

**DATE:** June 22, 2017  
**TO:** SAA Board of Directors  
**FROM:** Tim Rogers and Shelli Swanson  
**SUBJECT:** **June 28, 2017 Special Board Meeting**

Enclosed are items for your review prior to Wednesday's meeting. Please note that the meeting will be held in the **second-floor conference room, Hangar 600, 2720 Arnold Ct.** A map showing the location of Hangar 600 is enclosed in your board meeting packet.

Please note the following agenda comments.

**Agenda Item #4 – Consideration of Results of the Sale of General Obligation Bonds to Refund Certain Outstanding General Obligation Bonds of the Authority.** (Swanson and Arteberry)

On Tuesday, June 27, the SAA's underwriter of the 2017-A and 2017-B refunding bonds will be offering for sale the tax-exempt 2017-B General Obligation bonds. As you recall, the SAA offered the taxable 2017-A bonds on June 20 and presented the results to the board at your regular meeting on June 21. As we indicated at the meeting, due to a recent influx of similarly rated tax-exempt bonds to the market, it was determined best to delay the offering of tax-exempt series for one week to achieve maximum savings and a successful refunding.

At the special meeting, SAA staff along with financial advisor David Arteberry with George K. Baum and Co., will present the result of Tuesday's tax-exempt offering.

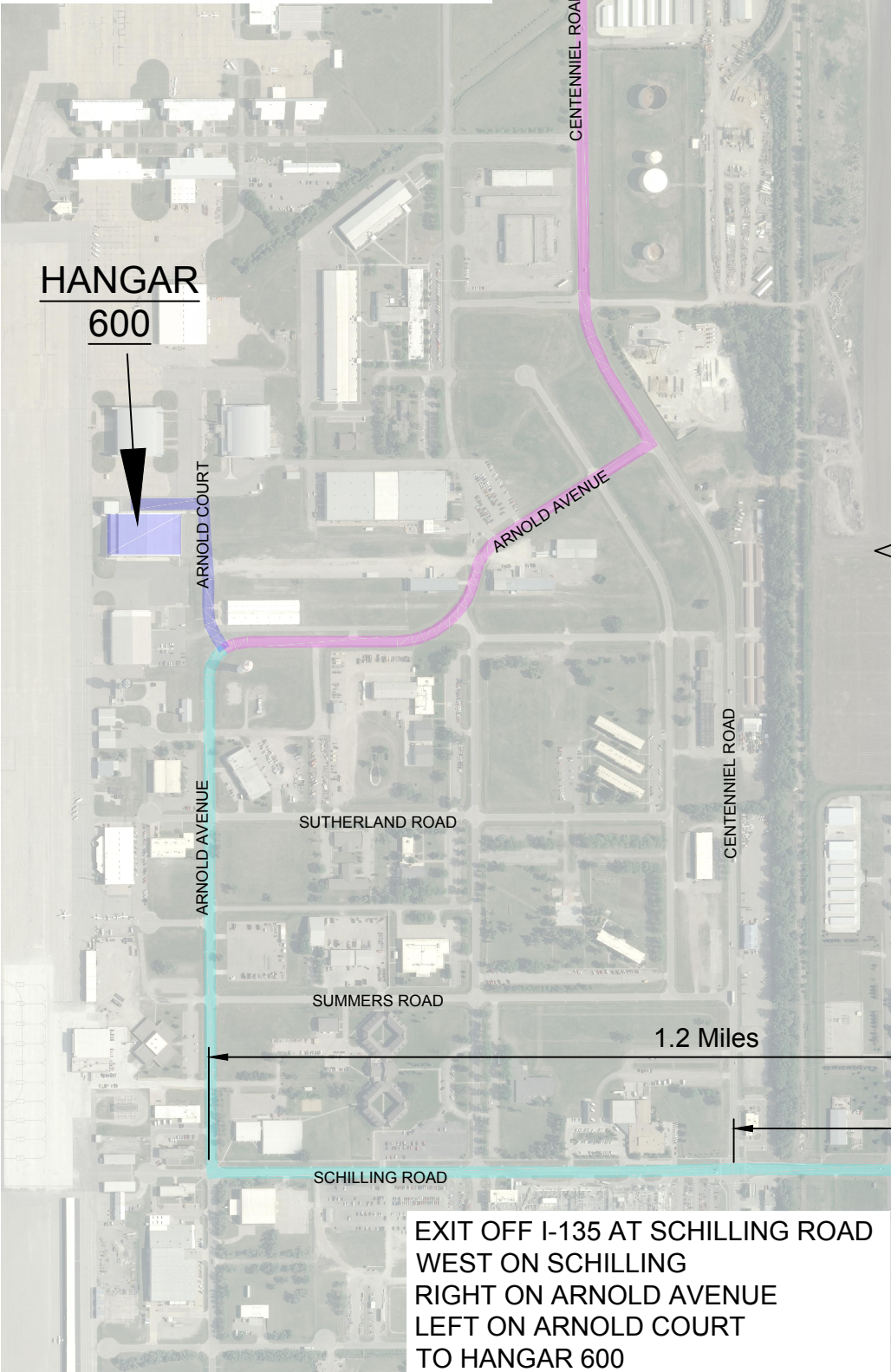
As mentioned at the regular Board meeting, after we have the result of 2017-B tax-exempt offering, staff will be able to finalize the debt service schedule for 2018 and beyond.

Enclosed please find Board Resolution No. 17-07 authorizing and providing for the sale, issuance and delivery of the General Obligation Refunding Bonds, Series 2017-B of the Salina Airport Authority. In addition, you'll find a copy of the proposed form of Bond Purchase Agreement.

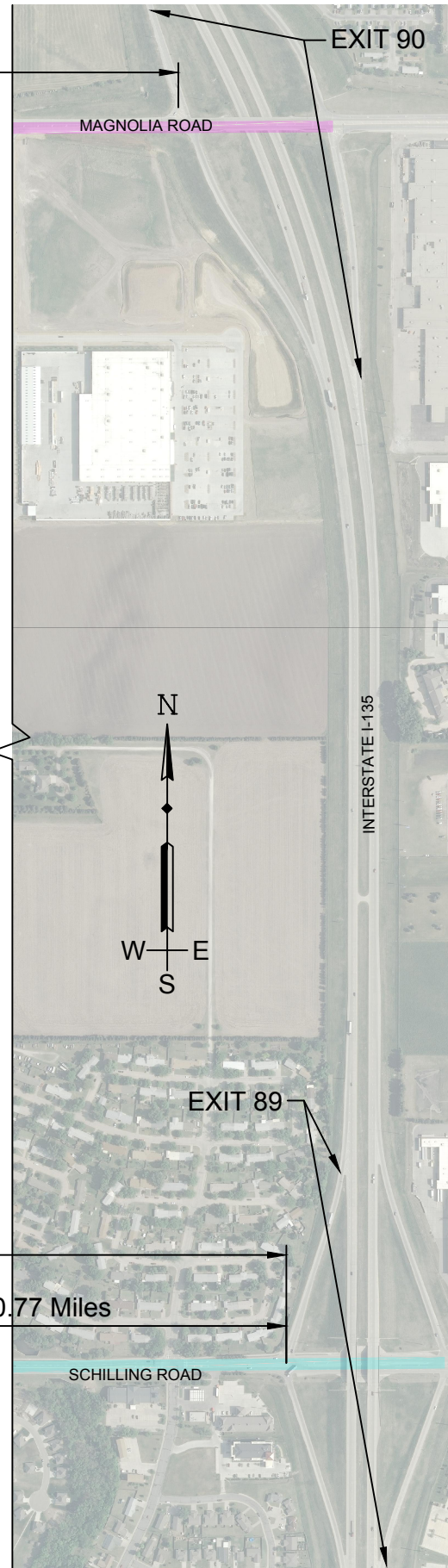
Please call if you have any questions or concerns.

# DIRECTIONS TO HANGAR 600 (2720 ARNOLD COURT)

EXIT OFF I-135 AT MAGNOLIA ROAD  
WEST ON MAGNOLIA  
LEFT ON CENTENNIAL  
RIGHT ON ARNOLD AVENUE  
RIGHT ON ARNOLD COURT  
TO HANGAR 600



EXIT OFF I-135 AT SCHILLING ROAD  
WEST ON SCHILLING  
RIGHT ON ARNOLD AVENUE  
LEFT ON ARNOLD COURT  
TO HANGAR 600



**SALINA AIRPORT AUTHORITY SPECIAL BOARD MEETING**  
**Hangar H600, Second Floor Conference Room**  
**2720 Arnold Court**  
**June 28, 2017 – 8:00 AM**

**AGENDA**

**Action Items**

1. Call to order and determine a quorum is present. (Weisel)
2. Recognition of guests. (Weisel)
3. Additions to the agenda. (Swanson)
4. Consideration of the results of the sale of general obligation bonds for the purpose of refunding certain outstanding general obligation bonds. (Swanson and Arteberry)

**Directors' Forum** (Weisel)

**Visitor's Questions and Comments** (Weisel)

**Adjournment** (Weisel)

**[G.O. BASIC DOCUMENTS]**

- A. Excerpt of Minutes of Meeting approving sale, approving Bond Resolution
- B. Bond Resolution

**EXCERPT OF MINUTES OF A MEETING  
OF THE GOVERNING BODY OF  
THE SALINA AIRPORT AUTHORITY  
(SALINA, KANSAS)  
HELD ON JUNE 28, 2017**

The governing body met in special session at the usual meeting place, at 8:00 a.m., the following members being present and participating, to-wit:

Present: \_\_\_\_\_.

