



TRIPLETT WOOLF GARRETSON, LLC

BOND PURCHASE AGREEMENT

BY AND BETWEEN

INTRUST BANK, N.A.
A National Banking Association

AND THE

CITY OF LYONS, KANSAS

\$2,380,000
CONVERTIBLE GENERAL OBLIGATION REFUNDING BONDS
SERIES A, 2020



Dated as of February 18, 2020

BOND PURCHASE AGREEMENT

City of Lyons, Kansas
Lyons, Kansas

Ladies and Gentlemen:

On the basis of the representations, warranties and covenants and upon the terms and conditions contained in this Bond Purchase Agreement, INTRUST Bank, N.A., a national banking association (the “Lender”), hereby offers to purchase all (but not less than all) of the above-described Convertible General Obligation Refunding Bonds, Series A, 2020 (the “Series 2020 Bonds”), to be issued by the City of Lyons, Kansas, a municipal corporation (the “Issuer”). This offer is made subject to your acceptance hereof, and upon such acceptance, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer and the Lender.

The Series 2020 Bonds shall be issued pursuant to an ordinance and resolution adopted on February 18, 2020 (the “Bond Ordinance”). The proceeds of the Series 2020 Bonds will be used to refund and pay certain of the Issuer’s outstanding General Obligation Refunding Bonds, Series 2011 (the “2011 Bonds”), and pay a portion of the Costs of Issuance to be incurred in connection with the Series 2020 Bonds.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Bond Ordinance.

SECTION 1. PURCHASE, SALE AND DELIVERY OF THE SERIES 2020 BONDS

On the basis of the representations, warranties, and agreements herein contained, and subject to the terms and conditions herein set forth, at the closing time stated below (the “Closing Time”), the Issuer agrees to sell to the Lender, and the Lender agrees to purchase from the Issuer (i) the Series 2020 Bonds at a purchase price equal to the par amount of the Series 2020 Bonds (\$2,380,000), plus accrued interest, if any, from the dated date of the Series 2020 Bonds to the date of payment and delivery. The Series 2020 Bonds shall mature, shall bear interest at the rates and shall have the terms as set forth on Exhibit A hereto. Payment of the Purchase Price by the Lender for the Series 2020 Bonds shall be made by federal wire transfer in immediately available federal funds, payable to the Bond Trustee, for the account of the Issuer on or before the Closing Time on the Closing Date. Upon such payment, the Series 2020 Bonds shall be delivered and released upon the instructions of the Lender. The Closing Time shall be 10:00 a.m. Central Time on March 3, 2020 (the “Closing Date”), or such other time and/or date as may be agreed to by the Lender and the Issuer. The Series

2020 Bonds shall be issued and delivered as a fully registered bonds duly executed and authenticated.

In addition to the foregoing, and on the basis of the same representations, warranties, and agreements herein contained, and subject to the terms and conditions herein set forth, the Issuer agrees to pay at the Closing Time or as the same become due all other reasonable Costs of Issuance (including, but not limited to, Bond Counsel fees, Trustee fees, Placement Agent fees, and Lender's origination fee of \$5,000) at the Closing Time or agrees to make provision for payment of such costs according to their terms.

SECTION 2. ESTABLISHMENT OF ISSUE PRICE

The Lender agrees to assist the Issuer in establishing the issue price of the Tax-Exempt Bonds and shall execute and deliver to the Issuer on any Conversion Date an "issue price" or similar certificate to accurately reflect, as applicable, the issue price of the Tax-Exempt Bonds. The Lender is not acting as an Underwriter with respect to the Series 2020 Bonds. The Lender has no present intention to sell, reoffer, or otherwise dispose of the Series 2020 Bonds (or any portion of the Series 2020 Bonds or any interest in the Series 2020 Bonds). The Lender has not contracted with any person pursuant to a written agreement to have such person participate in the initial sale of the Series 2020 Bonds, and the Lender has not agreed with the Issuer pursuant to a written agreement to sell the Series 2020 Bonds to persons other than the Lender or a related party to the Lender. The term "Related Party" is defined in U.S. Treasury Regulation § 1.150-1(b) which generally provides that the term related party means any two or more persons who have a greater than 50 percent common ownership, directly or indirectly. The term "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 Series 2020 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) of this paragraph to participate in the initial sale of the Series 2020 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 Series 2020 Bonds to the Public).

