordance with the terms of such agreement;

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

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

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

Section 212. Preliminary and Final Official Statement. The Preliminary Official Statement dated November 17, 2016, 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 Chairman is hereby authorized to execute the final Official Statement as so supplemented, amended and completed, and the use and public distribution of the final Official Statement by the Purchaser in connection with the reoffering of the Series 2016 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 2016 Bonds.

The Issuer agrees to provide to the Purchaser within seven business days of the date of the sale of Series 2016 Bonds sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 213. Sale of the Series 2016 Bonds. The sale of the Series 2016-A Bonds to the Purchaser of the Series 2016-A Bonds is hereby authorized, approved and confirmed. The sale of the Series 2016-B Bonds to the Purchaser of the Series 2016-B Bonds is hereby authorized, approved and confirmed. The Chairman and Clerk are hereby authorized to execute the official bid forms submitted by the Purchaser(s). Delivery of the Series 2016 Bonds shall be made to the Purchaser(s) on the Issue Date (which shall be as soon as practicable after the adoption of this Bond Resolution), upon payment of the Purchase Price.

Section 214. Authorization of Compliance Services Agreement. The Issuer is hereby authorized to enter into the Compliance Services Agreement with respect to the Series 2016 Bonds and the Chairman and Clerk are hereby authorized and directed to execute the Compliance Services Agreement with such changes therein as such officials may deem appropriate, for and on behalf of and as the act and deed of the Issuer.

ARTICLE III

REDEMPTION OF BONDS

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

(a) ***Series 2016-A Bonds.***

- (1) ***Optional Redemption.*** At the option of the Issuer, Series 2016-A Bonds or portions thereof maturing on March 1, 2024 and thereafter may be called for redemption and payment prior to their Stated Maturity on March 1, 2023, and thereafter as a whole or in part (selection of maturities and the amount of Series 2016-A Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

(a) ***Series 2016-B Bonds.***

- (1) ***Optional Redemption.*** The Series 2016-B Bonds are not subject to optional redemption and payment prior to maturity.

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

Section 302. Selection of Bonds to be Redeemed.

(a) 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. If the Bonds are refunded more than 90 days in advance of such Redemption Date, any escrow agreement entered into by the Issuer in connection with such refunding shall provide that such written instructions to the Paying Agent shall be given by the escrow agent on behalf of the Issuer not more than 90 days prior to the Redemption Date. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in **Section 303** are met.

(b) 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.

(c) 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 each 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 the a minimum Authorized Denomination of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem such 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 such 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 the a minimum Authorized Denomination of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption. Unless waived by any Owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. 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 Instructions. 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 or voluntary standards then in effect for processing redemptions of municipal securities established by the State or the Securities and

Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

ARTICLE IV

SECURITY FOR BONDS

Section 401. Security for the Bonds. The Series 2016 Bonds shall be general obligations of the Issuer payable as to both principal and interest from and secured by a pledge of revenue received by the Issuer from the Sales Tax, and if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the County are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Series 2016 Bonds as the same become due.

The governing body of the Issuer shall annually make provision for the payment of principal of, premium, if any, and interest on the Series 2016 Bonds as the same become due, if the Sales Tax Revenues are not sufficient for such purposes, by levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law. The taxes above referred to shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the general ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer and shall thereafter be deposited in the applicable Debt Service Account and shall be used solely for the payment of the principal of and interest on the Series 2016 Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent. If at any time said necessary taxes are not collected in time to pay the principal of or interest on the Series 2016 Bonds when due, the Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the Issuer and to reimburse said general funds for money so expended when said taxes are collected.

The covenants and agreements of the Issuer contained herein and in the Series 2016 Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Series 2016 Bonds, all of which Series 2016 Bonds shall be of equal rank and without preference or priority of one Series 2016 Bond over any other Series 2016 Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Series 2016 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 2016 Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Sales Tax Revenues and in all other respects with any Parity Bonds and Parity Obligations. The Bonds shall not have any priority with respect to the payment of principal or interest from said net income and revenues or otherwise over the Parity Bonds and Parity Obligations and the Parity Bonds and Parity Obligations shall not have any priority with respect to the payment of principal or interest from said net income and revenues or otherwise over the Series 2016 Bonds.