Absent: \_\_\_\_\_.

The Chairman declared that a quorum was present and called the meeting to order.

\* \* \* \* \*

(Other Proceedings)

Thereupon, there was presented a Resolution entitled:

**A RESOLUTION AUTHORIZING AND PROVIDING FOR THE SALE, ISSUANCE AND DELIVERY OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017-B, OF THE SALINA AIRPORT AUTHORITY (SALINA, KANSAS), FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND A PORTION OF THE ISSUER'S OUTSTANDING GENERAL OBLIGATION BONDS; 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; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.**

Thereupon, Director \_\_\_\_\_ moved that said Resolution be adopted. The motion was seconded by Director \_\_\_\_\_. Said Resolution was duly read and considered, and upon being put, the motion for the adoption of said Resolution was carried by the vote of the governing body, the vote being as follows:

Aye: \_\_\_\_\_.

Nay: \_\_\_\_\_.

Thereupon, the Chairman declared said Resolution duly adopted and the Resolution was then duly numbered Resolution No. 17-07 and was signed by the Chairman and attested by the Secretary.

\* \* \* \* \*

(Other Proceedings)

On motion duly made, seconded and carried, the meeting thereupon adjourned.

**CERTIFICATE**

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the Salina Airport Authority (Salina, Kansas), held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

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Secretary

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**RESOLUTION NO. 17-07**

**OF**

**SALINA AIRPORT AUTHORITY (SALINA, KANSAS)**

**ADOPTED**

**JUNE 28, 2017**

**GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2017-B**

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**RESOLUTION NO. 17-07**

**A RESOLUTION AUTHORIZING AND PROVIDING FOR THE SALE, ISSUANCE AND DELIVERY OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017-B, OF THE SALINA AIRPORT AUTHORITY (SALINA, KANSAS), FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND A PORTION OF THE ISSUER'S OUTSTANDING GENERAL OBLIGATION BONDS; 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; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.**

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**WHEREAS**, the Salina Airport Authority (Salina, Kansas) (the "Issuer") is a legally constituted public airport authority, duly created, organized and existing under the Constitution and laws of the State, including specifically K.S.A 27-315 *et seq.*; and

**WHEREAS**, the Issuer previously issued and has Outstanding the Refunded Bonds and is authorized by K.S.A. 10-427 *et seq.* to issue general obligation refunding bonds of the Issuer for the purpose of refunding the Refunded Bonds; and

**WHEREAS**, in order to achieve interest cost savings through early redemption of the Refunded Bonds, and provide an orderly plan of finance for the Issuer, it has become desirable and in the best interest of the Issuer and its inhabitants to authorize the issuance and delivery of the Bonds in order to provide funds to refund the Refunded Bonds; and

**WHEREAS**, in order to provide for the payment of the Refunded Bonds it is desirable to enter into an Escrow Trust Agreement, by and between the Issuer and the Escrow Agent; 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 Bonds in the principal amount of \$[PRINCIPAL AMOUNT] to refund the Refunded Bonds.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE SALINA AIRPORT AUTHORITY (SALINA, 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 *et seq.*, K.S.A. 10-427 *et seq.*, and K.S.A. 10-620 *et seq.*, all as amended and supplemented from time to time.

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

“**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 Purchase Agreement**” means the Bond Purchase Agreement dated as of June [21], 2017 between the Issuer and the Purchaser.

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

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

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

“**Bonds**” means the General Obligation Refunding Bonds, Series 2017-B, authorized and issued by the Issuer pursuant to this Bond Resolution.

“**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.

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

“**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 the Costs of Issuance Account for General Obligation Refunding Bonds, Series 2017-B created pursuant to *Section 501* hereof.

**“Dated Date”** means July 12, 2017.

**“Debt Service Account”** means the Debt Service Account for General Obligation Refunding Bonds, Series 2017-B created within the Bond and Interest Fund pursuant to *Section 501* hereof.

**“Debt Service Requirements”** means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

**“Defaulted Interest”** means interest on any Bond which is payable but not paid on any Interest Payment Date.

**“Defeasance Obligations”** means any of the following obligations:

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

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

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

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

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

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

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

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

**“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.

**“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.

**“Escrow Agent”** means Security Bank of Kansas City, Kansas City, Kansas, and its successors and assigns.

**“Escrow Agreement”** means the Escrow Trust Agreement, dated as of the Dated Date, between the Issuer and the Escrow Agent.

**“Escrow Fund”** means the Escrow Fund for Refunded Bonds referred to in *Section 501* hereof.

**“Escrowed Securities”** means the direct, noncallable obligations of the United States of America, as described in the Escrow Agreement.

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

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

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

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

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

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

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

**“Governing Body”** means the Board of Directors of the Issuer.

**“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 the Stated Maturity of an installment of interest on any Bond which shall be March 1 and September 1 of each year, commencing March 1, 2018.

**“Issue Date”** means the date when the Issuer delivers the Bonds to the Purchaser in exchange for the Purchase Price.

**“Issuer”** means the Salina Airport Authority (Salina, Kansas) and any successors or assigns.

**“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.

**“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:

Salina Airport Authority (Salina, Kansas)  
3237 Arnold Ave  
Salina, Kansas 67401  
Phone No. 785-827-3914  
Fax No. 785-827-2221

(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:

Robert W. Baird & Co., Incorporated  
777 E. Wisconsin Avenue  
29<sup>th</sup> Floor  
Milkwaukee, Wisconsin 53202

(d) To the Rating Agency(ies):

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

(e) To the Escrow Agent at:

Security Bank of Kansas City  
Corporate Trust Department  
701 Minnesota Avenue  
Suite 206, P.O. Box 171297  
Kansas City, Kansas 66117  
Fax: (913) 279-7960

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 Secretary.
- (b) With respect to the Bond Registrar and Paying Agent, the Director of Bond Services.
- (c) With respect to any Purchaser, the manager of its Municipal Bond Department.
- (d) With respect to any Rating Agency, any Vice President thereof.
- (e) With respect to the Escrow Agent, the Manager of the Corporate Trust Department.

**“Official Statement”** means the 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 VII* 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.

**“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 the State Treasurer, and any successors and assigns.

**“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; (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.

**"Purchase Price"** means the amount set forth in the Bond Purchase Agreement.

**"Purchaser"** means Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin, the original purchaser of the Bonds, and any successor and assigns.

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

**"Rebate Fund"** means the Rebate Fund for General Obligation Refunding Bonds, Series 2017-B created pursuant to *Section 501* hereof.

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

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

**"Redemption Price"** means, when used with respect to any Bond to be redeemed, the price at which such Bond is to be redeemed pursuant to the terms of 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.

**"Refunded Bonds"** means collectively: (a) the Series 2009-A Bonds maturing in the years 2026 to 2029, inclusive, in the principal amount of \$2,025,000; and (b) the Series 2011-B Bonds maturing in the years 2030 to 2031, inclusive, in the principal amount of \$2,505,000.

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



**“Refunded Bonds Redemption Date”** means September 1, 2019.

**“Refunded Bonds Resolution”** means each resolution which authorized the Refunded Bonds.

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

**“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.

**“Secretary”** means the duly appointed and/or elected Secretary or, in the Secretary’s absence, the duly appointed deputy Secretary or acting Secretary of the Issuer.

**“Series 2009-A Bonds”** means the Issuer’s General Obligation Bonds, Series 2009-A, dated June 1, 2009.

**“Series 2011-B Bonds”** means the Issuer’s General Obligation Bonds, Series 2011-B, dated August 15, 2011.

**“Series 2009-A Principal and Interest Account”** means the Principal and Interest Account for the Series 2009-A Bonds.

**“Series 2011-B Principal and Interest Account”** means the Principal and Interest Account for the Series 2011-B Bonds.

**“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” or “S&P”** 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.

[ **“Term Bonds”** means the Bonds scheduled to mature in the year 20\_\_\_.]

[ **“\_\_\_ Term Bonds”** means the Bonds scheduled to mature in the year \_\_\_\_\_.]

**“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.

“**Verification Report**” means the verification report referenced in *Article V* hereof relating to the sufficiency of money and obligations deposited in the Escrow Fund to be applied in accordance with the Escrow Agreement.

## ARTICLE II

### AUTHORIZATION AND DETAILS OF THE BONDS

**Section 201. Authorization of the Bonds.** There shall be issued and hereby are authorized and directed to be issued the General Obligation Refunding Bonds, Series 2017-B, of the Issuer in the principal amount of \$[PRINCIPAL AMOUNT], for the purpose of providing funds to: (a) refund the Refunded Bonds; and (b) pay Costs of Issuance.

**Section 202. Description of the Bonds.** The Bonds shall consist of fully registered bonds in an Authorized Denomination, and shall be numbered in such manner as the Bond Registrar shall determine. All of the 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>September 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>	<u>Stated Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
2019			2026		
2020			2027		
2021			2028		
2022			2029		
2023			2030		
2024			2031		
2025					

#### [TERM BONDS

<u>Stated Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
20__	\$_____	_____%]

The 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.