SECTION 3. REPRESENTATIONS AND WARRANTIES OF THE ISSUER

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

(A) The Issuer is a municipal corporation 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 Ordinance 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 Ordinance; (2) the execution, delivery and performance of this Bond Purchase Agreement; (3) 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 Ordinance and this Bond Purchase Agreement; and (4) the carrying out, giving effect to and consummation of the transactions contemplated by the Bond Ordinance and this Bond Purchase Agreement. Executed counterparts of the Bond Ordinance 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 Ordinance 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 Ordinance, will have been duly executed, authenticated, issued and delivered and will constitute valid and binding special obligations of the Issuer enforceable in accordance with their terms and entitled to the benefits and security of the Bond Ordinance (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).

(F) There is no controversy, suit or other proceedings of any kind or character pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way (i) the legal organization of the Issuer or its boundaries, (ii) the right or title of any of its officers or members of its Governing Body to their respective offices or positions, (iii) the legality of any official act shown to have been done in the Transcript, (iv) the constitutionality or validity of the indebtedness represented by the Bonds, (v) the validity of the Bonds or any of the proceedings in relation to the issuance or sale thereof, or (vi) the levy and collection of a tax to pay the principal and interest on the Bonds.

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 4. REPRESENTATIONS AND WARRANTIES OF LENDER

(A) The Lender has sufficient knowledge and experience in business and financial matters in general, and investments such as the Series 2020 Bonds in particular, to enable the

Lender to evaluate the Series 2020 Bonds, the credit of the Issuer, the collateral and the bond terms and that the Lender will make its own independent credit analysis and decision to purchase the Series 2020 Bonds based on independent examination and evaluation of the transaction and the information deemed appropriate.

(B) The Lender acknowledges that no credit rating has been sought or obtained with respect to the Series 2020 Bonds.

(C) The Lender acknowledges that no official statement has been prepared for the Series 2020 Bonds and that the Issuer will not be entering into a continuing disclosure agreement to provide ongoing disclosure respecting the Series 2020 Bonds pursuant to SEC Rule 15c2-12. The Lender has been offered copies of or full access to all documents relating to the Series 2020 Bonds and all records, reports, financial statements and other information concerning the Issuer and pertinent to the source of payment for the Series 2020 Bonds as deemed material by the Lender, which the Lender as a reasonable investor, has requested and to which the Lender, as a reasonable investor, would attach significance in making an investment decision.

(D) The Lender confirms that its investment in the Series 2020 Bonds constitutes an investment that is suitable for and consistent with its investment program and that the Lender is able to bear the economic risk of an investment in the Series 2020 Bonds, including a complete loss of such investment.

(E) The Lender states that: (a) it is a bank, savings and loan association, insurance company, or registered investment company; or an investment adviser registered either with the Securities and Exchange Commission under Section 203 of the Investment Advisers Act of 1940 or with a state securities commission (or any agency or office performing like functions); or any other entity (whether a natural person, corporation, partnership, trust, or otherwise) with total assets of at least \$50 million; and, (b) it is capable of evaluating investment risks and market value independently, both in general and with regard to transactions and investment strategies in municipal securities; (c) it is exercising independent judgment in evaluating: (i) the recommendation of the Placement Agent, if any, or its associated persons; and (ii) the quality of execution of the Lender's transactions by the Placement Agent; and (d) the Lender has timely access to material information that is available publicly through established industry sources as defined in Municipal Securities Rulemaking Board (MSRB) Rule G-47;

(F) The Lender is purchasing the Series 2020 Bonds solely for its own loan account for investment purposes only, and not with a present view to, or in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof (subject to the understanding that disposition of Lender's property will remain at all times within its control) provided nothing herein shall restrict the resale of the Series 2020 Bonds otherwise allowed by applicable law.