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS DEPOSIT AND APPLICATION OF BOND PROCEEDS

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

- (a) Project Fund for General Obligation Sales Tax Bonds, Series 2016-A;
- (b) Debt Service Account for General Obligation Sales Tax Bonds, Series 2016-A;
- (c) Costs of Issuance Account for General Obligation Sales Tax Bonds, Series 2016-A;
- (d) Project Fund for Taxable General Obligation Sales Tax Bonds, Series 2016-B;
- (e) Debt Service Account for Taxable General Obligation Sales Tax Bonds, Series 2016-B;
- (f) Costs of Issuance Account for Taxable General Obligation Sales Tax Bonds, Series 2016-B;
- (g) Sales Tax Revenue Fund; and
- (h) Compliance Account.

The Funds and Accounts established and ratified herein shall be administered in accordance with the provisions of this Bond Resolution so long as the Series 2016 Bonds are Outstanding (except, provided that the Funds and Accounts specific to the Series 2016-B Bonds are only required to be maintained so long as the Series 2016-B Bonds are Outstanding).

Section 502. Deposit of Bond Proceeds.

(a) The net proceeds received from the sale of the Series 2016-A Bonds shall be deposited simultaneously with the delivery of the Series 2016-A Bonds as follows:

- (1) All accrued interest received from the sale of the Series 2016-A Bonds shall be deposited in the Debt Service Account and applied in accordance with **Section 602(b)** hereof.
- (2) The sum of \$101,100.00 shall be deposited in the Costs of Issuance Account – Series 2016-A and applied in accordance with **Section 506** hereof.
- (3) The remaining balance of the proceeds derived from the sale of the Series 2016-A Bonds shall be deposited in the Project Fund – Series 2016-A and shall be applied in accordance with **Section 503** hereof.

(b) The net proceeds received from the sale of the Series 2016-B Bonds shall be deposited simultaneously with the delivery of the Series 2016-B Bonds as follows:

- (1) All accrued interest received from the sale of the Series 2016-B Bonds shall be deposited in the Debt Service Account and applied in accordance with **Section 602(b)** hereof.

(2) The sum of \$75,850.00 shall be deposited in the Costs of Issuance Account – Series 2016-B and applied in accordance with **Section 506** hereof.

(3) The remaining balance of the proceeds derived from the sale of the Series 2016-B Bonds shall be deposited in the Project Fund – Series 2016-B and shall be applied in accordance with **Section 503** hereof.

Section 503. Application of Moneys in the Project Fund.

(a) **The Project Fund – Series 2016-A.** Moneys in the Project Fund – Series 2016-A shall be used for the sole purpose of: (a) paying the costs of the Road Improvements, in accordance with the plans and specifications therefor prepared by the Consulting Engineer, heretofore approved by the governing body of the Issuer and on file in the office of the Clerk, including any alterations in or amendments to said plans and specifications deemed advisable by the Consulting Engineer and approved by the governing body of the Issuer; (b) paying interest on the Series 2016-A Bonds during construction of the Road Improvements; and (c) paying the costs of the Leavenworth Industrial Park Contribution and/or the Tonganoxie Industrial Park Contribution. Upon completion of the Project, any surplus remaining in the Project Fund-Series 2016-A shall be deposited in the Debt Service Account – Series 2016-A.

(b) **The Project Fund – Series 2016-B.** Moneys in the Project Fund – Series 2016-B shall be used for the sole purpose of paying the costs of the Leavenworth Industrial Park Contribution and/or the Tonganoxie Industrial Park Contribution. Upon completion of the Project, any surplus remaining in the Project Fund-Series 2016-B shall be deposited in the Debt Service Account – Series 2016-B.