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 Bonds and Bond Registrar with respect to the registration, transfer and exchange of 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 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 Secretary and the seal of the Issuer shall be affixed thereto or imprinted thereon. The Chairman and Secretary 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 Secretary, which registration shall be evidenced by the manual or facsimile signature of the Secretary with the seal of the Issuer affixed thereto or imprinted thereon, and registered in the office of the Clerk of Saline County, Kansas, which registration shall be evidenced by the manual or facsimile signature of the Clerk of Saline County, Kansas with the seal of Saline County, Kansas 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 Secretary are hereby authorized and directed to prepare and execute the Bonds as herein specified, and when duly executed, to deliver the Bonds to the Bond Registrar for authentication.

The 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 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 Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Bond Resolution. Upon authentication, the Bond Registrar shall deliver the Bonds to the Purchaser upon instructions of the Issuer or its representative.

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

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

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

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

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

**Section 210. Book-Entry Bonds; Securities Depository.** The Issuer and Paying Agent have entered into a DTC Representation Letter with DTC. The 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.

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

(a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds; or

(b) if the Bond Registrar receives written notice from Participants having interests in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of

any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, then the Bond Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to Owners requesting the same, and the Bond Registrar shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Bond Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers.

In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Issuer, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository in accordance with the following paragraph, then the Bond Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Bond Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the Issuer.

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

**Section 211. Nonpresentment of Bonds.** If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four (4) years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay, without liability for interest thereon, to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

**Section 212. Preliminary and Final Official Statement.** The Preliminary Official Statement dated [\_\_\_\_\_, 2017], is hereby ratified and approved. For the purpose of enabling the Purchaser to comply with the requirements of Section (b)(1) of the SEC Rule, the Issuer hereby deems the information regarding the Issuer contained in the Preliminary Official Statement to be “final” as of its date, except for

the omission of such information as is permitted by Section (b)(1) of the SEC Rule, and the appropriate officers of the Issuer are hereby authorized, if requested, to provide the Purchaser a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of the SEC Rule.

The 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 or Treasurer of the Issuer are hereby authorized to execute the Official Statement as so supplemented, amended and completed, and the use and public distribution of the Official Statement by the Purchaser in connection with the reoffering of the Bonds is hereby authorized. The proper officials of the Issuer are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the Issue Date.

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

**Section 213. Sale of the Bonds – Bond Purchase Agreement.** The Chairman is hereby authorized to enter into the Bond Purchase Agreement between the Issuer and the Purchaser in substantially the form submitted to the Governing Body concurrently with the adoption of this Resolution, with such changes therein as shall be approved by the Chairman, such officer's signature thereon being conclusive evidence of the approval thereof. The execution of the Bond Purchase Agreement by the Chairman is hereby ratified and confirmed. Pursuant to the Bond Purchase Agreement, the Issuer agrees to sell the Bonds to the Purchaser for the Purchase Price, upon the terms and conditions set forth therein.

**Section 214. Authorization of Escrow Agreement.** The Issuer is hereby authorized to enter into the Escrow Agreement and the Chairman and Secretary are hereby authorized and directed to execute the Escrow 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. The Escrow Agent is hereby authorized to carry out, on behalf of the Issuer, the duties, terms and provisions of the Escrow Agreement, and the Escrow Agent, the Purchaser and Bond Counsel are authorized to take all necessary actions for the subscription and purchase of the Escrowed Securities described therein including the subscription for United States Treasury Securities – State and Local Government Series.

### ARTICLE III

#### REDEMPTION OF BONDS

**Section 301. Redemption by Issuer.**

**Optional Redemption.** At the option of the Issuer, Bonds maturing on September 1 in the years 2026, and thereafter, will be subject to redemption and payment prior to their Stated Maturity on September 1, 2025, and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the Redemption Date.



[ **Mandatory Redemption.** [(a) 20\_\_ Term Bonds.] The 20\_\_ Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The taxes levied in **Article IV** hereof which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on September 1 in each year, the following principal amounts of such 20\_\_ Term Bonds:

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

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\*Final Maturity

[ (b) 20\_\_ Term Bonds. The 20\_\_ Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The taxes levied in **Article IV** hereof which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on September 1 in each year, the following principal amounts of such 20\_\_ Term Bonds:

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

[\_\_\_\_]\*

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\*Final Maturity]

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

**Section 302. Selection of Bonds to be Redeemed.** Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Bonds are to be redeemed and paid prior to their Stated Maturity, such Bonds shall be redeemed in such manner as the Issuer shall determine. Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in a minimum Authorized Denomination of principal amount in such equitable manner as the Bond Registrar may determine.

In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption a minimum Authorized Denomination of face value shall be treated as though it were a separate Bond of the denomination of a minimum Authorized Denomination. If it is determined that one or more, but not all, of a minimum Authorized Denomination of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem a minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of a minimum Authorized Denomination of face value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of a minimum Authorized Denomination of face value called for redemption (and to that extent only).

**Section 303. Notice and Effect of Call for Redemption.** In the event the Issuer desires to call the Bonds for redemption prior to maturity, written notice of such intent shall be provided to the Bond Registrar in accordance with K.S.A. 10-129, as amended, not less than 45 days prior to the Redemption Date. The Bond Registrar shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Bond Registrar at least 45 days prior to the Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. [The foregoing provisions of this paragraph shall not apply in the case of any mandatory redemption of Term Bonds hereunder, and Term Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the Issuer and whether or not the Paying Agent holds moneys available and sufficient to effect the required redemption.]

Unless waived by any Owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

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

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

(e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent.

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

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

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

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

In addition to the foregoing notice, the Issuer shall provide such notices of redemption as are required by the Disclosure Undertaking. Further notice may be given by the Issuer or the Bond Registrar on behalf of the Issuer as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed:

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

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

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

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

## ARTICLE IV

### SECURITY FOR BONDS

**Section 401. Security for the Bonds.** The Bonds shall be general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

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

The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be transferred to the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

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

## ARTICLE V

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

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

- (a) Debt Service Account for General Obligation Refunding Bonds, Series 2017-B (within the Bond and Interest Fund).
- (b) Rebate Fund for General Obligation Refunding Bonds, Series 2017-B.

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

In addition to the Funds and Accounts described above, the Escrow Agreement establishes the following Funds and Accounts to be held and administered by the Escrow Agent in accordance with the provisions of the Escrow Agreement:

- (a) Escrow Fund for Refunded Bonds.
- (b) Costs of Issuance Account for General Obligation Refunding Bonds, Series 2017-B.

**Section 502. Deposit of Bond Proceeds and Other Moneys.** The net proceeds received from the sale of the Bonds and certain other funds shall be deposited simultaneously with the delivery of the Bonds as follows:

- (a) All accrued interest received from the sale of the Bonds shall be deposited in the Debt Service Account.
- (b) The sum of \$[\_\_\_\_\_] from proceeds of the Bonds shall be transferred to the Escrow Agent for deposit in the Escrow Fund and applied in accordance with the Escrow Agreement.
- (c) The sum of \$[\_\_\_\_\_] representing funds on hand in the Series 2009-A Principal and Interest Account and Series 2011-B Principal and Interest Account shall be transferred to the Escrow Agent for deposit in the Escrow Fund and applied in accordance with the Escrow Agreement.

**Section 503. Application of Moneys in the Escrow Fund.** Under the Escrow Agreement, the Escrow Agent will apply moneys in the Escrow Fund to purchase the Escrowed Securities and to establish an initial cash balance in accordance with the Escrow Agreement. The cash and Escrowed Securities held in the Escrow Fund will be applied by the Escrow Agent solely in the manner authorized by the Escrow Agreement. All money deposited with the Escrow Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Refunded Bond Resolution and the Escrow Agreement.

**Section 504. Application of Moneys in the Costs of Issuance Account.** Moneys in the Costs of Issuance Account shall be used by the Escrow Agent to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of 30 days prior to the first Stated Maturity of principal or one year after the date of issuance of the Bonds, shall be transferred to the Issuer for deposit into the Debt Service Account.

**Section 505. Application of Moneys in Debt Service Account.** 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 principal or Redemption Price of and interest on the Bonds as and when the same become due and the usual and customary fees and expenses of the Bond Registrar and Paying Agent. The Treasurer is authorized and directed to withdraw from the Debt Service Account sums sufficient to pay both principal or Redemption Price of and interest on the Bonds and the fees and expenses of the Bond Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Bond Registrar and Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the Issuer. All moneys deposited with the Paying Agent shall be deemed to be

deposited in accordance with and subject to all of the provisions contained in this Bond Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Bonds entitled to payment from such moneys.

Any moneys or investments remaining in the Debt Service Account after the retirement of the Bonds shall be transferred and paid into the Bond and Interest Fund.

**Section 506. Application of Moneys in the Rebate Fund.**

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the Issuer nor the Owner of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and the Federal Tax Certificate.

(b) The Issuer shall periodically determine the arbitrage rebate, if any, under Code § 148(f) in accordance with the Federal Tax Certificate, and the Issuer shall make payments to the United States of America at the times and in the amounts determined under the Federal Tax Certificate. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor, shall be deposited into the Bond and Interest Fund.