(G) The Lender understands that the Series 2020 Bonds (i) have not been registered under the Securities Act of 1933, as amended (the "Act"), and (ii) have not been registered or

qualified under any state securities or “Blue Sky” laws, and that the Bond Indenture has not been qualified under the Trust Indenture Act of 1939, as amended.

(H) The Lender has been furnished with and has examined the Series 2020 Bonds, the Bond Ordinance, and other documents, certificates and the legal opinions delivered in connection with the issuance of the Series 2020 Bonds.

(I) The Lender acknowledges that in connection with the issuance of the Series 2020 Bonds: (i) Raymond James & Associates, Inc., as Placement Agent, has acted at arm’s length, is not an agent or financial advisor of, and owes no fiduciary duties to the Lender or any other person irrespective of whether the Placement Agent has advised or is advising the Lender on other matters, and (ii) it has had the opportunity to consult with its own legal counsel and to negotiate this Bond Purchase Agreement prior to execution. As a condition to the purchase of the Series 2020 Bonds from the Issuer, the Lender has directed the Placement Agent not to obtain a CUSIP number for the Series 2020 Bonds, or apply for DTC eligibility for the Series 2020 Bonds.

(J) The Lender understands that the Issuer, the Placement Agent, and their respective counsel and Bond Counsel will rely upon the accuracy and truthfulness of the representations and warranties contained herein and hereby consents to such reliance.

(K) The signatory of this Bond Purchase Agreement is a duly authorized employee of the Lender with the authority to sign this Bond Purchase Agreement on behalf of the Lender, and this Bond Purchase Agreement has been duly authorized, executed and delivered.

SECTION 5. CONDITIONS OF THE LENDER’S OBLIGATIONS

The obligations of the Lender to purchase and pay for the Series 2020 Bonds will be subject to the accuracy of the representations and warranties on the part of the Issuer contained herein, to the performance by the Issuer of its obligations hereunder, and to the following additional conditions precedent:

(A) The Bond Ordinance shall be duly enacted and the Series 2020 Bonds, which are being delivered to the Lender, shall have been duly authorized and executed by the respective parties thereto in the form heretofore approved by the Lender and its counsel and shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to by the Lender or its counsel, and the Issuer shall have duly adopted and there shall be in full force and effect all resolutions of such parties as, in the opinion of Bond Counsel, shall be necessary and appropriate in connection with the issuance of the Series 2020 Bonds and with the transactions contemplated thereby.

(B) On the Closing Date, the Lender shall receive in form and substance satisfactory to it:

- (1) Opinion of Bond Counsel, dated as of the Closing Date;

(2) A certificate or certificates, satisfactory in form and substance to Bond Counsel and the Lender, of an authorized officer of the Issuer, dated the Closing Time, following a reasonable investigation, to the effect that each of the representations and warranties of the Issuer set forth in Section 3 hereof is true, accurate, and complete in all material respects as of the Closing Time, and each of agreements of the Issuer set forth in this Bond Purchase Agreement to be complied with at or prior to the Closing Time has been complied with as of such time;

(3) Conformed copies of the Bond Ordinance and the Series 2020 Bonds;

(4) A copy of the transcript of all proceedings of the Issuer relating to the authorization and issuance of the Series 2020 Bonds.

(5) Such additional certificates, opinions, or documents as Bond Counsel or the Lender and its counsel may reasonably request to evidence the due satisfaction at or prior to such time of all conditions then to be satisfied in connection with the transactions described herein.