(c) Withdrawals from the Project Fund shall be made only when authorized by the governing body of the Issuer. Each authorization for costs of the Project shall be supported by a certificate executed by the Issuer’s Chairman (or designate) stating that such payment is being made for a purpose within the scope of this Bond Resolution and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, and that such payment is not in excess of the reasonable value thereof. Authorizations for withdrawals for other purposes (including payment of interest accruing on the Series 2016-A Bonds during the period of construction of the Road Improvements) need not be authorized by the governing body or supported by a certificate referenced herein.

Section 504. Substitution of Project; Reallocation of Proceeds.

(a) The Issuer may elect for any reason to substitute or add other public improvements to be financed with proceeds of the Series 2016 Bonds provided the following conditions are met: (1) the Substitute Project and the issuance of general obligation bonds to pay the cost of the Substitute Project has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (2) a resolution authorizing the use of the proceeds of the Series 2016 Bonds to pay the Financeable Costs of the Substitute Project has been duly adopted by the governing body of the Issuer pursuant to this Section, (3) the Attorney General of the State has approved the amendment made by such resolution to the transcript of proceedings for the Series 2016 Bonds to include the Substitute Projects; and (4) the use of the proceeds of the Series 2016-A Bonds to pay the Financeable Cost of the Substitute Project will not adversely affect the tax-exempt status of the Series 2016-A Bonds under State or federal law.

(b) The Issuer may reallocate expenditure of Series 2016 Bond proceeds among all Projects financed by the Series 2016 Bonds; provided the following conditions are met: (1) the reallocation is approved by the governing body of the Issuer; (2) the reallocation shall not cause the proceeds of the Series 2016 Bonds allocated to any Improvement to exceed the Financeable Costs of the Improvement;

and (3) the reallocation will not adversely affect the tax-exempt status of the Series 2016-A Bonds under State or federal law.

Section 505. 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 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 506. Application of Moneys in the Costs of Issuance Account.

(a) Moneys in the Costs of Issuance Account- Series 2016-A shall be used by the Issuer to pay the Costs of Issuance related to the Series 2016-A Bonds. Any funds remaining in the Costs of Issuance Account – Series 2016-A, after payment of all Costs of Issuance related to the Series 2016-A Bonds, but not later than 30 days prior to the first Interest Payment Date, shall be transferred to the Project Fund - Series 2016-A until completion of the Project and thereafter to the Compliance Account.

(b) Moneys in the Costs of Issuance Account- Series 2016-B shall be used by the Issuer to pay the Costs of Issuance related to the Series 2016-B Bonds. Any funds remaining in the Costs of Issuance Account – Series 2016-B, after payment of all Costs of Issuance related to the Series 2016-B Bonds, but not later than 30 days prior to the first Interest Payment Date, shall be transferred to the Project Fund - Series 2016-B until completion of the Project and thereafter to the Debt Service Account – Series 2016-B.

Section 507. Application of Moneys in the Compliance Account. Moneys in the Compliance Account shall be used by the Issuer to pay fees and expenses relating to compliance with federal arbitrage law and state or federal securities laws. Any funds remaining in the Compliance Account on the sixth anniversary of the Issue Date shall be transferred to the Debt Service Account – Series 2016-A.

ARTICLE VI

COLLECTION AND APPLICATION OF REVENUES

Section 601. Sales Tax Revenue Fund. The Issuer covenants and agrees that from and after the delivery of the Series 2016 Bonds, and continuing as long as any of the Bonds remain Outstanding hereunder, all of the Sales Tax Revenues shall as and when received be paid and deposited into the Sales Tax Revenue Fund. Sales Tax 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 Sales Tax Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in this Bond Resolution, except as may be modified by the provisions of the Parity Resolution.