(c) Notwithstanding any other provision of this Bond Resolution, including in particular *Article VII* hereof, the obligation to pay arbitrage rebate to the United States of America and to comply with all other requirements of this Section and the Federal Tax Certificate shall survive the defeasance or payment in full of the Bonds.

**Section 507. Deposits and Investment of Moneys.** Moneys in each of the Funds and Accounts shall be deposited in accordance with laws of the State, in a bank, savings and loan association or savings bank organized under the laws of the State, any other state or the United States: (a) which has a main or branch office located in the city of the Issuer; or (b) if no such entity has a main or branch office located in the city of the Issuer, with such an entity that has a main or branch office located in the county or counties in which the Issuer is located. All such depositories shall be members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law. 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.

Moneys held in any Fund or Account other than the Escrow Fund 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.

**Section 508. Verification of Certified Public Accountant.** Prior to or concurrently with the issuance and delivery of the Bonds and the creation of the Escrow Fund, the Issuer shall obtain a Verification Report from an independent certified public accountant that such accountant has verified the accuracy of the calculations that demonstrate that the money and obligations required to be deposited with the Escrow Agent pursuant to this *Article V* and the Escrow Agreement, together with the earnings to

accrue thereon, will be sufficient for the timely payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds in accordance with the Escrow Agreement.

## ARTICLE VI

### DEFAULT AND REMEDIES

**Section 601. Remedies.** The provisions of the Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. 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.

**Section 602. 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 shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the 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 Outstanding Bonds.

**Section 603. 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 VII

### DEFEASANCE

**Section 701. 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 Issuer's faith and credit 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 of 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 VIII

### TAX COVENANTS

**Section 801. 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 Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Chairman, Treasurer and Secretary 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 Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

**Section 802. 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 Bonds



pursuant to *Article VII* hereof or any other provision of this Bond Resolution until such time as is set forth in the Federal Tax Certificate.

## ARTICLE IX

### CONTINUING DISCLOSURE REQUIREMENTS

**Section 901. Disclosure Requirements.** The Issuer hereby covenants with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking, the provisions of which are incorporated herein by reference. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

**Section 902. 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 X

### MISCELLANEOUS PROVISIONS

**Section 1001. Annual Audit.** Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the Secretary. Such audit shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer or Owner. Upon payment of the reasonable cost of preparing and mailing the same, a copy of any annual audit will, upon request, be sent to any Owner or prospective Owner. As soon as possible after the completion of the annual audit, the Governing Body of the Issuer shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Bond Resolution, the Issuer shall promptly cure such deficiency.

**Section 1002. 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 Secretary, 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; or
- (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.

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 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 Secretary, and shall be made available for inspection by the Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Bond Resolution, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental resolution or of this Bond Resolution will be sent by the Secretary 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 Secretary 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 1003. 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 1004. 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 1005. 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 1006. Further Authority.** The officers and officials of the Issuer, including the Chairman, Secretary, Treasurer, and chief financial officer of the Issuer, 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 1007. 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 1008. Governing Law.** This Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

**Section 1009. 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 June 28, 2017.

(SEAL)

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Chairman

ATTEST:

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Secretary

**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 SALINE  
SALINA AIRPORT AUTHORITY  
(SALINA, KANSAS)  
GENERAL OBLIGATION REFUNDING BOND  
SERIES 2017-B**

**Interest  
Rate:**

**Maturity  
Date:**

**Dated  
Date: July 12, 2017**

**CUSIP:**

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**

**KNOW ALL PERSONS BY THESE PRESENTS:** That the Salina Airport Authority (Salina, Kansas), in the County of Saline, 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 March 1, 2018 (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 Bonds.** This Bond is one of an authorized series of Bonds of the Issuer designated “General Obligation Refunding Bonds, Series 2017-B,” aggregating the principal amount of \$[PRINCIPAL AMOUNT] (the “Bonds”) issued for the purposes set forth in the Resolution of the Issuer authorizing the issuance of the Bonds (the “Bond Resolution”). The 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 *et seq.*, K.S.A. 10-427 *et seq.*, and K.S.A. 10-620 *et seq.*, all as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

**General Obligations.** The Bonds constitute general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

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

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

**Authentication.** This 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 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, and that the total indebtedness of the Issuer, including this series of bonds, does not exceed any constitutional or statutory limitation.





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**BOND ASSIGNMENT**

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

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

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

the 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 \_\_\_\_\_

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**CERTIFICATE OF CLERK**

STATE OF KANSAS            )  
  ) SS.  
COUNTY OF SALINE        )

The undersigned, Secretary of the Salina Airport Authority (Salina, Kansas), does hereby certify that the within Bond has been duly registered in my office according to law as of July 12, 2017.

WITNESS my hand and official seal.

(Facsimile Seal)

By: \_\_\_\_\_  
  (facsimile)  
  Secretary

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**CERTIFICATE OF COUNTY CLERK**

STATE OF KANSAS            )  
  ) SS.  
COUNTY OF SALINE        )

The undersigned, County Clerk of Saline County, Kansas, does hereby certify that the within Bond has been duly registered in my office according to law as of \_\_\_\_\_, 2017.

WITNESS my hand and official seal.

(Facsimile Seal)

By: \_\_\_\_\_  
  (facsimile)  
  County Clerk

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**CERTIFICATE OF STATE TREASURER**

OFFICE OF THE TREASURER, STATE OF KANSAS

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

WITNESS my hand and official seal.

(Seal)

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

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**LEGAL OPINION**

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

**GILMORE & BELL, P.C.**  
Attorneys at Law  
2405 Grand Boulevard  
Suite 1100  
Kansas City, Missouri 64108

(PRINTED LEGAL OPINION)

**BOND PURCHASE AGREEMENT**

**BETWEEN**

**SALINA AIRPORT AUTHORITY (SALINA, KANSAS)**

**AND**

**ROBERT W. BAIRD & CO., INCORPORATED  
MILWAUKEE, WISCONSIN**

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**[\$[PRINCIPAL AMOUNT B]  
GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2017-B**

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**SALINA AIRPORT AUTHORITY (SALINA, KANSAS)**  
**\$(PRINCIPAL AMOUNT B)**  
**GENERAL OBLIGATION REFUNDING BONDS**  
**SERIES 2017-B**

June 27, 2017

Chairman and Governing Body  
Salina Airport Authority (Salina, Kansas)

**BOND PURCHASE AGREEMENT**

On the basis of the representations, warranties and covenants and upon the terms and conditions contained in this Bond Purchase Agreement, Robert W. Baird & Co., Incorporated, Milwaukee, Wisconsin, (the “Purchaser”), hereby offers to purchase all (but not less than all) of the above described bonds (the “Bonds”) to be issued by the Salina Airport Authority (Salina, Kansas) (the “Issuer”), under and pursuant to Resolutions to be adopted by the Board of Directors of the Issuer (the “Governing Body”) on [this date][June 28, 2017] (the “Bond Resolution”). All capitalized terms not specifically defined herein shall have the same meaning as defined in the Bond Resolution, unless some other meaning is plainly indicated.

This offer is made subject to acceptance of this Bond Purchase Agreement by or on behalf of the Governing Body on or before 10:00 a.m., applicable Central time, on June 28, 2017 (the “Sale Date”).

**SECTION 1. PURCHASE, SALE AND DELIVERY OF THE BONDS**

(a) On the basis of the representations, warranties and covenants contained herein and in the other agreements and documents referred to herein, and subject to the terms and conditions herein set forth, the Purchaser agrees to purchase from the Issuer and the Issuer agrees to sell to the Purchaser the Bonds not later than 12:00 Noon, applicable Central time on July 12, 2017, or such other place, time or date as shall be mutually agreed upon by the Issuer and the Purchaser, at the purchase price set forth on *Exhibit A* attached hereto, plus accrued interest from the Dated Date to the Closing Date (the “Purchase Price”). The date of such delivery and payment is herein called the “Closing Date,” the hour and date of such delivery and payment is herein called the “Closing Time” and the transactions to be accomplished for delivery of the Bonds on the Closing Date shall be herein called the “Closing.” The Bonds shall be issued under and secured as provided in the Bond Resolution and the Bonds shall have the maturities and interest rates as set forth therein and on *Exhibit A* attached hereto, which also contains a summary of the redemption provisions of the Bonds. The Bonds shall contain such other provisions as are described in the Bond Resolution and the Official Statement (as hereinafter defined).

(b) The Issuer acknowledges and agrees that: (1) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction between the Issuer and the Purchaser; (2) in connection with such transaction, the Purchaser is acting solely as a principal and not as an agent or a fiduciary of the Issuer; (3) the Purchaser has not assumed (individually or collectively) a fiduciary responsibility in favor of the Issuer with respect to the offering of the Bonds or the process leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has advised or is currently advising the Issuer on other matters) or any other obligation to the Issuer except with respect to the obligations expressly set forth in this Bond Purchase Agreement; and (4) the Issuer has consulted

with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

(c) Payment of the Purchase Price for the Bonds shall be made by federal wire transfer in immediately available federal funds, payable to the order of the Escrow Agent for the account of the Issuer on or before the Closing Time on the Closing Date. Upon such payment, the Bonds shall be delivered and released upon the instructions of the Purchaser to The Depository Trust Company, New York, New York (“DTC”).