(C) Subsequent to the Issuer's acceptance of this Bond Purchase Agreement, but prior to the delivery to the Lender of the Series 2020 Bonds:

(1) There shall not have occurred any change or any development involving a prospective change in or affecting particularly the business or properties of the Issuer which, in the judgment of the Lender, materially impairs the investment quality of the Series 2020 Bonds; and

(2) The market price of the Series 2020 Bonds, or the market price of general credit or revenue obligations issued by the State of Kansas or political subdivisions thereof, or the market price of revenue obligations of the character of the Series 2020 Bonds, shall (in the reasonable opinion of the Lender) not have been materially and adversely affected by reason of:

(a) legislation enacted by the Congress or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress by any Committee of such House to which such legislation has been referred for consideration; or

(b) a decision rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court; or

(c) an order, ruling, or regulation made by the Treasury Department of the United States or the Internal Revenue Service; and

(3) Trading in securities generally on the New York Stock Exchange shall not have been suspended, minimum prices shall not have been established on such Exchange, nor a banking moratorium declared either by federal, New York, or State of Kansas authorities; and

(4) No order, decree, or injunction of any court of competent jurisdiction, nor any order, ruling regulation, or administrative proceeding by any governmental body or board, shall have been issued or commenced, nor shall any legislation have been enacted by the Congress, with the purpose or effect of prohibiting the issuing, offering or sale of the Series 2020 Bonds as contemplated hereby; and

(5) The United States shall not be or become engaged in any major outbreak of armed hostilities which result in the declaration of national emergency.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Lender contained in this Bond Purchase Agreement, or if the obligations of the Lender shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Lender nor the Issuer shall have any further obligations hereunder.

SECTION 6. DEFAULT OF THE LENDER

If the Lender defaults in its obligations to purchase the Series 2020 Bonds hereunder and other arrangements satisfactory to the Issuer for the purchase of the Series 2020 Bonds are not made within sixty (60) hours after default, this Bond Purchase Agreement will terminate without liability on the part of the Issuer.

SECTION 7. REPRESENTATIONS AND AGREEMENTS TO SURVIVE DELIVERY

All representations and warranties of the Issuer herein shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Lender and shall survive delivery of the Series 2020 Bonds.

SECTION 8. INDEMNIFICATION

In further consideration of the purchase of the Series 2020 Bonds by the Lender, the Issuer covenants with the Lender as follows:

(A) *Issuer*. The Issuer agrees to indemnify and hold harmless the Lender, each director, commissioner, member, official, officer, employee or agent of the Lender and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of the Lender through the ownership of voting securities, by contract or otherwise (collectively in this Subsection (A) called the “Indemnified Parties”), from and against any and all losses, claims, demands, damages, liabilities or expenses whatsoever caused by any breach of the representations of the Issuer contained herein.

In case a claim shall be made or any action shall be brought against one or more of the Indemnified Parties in respect of which indemnity may be sought against the Issuer pursuant to the preceding paragraph, the Indemnified Parties shall promptly notify the Issuer in writing, and the Issuer shall promptly assume the defense thereof, including with the consent of the Lender, which consent shall not be unreasonably withheld, 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 with respect to any such claim or 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 the employment of such counsel has been specifically authorized in writing by the Issuer or there is a conflict of interest that would prevent counsel for the Issuer from adequately representing both the Issuer and the Indemnified Parties. The Issuer shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the Issuer or if there is a final judgment for the plaintiff in any such action which the Issuer is required hereunder to assume the defense of, the Issuer agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment.

(B) Lender. The Lender agrees to indemnify and hold harmless the Issuer, each director, commissioner, member, official, officer, employee or agents of the Issuer and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of the Issuer, by contract or otherwise (collectively in this Subsection (B) called the “Indemnified Parties”) from and against any and all losses, claims, demands, damages, liabilities or expenses whatsoever caused by any breach of the covenants, warranties, or representations of the Lender contained herein.