Section 602. Application of Moneys in Funds and Accounts. The Issuer covenants and agrees that from and after the delivery of the Series 2016 Bonds and continuing so long as any of the Bonds shall remain Outstanding, it will on the first day of each month administer and allocate all of the moneys then held in the Sales Tax Revenue Fund as follows:

(a) **Debt Service Account.** Beginning as of the first day of the month next ensuing after the issuance of the Series 2016 Bonds, there shall next be paid and credited monthly to the Debt Service Account, to the extent necessary to meet on each Bond Payment Date the payment of all interest on and principal of the Series 2016 Bonds, the following sums in the following order:

(1) Beginning with the first of said monthly deposits and continuing on the first day of each month thereafter, so long as any of the Series 2016 Bonds remain Outstanding, an equal pro rata portion of the amount of interest that will become due on the Series 2016 Bonds on the next succeeding Interest Payment Date; and

(2) Beginning with the first of said monthly deposits and continuing on the first day of each month thereafter, so long as any of the Series 2016 Bonds remain Outstanding, an equal pro rata portion of the amount of principal that will become due on the Series 2016 Bonds on the next succeeding Maturity date.

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

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

All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the Debt Service Requirements of the Series 2016 Bonds as and when the same become due at Maturity and on each Interest Payment Date.

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

(b) **Surplus Amounts.** After the transfers required in the previous section have been made, any remaining Sales Tax Revenues shall continue to be held in the Sales Tax Revenue Fund. Such surplus amounts may be used to: (i) make payments into, increase the amounts in, or prevent a deficiency in any other Fund or Account; (ii) pay the costs of constructing and acquiring and operating the Project or any other project referenced in the Ballot Question; or (iii) to call, redeem and pay any Bonds prior to maturity, if then callable by their terms. If at any time the moneys in the Debt Service Account or the debt service account for Parity Bonds are not sufficient to pay the principal of and interest on any Bonds as and when the same become due, then surplus moneys shall be used to prevent any default in the payment of the principal of and interest on such Bonds.

No moneys from the Sales Tax shall be diverted to the general governmental or municipal functions of the Issuer, except for operating costs of the Project or any other project referenced in the Ballot Question.

In the event that funds remain in any accounts established in the Bond Resolution and funded from the Sales Tax, after payment of the Bonds and any rebatable arbitrage in accordance with the Federal Tax Certificate, or provision is made therefor, and termination of the Sales Tax has occurred, such funds may be used only in relation to the Project and operating the Project, and the costs for or any other project referenced in the Ballot Question. Withdrawals of such surplus amounts for such purposes shall be made and authorized in the same manner as withdrawals from the Project Fund.

(c) **Deficiency of Payments into Funds and Accounts.** If at any time the Sales Tax Revenues are insufficient to make any payment on the date or dates hereinbefore specified, then surplus amounts described above shall be used to prevent any default in the payment of such amounts. Thereafter, if there remain insufficient amounts to make deposits to the Debt Service Account to pay the principal of and interest on the Series 2016 Bonds, the Issuer will make good the amount of such deficiency from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

(d) **No Other Use of Sales Tax Revenues.** In no event shall any money received from the Sales Tax Revenues be diverted to the general governmental or municipal functions of the Issuer or used for any purpose other than (i) Debt Service Requirements on the Bonds, (ii) costs associated with constructing and acquiring the Project, (iii) costs of operating the Project and (iv) costs of any other project referenced in the Ballot Question.

Section 603. Transfer of Funds to Paying Agent. The Treasurer of the Issuer is hereby authorized and directed to withdraw from the Debt Service Account sums sufficient to pay the principal of and interest on the Bonds as and when the same become due on any Bond Payment Date, and to forward such sums to the Paying Agent in a manner which ensures the Paying Agent will have available funds in such amounts on or before the Business Day immediately preceding each Bond Payment Date. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Bond Resolution.

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

ARTICLE VII

DEPOSIT AND INVESTMENT OF MONEYS

Section 701. Deposits and Investment of Moneys.

(a) Moneys in each of the Funds and Accounts shall be deposited in a bank, savings and loan association or savings bank: (a) organized under the laws of the State or the United States with main offices located in the county or counties in which the Issuer is located; or (b) under certain conditions of State law, organized under the laws of the United States or any other State thereof, with main offices located outside of the State, but with a branch located in the county or counties in which the Issuer is located. All such depositories shall be members of the Federal Deposit Insurance Corporation. All such

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

(b) Moneys held in any Fund or Account may be invested in accordance with this Bond Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account; provided that, during the period of construction of the Project, all earnings on the investment of such funds shall be credited to the Project Fund.