(d) The delivery of the Bonds shall be made in “book-entry-only” fully registered form duly executed and authenticated and bearing CUSIP numbers (provided neither the printing of a wrong CUSIP number on any Bond nor the failure to print a number thereon shall constitute cause to refuse delivery of any Bond); provided, however, that the Bonds may be delivered in temporary form. The Bonds shall be available at DTC at least 24 hours prior to the Closing Time.

(e) The Purchaser agrees to offer the Bonds to the public initially at the offering prices or yields set forth in *Exhibit A-1* attached hereto, but may subsequently change such offering prices [**USE ONLY IF HOLD-THE-OFFERING-PRICE RULE OPTION USED:** (except to the extent the Purchaser may have agreed otherwise in *Section 2* by committing to the Hold-The-Offering-Price Rule)]. The Purchaser agrees to notify the Issuer of such changes, if such changes occur prior to the Closing Time, but failure so to notify shall not invalidate such changes.

## **SECTION 2. ESTABLISHMENT OF ISSUE PRICE**

(a) The Purchaser agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at the Closing Time an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as *Exhibit A-3* with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds (the “Issue Price Certificate”). The Purchaser confirms that it has offered the Bonds to the public on or before the Sale Date at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in *Exhibit A-1* attached hereto, except as otherwise set forth therein. The Purchaser acknowledges that it is an “underwriter” as said term is defined in *subsection (c)* hereof.

(b) The Issuer will treat the price at which the first 10% of each maturity of the Bonds is sold to the public (the “10% Test”) as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test). *Exhibit A-2* sets forth, as of the Sale Date, the maturities of the Bonds for which the 10% Test has been satisfied and the maturities of the Bonds, if any, for which the 10% Test has not been satisfied and for which the Issuer and the Purchaser agree that the restrictions set forth in the next sentence shall apply. If the 10% Test has not been satisfied as to any maturity of the Bonds, the Purchaser agrees to promptly report to the Issuer the prices at which it sells the unsold Bonds of that maturity to the public.

**[USE THIS PARAGRAPH (b) ONLY IF THE PURCHASER AGREES TO APPLY THE HOLD-THE-OFFERING-PRICE RULE:**

(b) The Issuer will treat the price at which the first 10% of each maturity of the Bonds is sold to the public (the “10% Test”) as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test). *Exhibit A-2* sets forth, as of the Sale Date, the maturities of the Bonds for which the 10% Test has been satisfied. *Exhibit A-2* also sets forth, as of the Sale Date, the maturities, if any, of the Bonds for which the 10%

Test has not been satisfied and for which the Issuer and the Purchaser agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the Sale Date as the issue price of that maturity (the “Hold-The-Offering-Price Rule”). So long as the Hold-The-Offering-Price Rule remains applicable to any maturity of the Bonds, the Purchaser will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) Business Day after the Sale Date; or
- (2) the date on which the Purchaser has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Purchaser shall promptly advise the Issuer when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) Business Day after the Sale Date.

The Purchaser confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Purchaser that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the Hold-The-Offering-Price Rule, if applicable, in each case if and for so long as directed by the Purchaser. The Issuer acknowledges that, in making the representation set forth in this subsection, the Purchaser will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-The-Offering-Price Rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-The-Offering-Price Rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Issuer further acknowledges that the Purchaser shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the Hold-The-Offering-Price Rule as applicable to the Bonds.]\*

(c) The Purchaser acknowledges that sales of any Bonds to any person that is a related party to the Purchaser shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (1) “public” means any person other than an underwriter or a related party;
- (2) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public); and
- (3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common



ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) In conjunction with: (1) an audit or inquiry by the Internal Revenue Service (the “IRS”) or the Securities and Exchange Commission (the “SEC”) relating to the pricing of the Bonds, or (2) the implementation of future regulation or similar guidance from the IRS, the SEC or other federal or state regulatory authority regarding the retention of pricing data for the Bonds, at the request of the Issuer, the Purchaser will provide information explaining the factual basis for the Purchaser’s representations in the Issue Price Certificate relating to the pricing of the Bonds, other than information that would identify customers (e.g., name or account number). This agreement by the Purchaser to provide such information will continue to apply after the Closing Time but shall not extend to any customer data or other confidential or proprietary information of the Purchaser.

### **SECTION 3. OFFICIAL STATEMENT**

(a) The Issuer has previously furnished to the Purchaser the Preliminary Official Statement, dated June 14, 2017, relating to the Bonds, including all appendices thereto and maps and pictorial information included therein, as may have been amended or supplemented (the “Preliminary Official Statement”). For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12 of the SEC (the “Rule”), promulgated under the Securities Exchange Act of 1934, as amended (the “1934 Act”), the Issuer has previously deemed the Preliminary Official Statement “final” as of its date, except for the omission of such information as is permitted by such Rule, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, identity of the underwriters and other terms of the Bonds depending on such matters. The Issuer hereby ratifies and confirms the Purchaser’s use and public distribution of the Preliminary Official Statement in connection with the offering for sale of the Bonds.

(b) The Issuer will cause the Preliminary Official Statement to be amended and supplemented into a final official statement to be dated the Sale Date (the “Official Statement”). The Issuer agrees to provide to the Purchaser within seven business days of the Sale Date or within sufficient time to accompany any confirmation that requests payment from any customer of the Purchaser, whichever is earlier, sufficient copies of the Official Statement to enable the Purchaser to comply with the requirements of the Rule and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board (the “MSRB”). The Issuer hereby confirms the authority of the Purchaser to use, and consents to the use of, the Official Statement in connection with the public offering and sale of the Bonds.

(c) The Preliminary Official Statement and Official Statement may be delivered in printed and/or electronic form to the extent permitted by the applicable rules of the MSRB and as may be agreed to by the Issuer and the Purchaser.

(d) If, prior to the earlier of: (1) 90 days after the “end of the underwriting period” (as defined in the Rule); or (2) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, specifically including the MSRB’s Electronic Municipal Market Access system (“EMMA”), but in no case earlier than 25 days after the end of the underwriting period, any event shall occur relating to or affecting the Issuer, as a result of which it is necessary to amend or supplement the Official Statement in order to make the statements therein, in the

light of the circumstances existing when the Official Statement is delivered to a purchaser, not materially misleading, or the Official Statement is required to be amended or supplemented to comply with law, the Issuer shall promptly prepare and furnish, at the expense of the Issuer, to the Purchaser and to the dealers (whose names and addresses the Purchaser will furnish to the Issuer) to which Bonds may have been sold by the Purchaser and to any other dealers upon request, such amendments or supplements to the Official Statement as may be necessary so that the statements in the Official Statement as so amended or supplemented will not, in the light of the circumstances existing when the Official Statement is delivered to a purchaser of the Bonds, be misleading or so that the Official Statement will comply with law.

(e) From the Sale Date until the Closing Time, the Issuer shall furnish the Purchaser with a copy of any proposed amendment or supplement to the Official Statement for review and shall not use any such proposed amendment or supplement to which the Purchaser reasonably objects.

(f) The Issuer authorizes the Purchaser to file, to the extent required by applicable SEC or MSRB rule, and the Purchaser agrees to file or cause to be filed, the Official Statement with: (1) the MSRB or its designee, including EMMA; or (2) other repositories approved from time to time by the SEC (either in addition to or in lieu of the filings referred to above). If an amended Official Statement is prepared in accordance with *Section 3(d)*, the Purchaser also shall make the required filings of the amended Official Statement in the manner set forth in this section.

#### **SECTION 4. REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF THE PURCHASER**

By the execution hereof the Purchaser hereby represents, warrants and agrees with the Issuer that as of the date hereof and at the Closing Time the Purchaser is duly authorized to enter into this Bond Purchase Agreement and to take all actions required or contemplated to be performed by the Purchaser under this Bond Purchase Agreement.

#### **SECTION 5. ISSUER'S REPRESENTATIONS AND WARRANTIES**

By the Issuer's acceptance hereof the Issuer hereby represents and warrants to, and agrees with, the Purchaser that as of the date hereof and at the Closing Time:

(a) The Issuer is an instrumentality issuing on behalf of the City of Salina, Kansas, a political subdivision duly organized under the laws of the State of Kansas (the "State").

(b) The Issuer has complied with all provisions of the Constitution and laws of the State and has full power and authority to consummate all transactions contemplated by the Bond Resolution and this Bond Purchase Agreement, and all other agreements relating thereto.

(c) The Issuer has duly authorized by all necessary action to be taken by the Issuer: (1) the adoption and performance of the Bond Resolution; (2) the execution, delivery and performance of this Bond Purchase Agreement; (3) the execution and performance of the Escrow Trust Agreement between the Issuer and the Escrow Agent; (4) the approval of the Official Statement; (5) the execution and performance of any and all such other agreements and documents as may be required to be executed, delivered and performed by the Issuer in order to carry out, give effect to and consummate the transactions contemplated by the Bond Resolution and this Bond Purchase Agreement; and (6) the carrying out, giving effect to and consummation of the transactions contemplated by the Bond Resolution and this Bond Purchase Agreement. Executed counterparts of the Bond Resolution and all such other agreements and documents specified herein will be made available to the Purchaser by the Issuer at the Closing Time.