In case a claim shall be made or any action shall be brought against one or more of the Indemnified Parties in respect of which indemnity may be sought against the Lender as described above, the Indemnified Parties shall promptly notify the Lender in writing, and the Lender shall promptly assume the defense thereof, including with the consent of the Issuer, which consents shall not be unreasonably withheld, 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 with respect to any such claim or 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 the employment of such counsel has been specifically authorized, in writing, by the Lender or there is a conflict of interest that would prevent counsel for the Lender from adequately representing both the Lender and the Indemnified Parties. The Lender shall not be liable for any settlement of any such action effected without their written consent, but if settled with the written consent of the Lender or if there is a final judgment for the plaintiff in any such action which the Lender is required hereunder to assume the defense of, the Lender agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment.

(C) Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in this Section is for any reason held to be unavailable to the Lender, the Issuer and the Lender shall contribute to the aggregate losses,

liabilities, claims, damages and expenses of the nature contemplated by such indemnity agreement incurred by the Lender and the Issuer in such proportion as is appropriate to reflect the relative benefits received, taking into consideration the relative fault of the Issuer and the Lender in connection with the statements, omissions or other actions that resulted in such losses, liabilities, claims, damages and expenses, as well as any other relevant equitable considerations; provided, however, that no person guilty of fraudulent misrepresentation shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section, each person, if any, who controls the Lender shall have the same rights to contribution as the Lender.

The relative benefits received by the Issuer on the one hand and the Lender on the other shall be deemed to be in the same proportion as the total net proceeds from the Series 2020 Bonds (before deducting expenses) received by the Issuer bear to the total origination fees and commissions received by the Lender in connection with this transaction. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer or the Lender and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Lender and the Issuer agree that it would not be just and equitable if contribution pursuant to this subsection were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection.

(D) *Survival*. The covenants and agreements of the Issuer and the Lender contained in this Section shall survive the delivery of the Series 2020 Bonds.

SECTION 9. PARTIES IN INTEREST

This Bond Purchase Agreement has been and is made solely for the benefit of the Lender, the Issuer and their respective successors and assigns and no other person, partnership, association, or corporation shall acquire or have any right under or by virtue of this Bond Purchase Agreement. The terms "successors" and "assigns" shall not include any purchaser of Series 2020 Bonds from the Lender merely because of such purchase.

SECTION 10. NOTICES

All communications hereunder shall be in writing and shall be mailed or delivered and confirmed to:

- (1) With respect to the Issuer:

City of Lyons, Kansas
201 W. Main St. – P. O. Box 88
Lyons, Kansas 67554-0088
Attn: City Clerk

(2) With respect to the Lender:

INTRUST Bank, N.A.
105 N. Main St.
Wichita, Kansas 67202
Attn: Mark Heiman, Managing Director

SECTION 11. APPLICABLE LAW

This Bond Purchase Agreement shall be governed by the laws of the State of Kansas and may not be assigned by the Issuer or the Lender.

SECTION 12. EXECUTION OF COUNTERPARTS

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

SECTION 13. EFFECTIVE DATE

This Bond Purchase Agreement shall be effective as of the date first above written.

[Remainder of Page Intentionally Left Blank]

Upon your acceptance of the offer, the foregoing agreement will be binding upon you and the Lender. Please acknowledge your agreement with the foregoing by executing the enclosed copy of this Bond Purchase Agreement and returning it to the undersigned.

INTRUST Bank, N.A.,
a national banking association

By _____
Mark Heiman, Managing Director

Date: _____, 2020

Time: ____:____ __.m.

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

CITY OF LYONS, KANSAS

[seal]

By _____
Garlan Old, Mayor

Date: _____, 2020

Time: ____:____ __.m.

EXHIBIT A

\$2,380,000
CONVERTIBLE GENERAL OBLIGATION REFUNDING BONDS
SERIES A, 2020

Dated: Issue Date
Interest Payable: February 1 and August 1, commencing August 1, 2020
Principal Payable: February 1, as set forth below
Interest Rate: 3.15%
Yield: 3.15%

TERM BONDS

Stated Maturity	Principal	Taxable Interest
<u>February 1</u>	<u>Amount</u>	<u>Rate</u>
2035	\$2,380,000	3.15%

Sinking Fund Redemption. Each of the Bonds maturing on February 1, 2035 (the “Term Bonds”), shall be subject to mandatory redemption and payment from the sinking fund hereinafter described, beginning February 1, 2021, and continuing on February 1 of each year thereafter pursuant to the redemption schedule hereafter set out, at the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and payment, without premium.