In determining the amount held in any Fund or Account under the provisions of the Bond Resolution, Permitted Investments shall be valued at their market value. Such valuation shall be made as of the final Stated Maturity of principal of any Fiscal Year that the Bonds remain Outstanding. If and when the amount held in any Fund or Account shall be in excess of the amount required by the provisions of this Bond Resolution, the Issuer shall direct that such excess be paid and credited to the Sales Tax Revenue Fund.

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

The Issuer covenants and agrees with each of the Owners of any of the Series 2016 Bonds that so long as any of the Series 2016 Bonds remain Outstanding and unpaid it will comply with each of the following covenants:

Section 801. Covenant Not to Cancel Sales Tax. So long as any Bonds remain Outstanding, the Issuer will take no action, and will contest any action or attempted action, to cancel the Sales Tax or the collection of Sales Tax Revenues therefrom, provided that the Sales Tax will terminate by its terms upon the payment of all costs incurred in the constructing the Project (including the retirement of the Bonds issued and payable from such sales tax).

Section 802. Termination of Sales Tax. The Issuer will take such action as is necessary to cause termination of the collection of the Sales Tax upon the payment of all costs incurred in the constructing the Project (including the retirement of the Bonds issued and payable from such sales tax). Subsequent to completion of construction of the Project, provision shall be made for the payment of the Outstanding Bonds when there are sufficient moneys in the Funds and Accounts created in this Bond Resolution to provide for the payment thereof, at or prior to maturity, in accordance with the provisions of this Bond Resolution.

Section 803. Books, Records and Accounts. The Issuer will install and maintain proper books, records and accounts (entirely separate from all other records and accounts of the Issuer) in which complete and correct entries will be made of all dealings and transactions of or in relation to the Sales Tax Revenues. Such accounts shall show the amount of Sales Tax Revenues received, the application of such Sales Tax Revenues, and all financial transactions in connection therewith. Such separate accountings may be included as separate sections of the Issuer's annual financial report. Said books shall be kept by the Issuer according to standard accounting practices.

Section 804. Annual Budget. Prior to the commencement of each Fiscal Year, the Issuer will cause to be prepared and filed with the Clerk a budget for the next succeeding Fiscal Year. Said annual budget shall be prepared in accordance with the requirements of the laws of the State and shall contain all information that is required by such laws, including:

- (a) An estimate of the Sales Tax Revenues during the next ensuing Fiscal Year;
- (b) A statement of the estimated expenditures of the Sales Tax Revenues during the next ensuing Fiscal Year; and
- (c) A statement of the amount of Debt Service Requirements to be paid on Outstanding Series 2016 Bonds and Additional Obligations to be paid from Sales Tax Revenues during the next Fiscal Year.

Section 805. Annual Audit. Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the Sales Tax Revenues for the preceding Fiscal Year by an Independent Accountant to be employed for that purpose and which may be paid from the Sales Tax Revenues. The report of said annual audit shall include:

- (a) A classified statement of the Sales Tax Revenues received and the expenditures made in connection with the Sales Tax Revenues during the previous Fiscal Year;
- (b) A complete balance sheet as of the end of each Fiscal Year with the amount on hand at the end of such Fiscal Year in each of the Funds and Accounts created by and referred to in this Bond Resolution; and
- (c) A statement of all Bonds and Additional Obligations matured or redeemed and interest paid on Bonds and Additional Obligations during said Fiscal Year;

Within 30 days after the completion of each such annual audit, a copy of the report of thereof shall be filed in the office of the Clerk. Such audit reports shall at all times during the usual business hours be open to the examination and inspection by any Owner of any of the Series 2016 Bonds, or by anyone acting for or on behalf of such user or Owner.

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 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.