(d) The Bond Resolution, the Escrow Trust Agreement and this Bond Purchase Agreement, when executed and delivered by the Issuer, will be the legal, valid and binding obligations of the Issuer enforceable in accordance with their terms, except to the extent that enforcement thereof may be limited by any applicable bankruptcy, reorganization, insolvency, moratorium or other law or laws affecting the enforcement of creditors' rights generally or against entities such as the Issuer and further subject to the availability of equitable remedies.

(e) The Bonds have been duly authorized by the Issuer, and when issued, delivered and paid for as provided for herein and in the Bond Resolution, will have been duly executed, authenticated, issued and delivered and will constitute valid and binding general obligations of the Issuer enforceable in accordance with their terms and entitled to the benefits and security of the Bond Resolution (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other law or laws affecting the enforcement of creditors' rights generally or against entities such as the Issuer and further subject to the availability of equitable remedies). The Bonds are general obligations of the Issuer, payable as to both principal and interest, if necessary, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer.

(f) The execution and delivery of the Bond Resolution, this Bond Purchase Agreement, the Escrow Trust Agreement, the Official Statement and the Bonds, and compliance with the provisions thereof, will not conflict with or constitute on the part of the Issuer a violation or breach of, or a default under, any existing law, regulation, court or administrative decree or order, or any agreement, ordinance, resolution, mortgage, lease or other instrument to which it is subject or by which it is or may be bound.

(g) The Issuer is not, or with the giving of notice or lapse of time or both would not be, in violation of or in default under its organizational documents or any indenture, mortgage, deed of trust, loan agreement, bonds or other agreement or instrument to which the Issuer is a party or by which it is or may be bound, except for violations and defaults which individually and in the aggregate are not material to the Issuer and will not be material to the beneficial owners of the Bonds. As of the Closing Time, no event will have occurred and be continuing which with the lapse of time or the giving of notice, or both, would constitute an event of default under the Bond Resolution, the Escrow Trust Agreement or the Bonds.

(h) The Preliminary Official Statement did not, and the Official Statement and in any amendment or supplement thereto, will not, as of the Closing Time, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided that, the Issuer makes no statement as to the Excluded Sections (as defined in **Section 7(b)(2)** hereof).

(i) The financial statements of the Issuer attached to the Official Statement as **Appendix C** thereto, except as noted therein, present fairly and accurately the financial condition of the Issuer as of the dates indicated and the results of its operations for the periods specified, and such financial statements are prepared in the method stated therein consistently applied in all material respects for the periods involved.

(j) The Issuer has not, since the date of such financial statements, incurred any material liabilities and there has been no material adverse change in the condition of the Issuer, financial or otherwise, other than as set forth in the Official Statement.

(k) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the Issuer, threatened against or

affecting the Issuer (or, to its knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by the Bond Resolution or the validity of the Bonds, the Bond Resolution, the Escrow Trust Agreement, this Bond Purchase Agreement or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Bond Resolution.

(l) The Issuer has adopted an Omnibus Continuing Disclosure Undertaking (the “Disclosure Undertaking”) in which the Issuer covenants to provide and disseminate certain financial information, operating data and event notices in the manner and to the extent required by the Rule. The Bond Resolution contains a covenant of the Issuer to apply the provisions of the Disclosure Undertaking to the Bonds. A copy of the Disclosure Undertaking is attached to the Preliminary Official Statement and Official Statement. Except to the extent disclosed in the Official Statement, at no time in the last five years has the Issuer failed to comply in any material respect with any of the informational reporting undertakings contained in any previous continuing disclosure undertakings made by the Issuer pursuant to the Rule.

Any certificate signed by any of the authorized officials of the Issuer and delivered to the Purchaser in connection with the Closing shall be deemed a representation and warranty by the Issuer to the Purchaser as to the statements made therein.

## **SECTION 6. COVENANTS AND AGREEMENTS OF THE ISSUER**

The Issuer covenants and agrees with the Purchaser for the time period specified, and if no period is specified, for so long as any of the Bonds remain Outstanding, as follows:

(a) The proceeds of the Bonds will be used as provided in the Bond Resolution in accordance with the laws of the State.

(b) The proceeds of the Bonds shall not be used in a manner which would jeopardize the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(c) To cooperate with the Purchaser and its counsel in any reasonable endeavor to qualify the Bonds for offering and sale under the securities or “Blue Sky” laws of such jurisdictions of the United States as the Purchaser may reasonably request; provided that nothing contained herein shall require the Issuer to file written consents to suit and file written consents to service of process in any jurisdiction in which such consent may be required by law or regulation so that the Bonds may be offered or sold. The Issuer consents to the use of drafts of the Preliminary Official Statement, the Preliminary Official Statement and drafts of the Official Statement prior to the availability of the Official Statement, by the Purchaser in obtaining such qualification. The Purchaser shall pay all expenses and costs (including legal, registration and filing fees) incurred in connection therewith.

## **SECTION 7. CONDITIONS TO THE PURCHASER’S OBLIGATIONS**

The Purchaser’s obligations hereunder shall be subject to the due performance by the Issuer of the Issuer’s obligations and agreements to be performed hereunder at or prior to the Closing Time and to the accuracy of and compliance with the Issuer’s representations and warranties contained herein, as of the date hereof and as of the Closing Time, and are also subject to the following conditions:

(a) The Bond Resolution, the Escrow Trust Agreement and the Bonds shall have been duly authorized, executed and delivered in the form previously approved by the Purchaser with only such changes therein as shall be mutually agreed upon by the Issuer and the Purchaser.

(b) At the Closing Time, the Purchaser shall receive:

(1) Opinions dated as of the Closing Date of Gilmore & Bell, P.C. (“Bond Counsel”), substantially in the form attached hereto as *Exhibits B-1* and *B-2*.

(2) A certificate of the Issuer, satisfactory in form and substance to the Purchaser, dated as of the Closing Date, to the effect that: (A) since the date of the Official Statement there has not been any material adverse change in the business, properties, financial condition or results of operations of the Issuer, whether or not arising from transactions in the ordinary course of business, from that set forth in the Official Statement, and except in the ordinary course of business or as set forth in the Official Statement, the Issuer has not incurred any material liability; (B) there is no action, suit, proceeding or, to the knowledge of the Issuer, any inquiry or investigation at law or in equity or before or by any public board or body pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer, its officers or its property or, to the best of the knowledge of the Issuer, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the Issuer, the transactions contemplated hereby or by the Bond Resolution, the Escrow Trust Agreement or the Official Statement or the validity or enforceability of the Bonds, the Escrow Trust Agreement or the Bond Purchase Agreement, which are not disclosed in the Official Statement; (C) to the knowledge of the Issuer, the information contained in the Official Statement, other than the sections entitled “Tax Matters,” and *Appendix B* (collectively, the “Excluded Sections”), for which the Issuer expresses no opinion, is true in all material respects and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; (D) the Issuer has duly authorized, by all necessary action, the execution, delivery and due performance by the Issuer of the Escrow Trust Agreement and this Bond Purchase Agreement; and (E) the representations and warranties of the Issuer set forth herein were accurate and complete as of the date hereof and are accurate and complete as of the Closing Time.

(3) An executed Tax Compliance Agreement for the Bonds, satisfactory in form and substance to the Purchaser, dated as of the Closing Date, with an attached completed and executed IRS Form 8038-G.

(4) An executed copy of the Disclosure Undertaking.

(5) Receipt of municipal bond ratings for the Bonds by Moody’s of at least “Aa3”.

(6) Such additional certificates, legal and other documents, listed on a closing agenda to be approved by Bond Counsel and counsel to the Purchaser, as the Purchaser may reasonably request to evidence performance or compliance with the provisions hereof and the transactions contemplated hereby and by the Bond Resolution, or as Bond Counsel shall require in order to render its opinion, all such certificates and other documents to be satisfactory in form and substance to the Purchaser.

Subsequent to Closing, the Purchaser shall receive a complete Transcript of the Proceedings relating to the issuance of the Bonds in CD-ROM format, which shall specifically include each of the foregoing documents.

## **SECTION 8. CONDITIONS TO THE ISSUER’S OBLIGATIONS**

The obligations of the Issuer hereunder are subject to: (a) the Purchaser's performance of its obligations hereunder; and (b) the receipt of a letter, in form and substance satisfactory to the Issuer and the Purchaser, from an Independent Accountant verifying the mathematical accuracy of the computations relating to payment of the Bonds and arbitrage calculations for the sufficiency of funds and Defeasance Obligations deposited to and held under the Escrow Trust Agreement to provide for payment of the Refunded Bonds in accordance with the Bond Resolution and the Escrow Agreement.

## **SECTION 9. THE PURCHASER'S RIGHT TO CANCEL**

The Purchaser shall have the right to cancel the obligation hereunder to purchase the Bonds (such cancellation shall not constitute a default for purposes of *Section 1* hereof) by notifying the Issuer in writing or by facsimile of its election to make such cancellation prior to the Closing Time, if at any time after the execution of this Bond Purchase Agreement and prior to the Closing Time, the market price or marketability of the Bonds, or the ability of the Purchaser to enforce contracts for the sale of the Bonds, shall be materially adversely affected by any of the following events:

(a) A committee of the House of Representatives or the Senate of the Congress of the United States shall have pending before it legislation which, if enacted in its form as introduced or as amended, would have the purpose or effect of imposing federal income taxation upon revenues or other income of the general character to be derived by the Issuer or by any similar body or upon interest received on obligations of the general character of the Bonds, or the Bonds.