As and for a sinking fund for the retirement of the Term Bonds, the transfers to the Series A, 2020 Principal and Interest Account required by this Resolution which are to be made for payments commencing February 1, 2021, shall be sufficient to redeem, and the Issuer agrees to redeem, the following principal amounts of the Term Bonds on February 1, in each of the following years:

<u>Redemption Date</u>	<u>Principal Amount</u>
2021	\$50,000.00
2022	65,000.00
2023	65,000.00
2024	65,000.00
2025	170,000.00
2026	175,000.00
2027	180,000.00
2028	185,000.00
2029	190,000.00
2030	195,000.00
2031	200,000.00
2032	205,000.00
2033	205,000.00
2034	210,000.00

(Leaving \$220,000 to mature on February 1, 2035)

Optional Redemption. At the option of the Issuer, the Bonds may be called for redemption and payment prior to their respective maturities, on February 1, 2026 or thereafter, as a whole or in part at any time, as determined by the Issuer, at a redemption price equal to the principal amount, plus accrued interest to the date of redemption, without premium.

Conversion. At the option of the Issuer, the Issuer may require the owner of the Bonds to tender the Bonds bearing interest at the Taxable Rate and exchange the same for Tax-Exempt Bonds bearing interest at the rate per annum of 2.36% (the “Tax-Exempt Rate”) (computed on the basis of a 360-day year of twelve 30-day months), on February 1, 2021 or any date thereafter, upon satisfaction of the following conditions:

(1) The Issuer shall give notice of any proposed tender and exchange to the owner of the Bonds not less than 45 days prior to the proposed Conversion Date. The notice shall include (A) the proposed Conversion Date, and (B) the principal amount of the outstanding Bonds that will be tendered and exchanged for the Tax-Exempt Bonds.

(2) The following documents shall be filed with the Issuer, the Owner, and Bond Counsel on or prior to any Conversion Date:

(a) An Opinion of Bond Counsel dated the Conversion Date, to the effect that the interest calculated and accruing on the Tax-Exempt Bonds is excludable from gross income for federal income tax purposes, to be delivered and released on the Conversion Date;

(b) A copy of an executed Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, complete for filing with the Internal Revenue Service, to be filed with the IRS in connection with the Conversion Date;

(c) An Issuer’s Conversion Date Certification in form and substance acceptable to Bond Counsel to be executed, delivered and effective in connection with the Tax-Exempt Bonds;

(d) An Owner’s Conversion Date Certificate, in form and substance acceptable to Bond Counsel, including written election of the owner of the Bonds to exclude the interest calculated and accruing on the Tax-Exempt Bonds from its gross income for federal income tax purposes, to be executed, delivered and effective in connection with the Tax-Exempt Bonds.

On the Conversion Date, upon satisfaction of the conditions described in (1) and (2) above, the conversion of the Bonds to the Tax-Exempt Rate will be effective and the Bonds shall bear interest at the Tax-Exempt Rate. The Taxable Bonds shall be surrendered by the owner of the Taxable Bonds at the place of payment therefor (with, if the Paying Agent so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Paying Agent duly executed by, the owner thereof or his attorney or legal representative duly authorized in writing) and

the Paying Agent shall authenticate and deliver to the owner of the Taxable Bonds, without service charge, new Tax-Exempt Bonds in the principal amount equal to and in exchange for the principal of the Taxable Bonds so converted. If the owner of the Taxable Bonds shall fail to present the Taxable Bonds to the Paying Agent for conversion and exchange as aforesaid, said Bonds shall, nevertheless, be converted and accrue interest at the Tax-Exempt Rate.