Section 806. Right of Inspection. The Purchaser of the Series 2016 Bonds and any Owner or Owners of 10% of the principal amount of the Series 2016 Bonds then Outstanding shall have the right at all reasonable times to inspect the records, accounts and data relating thereto, and shall be furnished all such information concerning the Sales Tax Revenues which the Purchaser or such Owner or Owners may reasonably request.

Section 807. Performance of Duties and Covenants. The Issuer will faithfully and punctually perform all duties, covenants and obligations now or hereafter imposed upon the Issuer by the Constitution and laws of the State and by the provisions of this Bond Resolution.

ARTICLE IX

ADDITIONAL BONDS AND OBLIGATIONS

Section 901. Senior Lien Bonds. The Issuer covenants and agrees that so long as any of the Parity Bonds remain Outstanding, the Issuer will not issue any Indebtedness payable out of the Sales Tax Revenues which are superior to the Parity Bonds.

Section 902. Parity Bonds and Parity Obligations. The Issuer covenants and agrees that so long as any of the Parity Bonds remain Outstanding, it will not issue any Indebtedness which stands on a parity or equality of lien against the Sales Tax Revenues with the Parity Bonds unless the following conditions are met:

(a) The Issuer shall not be in default in the payment of principal of or interest on any Parity Bonds or Parity Obligations 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 this Bond Resolution or any Parity Resolution (unless such 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 *either* of the following:

(i) The Debt Service Coverage Ratio for the Fiscal Year immediately preceding the issuance of such Indebtedness, as reflected by information provided by the Independent Accountant, shall be not less than 1.10, including the Indebtedness proposed to be issued.

(ii) The estimated Debt Service Coverage Ratio (as determined by a Consultant), for the Fiscal Year immediately following the Fiscal Year in which such Indebtedness is issued, is to be in commercial operation, shall be not less than 1.10, including the Indebtedness proposed to be issued. In the event that the Issuer anticipates additional Sales Tax Revenues as a result of expansion or modification of commercial activities in the Issuer by such Indebtedness, the Issuer may adjust the estimated Sales Tax Revenues in determining the Debt Service Coverage Ratio, by adding thereto any estimated increase in Sales Tax Revenues resulting from any increase in Sales Tax Revenues, which, in the opinion of the Consultant, are reasonable.

(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 Sales Tax Revenues for the most recently ended Fiscal Year for which financial information is available from the Independent Accountant;

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

(iii) There is delivered to the Issuer a certificate of a Consultant to the effect that it is such Consultant's opinion that it is reasonable to assume that the Issuer will be able to

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

(3) *Interim Indebtedness.* A certificate signed by the Issuer evidencing *either* of the following:

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

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

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

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

Additional Indebtedness issued under the conditions set forth in this Section shall stand on a parity with the Parity Bonds and Parity Obligations and shall enjoy complete equality or lien on and claim against the Sales Tax Revenues, and the Issuer may make equal provision for paying the Debt Service Requirements on such Indebtedness out of the Sales Tax 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 Indebtedness and the interest thereon out of moneys in the Sales Tax Revenue Fund.

Section 903. Subordinate Lien Bonds. Nothing in this Article shall prohibit or restrict the right of the Issuer to issue Indebtedness for any lawful purpose in connection with the operation of and benefiting the Project and to provide that the Debt Service Requirements on such Indebtedness shall be payable out of the Sales Tax Revenues, provided at the time of the issuance of such Indebtedness the Issuer is not in default in the performance of any covenant or agreement contained in this Bond Resolution (unless such Indebtedness is being issued to provide funds to cure such default), and provided further that such Indebtedness shall be junior and subordinate to the Parity Bonds and Parity Obligations so that if at any time the Issuer shall be in default in paying either interest on or principal of the Parity Bonds or Parity Obligations, or if the Issuer is in default in making any payments required to be made by it under the provisions of paragraphs (a) and (b) of *Section 602* of this Bond Resolution, the Issuer shall make no

payments of either principal of or interest on said Subordinate Lien Bonds until said default or defaults be cured. In the event of the issuance of any such Subordinate Lien Bonds, the Issuer, subject to the provisions aforesaid, may make provision for paying the principal of and interest on said Subordinate Lien Bonds out of moneys in the Sales Tax Revenue Fund.