(b) A tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or be recommended to the Congress of the United States for passage by the President of the United States, or be enacted by the Congress of the United States, or a decision by a court established under Article III of the Constitution of the United States or the Tax Court of the United States shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States or the IRS shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which results in the imposition of federal income taxation, upon revenues or other income of the general character to be derived by the Issuer or by any similar body or upon interest received on obligations of the general character of the Bonds, or the Bonds.

(c) Any legislation, ordinance, rule or regulation shall be introduced in or be enacted by the Legislature of the State or by any other governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State shall be rendered, or litigation challenging the law under which the Bonds are to be issued shall be filed in any court in the State.

(d) A stop order, ruling, regulation or official statement by, or on behalf of, the SEC or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the Securities Act of 1933, as amended (the "1933 Act"), the Securities Exchange Act of 1934, as amended (the "1934 Act") or the Trust Indenture Act of 1939, as amended.

(e) Legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds, including all the underlying obligations, are not exempt from registration under or from other requirements of the 1933 Act or the 1934 Act.

(f) A material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange.

(g) The New York Stock Exchange or any other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Purchaser.

(h) Any general banking moratorium shall have been established by federal, New York or State authorities.

(i) A material default has occurred with respect to the obligations of, or proceedings have been instituted under the Federal bankruptcy laws or any similar state laws by or against, any state of the United States or any city located in the United States having a population in excess of one million persons or any entity issuing obligations on behalf of such a city or state.

(j) Any proceeding shall be pending or threatened by the SEC against the Issuer.

(k) A war involving the United States shall have been declared, or any conflict involving the armed forces of the United States shall have escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred.

(l) Any financial rating assigned to the Bonds shall have been downgraded or withdrawn.

(m) A default by or a moratorium initiated by the United States in respect to payment of any direct obligation of, or obligation the principal of and interest on which is fully and unconditionally guaranteed as to full and timely payment by, the United States of America.

(n) Any event shall have occurred, or information become known, which makes untrue in any material respect, any statement or information contained in the Preliminary Official Statement, or has the effect that the Preliminary Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(o) The Official Statement makes material modifications to the Preliminary Official Statement deemed “final” by the Issuer pursuant to the Rule, other than modifications permitted by the Rule, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters.

(p) Investment agreements or similar instruments relating to the investment of moneys in various funds and accounts created under the Escrow Trust Agreement in form and substance satisfactory to the Purchaser, have not been executed by the parties thereto and received by the Purchaser as of the Closing Time, or the Defeasance Obligations contemplated thereby have not been issued to or received by the Escrow Agent prior to the Closing Time or any opinions with respect to the investments contemplated by such instruments and the nature of the transaction contemplated thereby, in form and substance satisfactory to the Purchaser and its counsel, have not been received by the Purchaser as of the Closing Time.

## **SECTION 10. PAYMENT OF EXPENSES**

(a) Whether or not the Bonds are sold by the Issuer to the Purchaser (unless such sale be prevented at the Closing Time by the Purchaser's default), the Purchaser, unless otherwise contracted for, shall be under no obligation to pay any expenses incident to the performance of the obligations of the Issuer hereunder; nor shall the Issuer, unless otherwise contracted for, be under any obligation to pay any expenses incident to the performance of the obligations of the Purchaser hereunder (unless such sale be prevented at the Closing Time by the Issuer's default).

(b) If the Bonds are sold by the Issuer to the Purchaser, except as hereinafter set forth, all expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bonds shall be paid by the Issuer out of the proceeds of the Bonds or other Issuer funds. Such expenses and costs shall include, but not be limited to: (1) the fees and disbursements of Bond Counsel; (2) the fees and disbursements of the Issuer's legal counsel; (3) costs associated with obtaining municipal bond ratings relating to the Bonds and the Refunded Bonds; (4) the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Bonds, the Official Statement, this Bond Purchase Agreement and all other agreements and documents contemplated hereby; (5) fees of the Bond Registrar and Paying Agent designated by the Issuer pursuant to the Bond Resolution; (6) all costs and expenses of the Issuer relating to the issuance of the Bonds; and (7) the fees and disbursements of the Escrow Agent and any accountants or other experts or consultants retained in connection with verification of yields and/or cash flow projections made in connection with the Bonds and the refunding of the Refunded Bonds. The Purchaser shall be responsible for payment of the costs of qualifying the Bonds for sale in the various states chosen by the Purchaser, all advertising expenses in connection with the offering of the Bonds, the fees and disbursements of the Purchaser's legal counsel and all other expenses incurred by the Purchaser in connection with the offering, sale and distribution of the Bonds.

## **SECTION 11. NOTICE**

Any notice or other communication to be given under this Bond Purchase Agreement may be given in the manner set forth in the Bond Resolution, as follows:

(a) If to the Issuer at: Salina Airport Authority (Salina, Kansas), 3237 Arnold Ave., Salina, Kansas 67401, Attention: Shelli Swanson, Director of Administration and Finance.

(b) If to the Purchaser at: Robert W. Baird & Co., Incorporated, 777 E. Wisconsin Avenue, 29<sup>th</sup> Floor, Milwaukee, Wisconsin 53202, Attention: Manager, Public Finance Department.

## **SECTION 12. INDEMNIFICATION**

(a) The Issuer agrees, to the extent legally permitted, to indemnify and hold harmless the Purchaser, and each person, if any, who controls (within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act) the Purchaser (collectively, the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by any untrue statements or misleading statement or allegedly misleading statement of a material fact contained in the Official Statement or caused by any omission or alleged omission from the Official Statement of any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided that the Issuer shall have no indemnification obligation with respect to any statement or omission in the information contained in the Official Statement under the heading "Underwriting."



In case any action shall be brought against one or more of the Indemnified Parties based upon the Official Statement and in respect of which indemnity may be sought against the Issuer, the Indemnified Parties shall promptly notify the Issuer in writing and the Issuer shall promptly assume the defense thereof, including the employment of counsel, the payment of all expenses and the right to negotiate and consent to settlement. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties unless employment of such counsel has been specifically authorized by the Issuer. The Issuer shall not be liable for any settlement of any such action effected without its consent by any of the Indemnified Parties, but if settled with the consent of the Issuer or if there be a final judgment for the plaintiff in any such action against the Issuer or any of the Indemnified Parties, with or without the consent of the Issuer, the Issuer agrees to indemnify and hold harmless the Indemnified Parties to the extent provided herein.

(b) The Purchaser agrees, to the extent legally permitted, to indemnify and hold harmless the Issuer and any Governing Body member, officer, official or employee of the Issuer, against any and all losses, claims, damages, liabilities or expenses whatsoever caused by any untrue statements or misleading statement or allegedly misleading statement of a material fact made by the Purchaser, or any agent, employee or official of the Purchaser, made in conjunction with the offering and/or sale of the Bonds; provided that the Purchaser shall have no indemnification obligation with respect to any statement or omission in the information contained supplied by the Issuer or the Issuer's representatives that are contained in the Official Statement.

In case any action shall be brought against one or more of the persons or entities identified in the preceding paragraph and in respect of which indemnity may be sought against the Purchaser, such parties shall promptly notify the Purchaser in writing and the Purchaser shall promptly assume the defense thereof, including the employment of counsel, the payment of all expenses and the right to negotiate and consent to settlement. Any one or more of such parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such party unless employment of such counsel has been specifically authorized by the Purchaser. The Purchaser shall not be liable for any settlement of any such action effected without its consent by any of such parties, but if settled with the consent of the Purchaser or if there be a final judgment for the plaintiff in any such action against the Purchaser or any of such parties, with or without the consent of the Purchaser, the Purchaser agrees to indemnify and hold harmless such parties to the extent provided herein.

### **SECTION 13. MISCELLANEOUS**

(a) This Bond Purchase Agreement shall be binding upon the Purchaser, the Issuer, and their respective successors. This Bond Purchase Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that the representations, warranties, indemnities and agreements of the Issuer contained in this Bond Purchase Agreement shall also be deemed to be for the benefit of the person or persons, if any, who control the Purchaser (within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act). Nothing in this Bond Purchase Agreement is intended or shall be construed to give any person, other than the persons referred to in this Paragraph, any legal or equitable right, remedy or claim under or in respect of this Bond Purchase Agreement or any provision contained herein. All of the representations, warranties and agreements of the Issuer contained herein shall remain in full force and effect, regardless of: (1) any investigation made by or on behalf of the Purchaser; (2) delivery of and payment for the Bonds; or (3) any termination of this Bond Purchase Agreement.

(b) For purposes of this Bond Purchase Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

(c) This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

(d) This Bond Purchase Agreement may be executed in one or more counterparts, and if executed in more than one counterpart, the executed counterparts shall together constitute a single instrument.

(e) This Bond Purchase Agreement may not be assigned by either party without the express written consent of the other party.

#### **SECTION 14. EFFECTIVE DATE**

This Bond Purchase Agreement shall become effective upon acceptance hereof by the Issuer.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

Upon your acceptance of the offer, this Bond Purchase Agreement will be binding upon the Issuer and the Purchaser. Please acknowledge your agreement with the foregoing by executing the enclosed copy of this Bond Purchase Agreement prior to the date and time specified on page 1 hereof and returning it to the undersigned.