Section 904. Refunding Bonds. The Issuer shall have the right, without complying with the provisions of **Section 902** hereof, to issue Refunding Bonds for the purpose of refunding any of the Indebtedness under the provisions of any law then available, and the Refunding Bonds so issued shall enjoy complete equality of pledge as did the Indebtedness that was refunded.

ARTICLE X

DEFAULT AND REMEDIES

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

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

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

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

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

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

Section 1003. Remedies Cumulative. No remedy conferred herein upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or

affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Owners of the Bonds by this Bond Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. If action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the Issuer and the Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

ARTICLE XI

DEFEASANCE

Section 1101. Defeasance. When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Bond Resolution and the pledge of the Sales Tax Revenues hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, 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 *Article III* hereof. 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 Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Bond Resolution.

ARTICLE XII

TAX COVENANTS

Section 1201. General Covenants. The Issuer covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2016-A Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Chairman 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 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 2016-A Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

Section 1202. Survival of Covenants. The covenants contained in this Article and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Series 2016-A Bonds pursuant to *Article XI* hereof or any other provision of this Bond Resolution until such time as is set forth in the Federal Tax Certificate.

ARTICLE XIII

CONTINUING DISCLOSURE REQUIREMENTS

Section 1301. Disclosure Requirements. In order to comply with the provisions of the Rule and directives of the SEC, the governing body of the Issuer hereby approves the form of the Omnibus Continuing Disclosure Undertaking, substantially in the form presented herewith (the “Disclosure Undertaking”). The Chairman is hereby directed to execute the Disclosure Undertaking, with such changes as legal counsel to the Issuer and the Clerk shall approve (whose signature thereon shall constitute conclusive evidence of such approval). A copy of the Disclosure Undertaking shall be placed in the permanent records of the Issuer and shall be available for public inspection during regular business hours of the Issuer.

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

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

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 1401. Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of this Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in

principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall:

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

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

Without notice to or the consent of any Owners, the Issuer may amend or supplement this Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity herein, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Project, to conform this Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

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

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

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

Section 1402. Notices, Consents and Other Instruments by Owners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or

by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Bond Resolution, and shall be conclusive in favor of the Issuer and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

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

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

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

Section 1403. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Bond Resolution shall be in writing, given to the Notice Representative at the Notice Address and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

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

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

Section 1406. Further Authority. The officers and officials of the Issuer, including the Chairman and Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Bond

Resolution and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

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

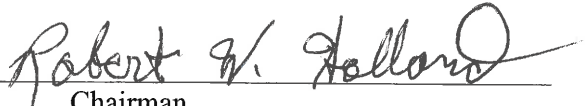
Section 1408. Governing Law. This Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

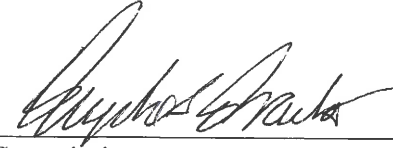
Section 1409. Effective Date. This Bond Resolution shall take effect and be in full force from and after its adoption by the governing body of the Issuer.

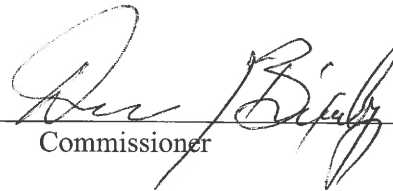
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ADOPTED by the governing body of the Issuer on December 8, 2016.

(SEAL)


Chairman


Commissioner


Commissioner

ATTEST:

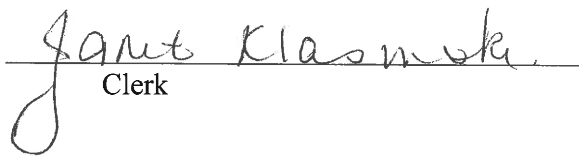

Clerk

EXHIBIT A
(FORM OF 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 LEAVENWORTH
[TAXABLE] GENERAL OBLIGATION SALES TAX BOND
SERIES 2016-[A][B]**

Interest Rate:	Maturity Date:	Dated Date: December 22, 2016	CUSIP:
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REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS: That Leavenworth County, in Leavenworth County, in the 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 March 1 and September 1 of each year, commencing September 1, 2017 (the “Interest Payment Dates”), until the Principal Amount has been paid.

Method and Place of Payment. The principal or redemption price of this Bond shall be paid at maturity or upon earlier redemption to the person in whose name this Bond is registered at the maturity or redemption date thereof, upon presentation and surrender of this 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 Bond on any Interest Payment Date shall be paid to the person in whose name this 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 Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds by electronic transfer to such Owner upon written notice given to the Bond Registrar by such 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 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 2016 Bonds. This Series 2016-[A][B] Bond is one of an authorized series of bonds of the Issuer designated “[Taxable]General Obligation Sales Tax Bonds, Series 2016-[A][B],” aggregating the principal amount of [\$9,740,000][\$4,165,000] (the “Series 2016-[A][B] Bonds”) issued for the purposes set forth in the Resolution of the Issuer authorizing the issuance of the Series 2016-[A][B] Bonds and prescribing the form and details of the Series 2016-[A][B] Bonds (the “Bond Resolution”). The Series 2016-[A][B] 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. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, K.S.A. 12-187 *et seq.*, K.S.A. 19-101 *et seq.*, [and] K.S.A. 25-716[, K.S.A. 68-580 *et seq.*, and Charter Resolution No. 2016-1 of the Issuer], all as amended and supplemented from time to time, and all other provisions of the laws of the State of Kansas applicable thereto.

General Obligations. The Series 2016-[A][B] Bonds constitute general obligations of the Issuer payable as to both principal and interest from and secured by a pledge of revenue received by the Issuer from the Sales Tax, and if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the County are hereby irrevocably pledged for the prompt payment of the principal of and interest on this Series 2016-[A][B] Bond and the issue of which it is a part as the same respectively become due. *Under the conditions set forth in the Bond Resolution, the Issuer has the right to issue additional Indebtedness payable from the same source and secured by the Sales Tax Revenues on a parity with said Sales Tax Revenues; provided, however, that such additional 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 2016-[A][B] Bond that it will keep and perform all covenants and agreements contained in the Bond Resolution, and will not cancel the collection of the Sales Tax so long as the Bonds remain Outstanding. 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 Sales Tax Revenues, the nature and extent of the security for the Series 2016-[A][B] 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 2016-[A][B] Bonds are subject to redemption prior to maturity as set forth in the Bond Resolution.

Book-Entry System. The Series 2016-[A][B] 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 2016-[A][B] Bonds are stated to mature or with respect to each form of Series 2016-[A][B] 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 2016-[A][B] Bonds by the Securities Depository's participants, beneficial ownership of the Series 2016-[A][B] 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 2016-[A][B] Bond, as the owner of this Series 2016-[A][B] Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Series 2016-[A][B] 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 2016-[A][B] 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 2016-[A][B] Bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Series 2016-[A][B] 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 2016-[A][B] 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 2016-[A][B] 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 2016-[A][B] Bond or Series 2016-[A][B] 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 2016-[A][B] 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 2016-[A][B] 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 2016-[A][B] Bonds are issued in fully registered form in Authorized Denominations.

Authentication. This Series 2016-[A][B] 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 2016-[A][B] 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 Sales Tax Revenues and for the application of the same as provided in the hereinafter defined Bond Resolution.

IN WITNESS WHEREOF, the Issuer has caused this Series 2016-[A][B] Bond to be executed by the manual or facsimile signature of its Chairman and attested by the manual or facsimile signature of its Clerk, and its seal to be affixed hereto or imprinted hereon.

LEAVENWORTH COUNTY, KANSAS

(Facsimile Seal)

By: _____ (facsimile)
Chairman

ATTEST:

By: _____ (facsimile)
Clerk

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 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 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 _____