**ROBERT W. BAIRD & CO.,  
INCORPORATED  
MILWAUKEE, WISCONSIN**

Date: June \_\_\_\_, 2017  
Time: \_\_:\_\_.m.

By: \_\_\_\_\_  
Managing Director

Accepted and agreed to as of  
the date first above written.

**SALINA AIRPORT AUTHORITY  
(SALINA, KANSAS)**

Date: June \_\_\_\_, 2017  
Time: \_\_:\_\_.m.

By: \_\_\_\_\_  
Chairman

ATTEST: (Seal)

By: \_\_\_\_\_  
Secretary

**EXHIBIT A-1**

**SALINA AIRPORT AUTHORITY (SALINA, KANSAS)  
 \$[PRINCIPAL AMOUNT B]  
 GENERAL OBLIGATION REFUNDING BONDS  
 SERIES 2017-B**

**CALCULATION OF PURCHASE PRICE**

Principal Amount	\$ _____
Less Underwriter's Discount	-
Plus Original Issue Premium	
Less Original Issue Discount	-
<b>Total Purchase Price</b>	

**MATURITY SCHEDULE**

<u>Stated Maturity September 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Initial Offering Price</u>	<u>Stated Maturity September 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Initial Offering Price</u>
	\$	%	%		\$	%	%
2019				2026			
2020				2027			
2021				2028			
2022				2029			
2023				2030			
2024				2031			
2025							

[ TERM BONDS

<u>Stated Maturity September 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Initial Offering Price</u>
	\$	%	%
20__			
20__			
20__			

(Plus accrued interest from July 12, 2017)

**REDEMPTION OF BONDS**

**Redemption by Issuer.**

**Optional Redemption.** At the option of the Issuer, the Bonds maturing on September 1 in the years 20[\_\_\_], and thereafter, will be subject to redemption and payment prior to maturity on September 1, 20[\_\_\_], and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

[ **Mandatory Redemption.** The Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The Issuer shall redeem on September 1 in each year, the following principal amounts of such Term Bonds:

**Principal  
Amount**  
\$

**Year**

20\_\_\*

---

\*Final Maturity]

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**EXHIBIT A-2**

**SALINA AIRPORT AUTHORITY (SALINA, KANSAS)**

**[\$[PRINCIPAL AMOUNT B]  
GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2017-B**

**ISSUE PRICE DETERMINATION**

**MATURITIES FOR WHICH 10% SOLD AS OF THE DATE OF THIS  
BOND PURCHASE AGREEMENT**

**SERIES 2017-B BONDS**

<u>Stated Maturity September 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Sale Price</u>	<u>Stated Maturity September 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Sale Price</u>
2019	\$	%	%	2026	\$	%	%
2020				2027			
2021				2028			
2022				2029			
2023				2030			
2024				2031			
2025							

**[SERIES 2017-B TERM BONDS**

<u>Stated Maturity September 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Sale Price</u>
20__	\$	%	%
20__			
20__			

(Plus accrued interest from July 12, 2017)

\***[USE THIS TABLE IF HOLD-THE-OFFERING-PRICE RULE VERSION OF SECTION 2 IS  
SELECTED]**\*

**HOLD-THE-OFFERING-PRICE RULE APPLIES  
(MATURITIES FOR WHICH 10% NOT SOLD AS OF THE DATE OF THIS  
BOND PURCHASE AGREEMENT)**

**SERIES 2017-B BONDS**

<u>Stated Maturity September 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Initial Offering Price</u>	<u>Stated Maturity September 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Initial Offering Price</u>
2019	\$	%	%	2026	\$	%	%

2020  
2021  
2022  
2023  
2024  
2025

2027  
2028  
2029  
2030  
2031

**[SERIES 2017-B TERM BONDS**

<b><u>Stated Maturity September 1</u></b>	<b><u>Principal Amount</u></b>	<b><u>Annual Rate of Interest</u></b>	<b><u>Initial Offering Price</u></b>
20__	\$	%	%
20__			
20__			

(Plus accrued interest from July 12, 2017)

***EXHIBIT A-3***

**SALINA AIRPORT AUTHORITY (SALINA, KANSAS)  
\$[PRINICIPAL AMOUNT B]  
GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2017-B**

**FORM OF ISSUE PRICE CERTIFICATE**



***EXHIBIT B-1***

**FORM OF BOND COUNSEL OPINION**

**GILMORE & BELL, P.C.  
Attorneys at Law**

**2405 Grand Boulevard  
Suite 1100  
Kansas City, Missouri 64108-2521**

[July 12, 2017]

Governing Body  
Salina Airport Authority (Salina, Kansas)

Robert W. Baird & Co., Incorporated  
Milwaukee, Wisconsin

Re:     \$[PRINCIPAL AMOUNT B] General Obligation Refunding Bonds, Series 2017-  
       B, of the Salina Airport Authority (Salina, Kansas), Dated July 12, 2017

We have acted as Bond Counsel in connection with the issuance by the Salina Airport Authority (Salina, Kansas), (the “Issuer”), of the above-captioned bonds (the “Bonds”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer authorizing the issuance of the Bonds.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

**1.**     The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

**2.**     The Bonds are payable as to both principal and interest 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 Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

**3.**     The interest on the Bonds (including any original issue discount properly allocable to an owner of a Bond) is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this

paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have **not** been designated as “qualified tax-exempt obligations” for purposes of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

**GILMORE & BELL, P.C.**

**EXHIBIT B-2**

**FORM OF DEFEASANCE OPINION**

**GILMORE & BELL, P.C.**  
**Attorneys at Law**

**2405 Grand Boulevard**  
**Suite 1100**  
**Kansas City, Missouri 64108-2521**

[July 12, 2017]

Governing Body  
Salina Airport Authority (Salina, Kansas)

Robert W. Baird & Co., Incorporated  
Milwaukee, Wisconsin

Security Bank of Kansas City  
Kansas City, Kansas

Re: Salina Airport Authority, (Salina, Kansas), General Obligation Bonds, Series 2009-A; and General Obligation Bonds, Series 2011-B.

This opinion is delivered to you in connection with the satisfaction, discharge and defeasance of the following described bonds originally issued by the Salina Airport Authority (Salina, Kansas) (the “Issuer”) (collectively, the “Defeased Bonds”):

<i>Series</i>	<i>Dated Date</i>	<i>Defeased Amount</i>	<i>Years</i>	<i>Redemption Date</i>
2009-A	June 1, 2009	\$2,025,000	2026-2029	September 1, 2019
2011-B	August 15, 2011	\$2,505,000	2030-2031	September 1, 2019

The Defeased Bonds were each issued pursuant to a resolution adopted by the governing body of the Issuer (collectively, the “Bond Resolution”). Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Bond Resolution.

Provision has been made for the payment of the principal, redemption price, if any, and interest due or to become due on the Defeased Bonds to the above-referenced Redemption Dates in the manner specified in the Bond Resolution, by the irrevocable deposit in trust with Security Bank of Kansas City, Kansas City, Kansas, as escrow agent (the “Escrow Agent”), pursuant to the Escrow Trust Agreement dated as of July 12, 2017 (the “Escrow Trust Agreement”), between the Issuer and the Escrow Agent, of cash and government securities that, according to the Verification Report described below, will mature as to principal and will pay interest in amounts and at times that will provide sufficient moneys to make such payments.

We have examined the law, the Bond Resolution, the Escrow Trust Agreement and the other documents and certified proceedings that we deem necessary to render this opinion. Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of

public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Escrow Trust Agreement has been duly authorized, executed and delivered by the Issuer and constitutes a valid and binding agreement of the Issuer, enforceable against the Issuer except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and by equitable principles whether considered at law or in equity.

2. Provision has been made for payment of the Defeased Bonds in accordance with K.S.A. 10-427 *et seq.* All conditions precedent to the satisfaction, discharge and defeasance of the Defeased Bonds contained in the Bond Resolution have been complied with, and the Defeased Bonds are deemed to be paid and discharged under the Bond Resolution. All conditions precedent to the satisfaction, discharge and defeasance of the Bond Resolution have been complied with, and the requirements contained in the Bond Resolution and all other rights granted thereby have ceased and terminated in accordance with the provisions thereof.

3. Provision for the payment, discharge and defeasance of the Defeased Bonds will not, in and of itself, cause the interest on the Defeased Bonds to become included in gross income for federal income tax purposes.

In rendering the opinions set forth herein, we have relied upon the calculations and conclusions contained in the Verification Report dated July 12, 2017, of Robert Thomas CPA, LLC, certified public accountants, relating to the sufficiency of the Escrow Fund established under the Escrow Trust Agreement and certain yield calculations relating to the Issuer's General Obligation Refunding Bonds, Series 2017-B, dated July 12, 2017, and the Defeased Bonds, without undertaking to verify the same.

We express no opinion with respect to the effect on the original status of the interest on the Defeased Bonds for federal income tax purposes of any actions taken or omitted to be taken by the Issuer or its affiliates with respect to the ownership, use or operation of the facilities financed or refinanced with the proceeds of the Defeased Bonds other than as stated in this opinion.

This opinion is delivered to you for your use only and may not be used or relied on by any third party for any purpose without our prior written approval in each instance.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

**GILMORE & BELL, P.C.**