

BOND AGREEMENT

between

CITY OF BEL AIRE, KANSAS

and

**SECURITY BANK OF KANSAS CITY
KANSAS CITY, KANSAS**

and

WEBB INDUSTRIAL, LLC

Dated as of December 1, 2021

**City of Bel Aire, Kansas
\$4,949,600
Taxable Industrial Revenue Bonds
Series 2021
(Wichita Hoops Project)**

BOND AGREEMENT

TABLE OF CONTENTS

	<u>Page</u>
Section 1. Definitions.	Error! Bookmark not defined.
Section 2. Reserved.	Error! Bookmark not defined.
Section 3. Owner’s Representations.	Error! Bookmark not defined.
Section 4. The Bonds.	Error! Bookmark not defined.
Section 5. Project Fund, Debt Service Fund and Other Funds.	Error! Bookmark not defined.
Section 6. The Bank.	Error! Bookmark not defined.
Section 7. Events of Default and Remedies.	Error! Bookmark not defined.
Section 8. Notices.	Error! Bookmark not defined.
Section 9. Miscellaneous Provisions.	Error! Bookmark not defined.
Exhibit A – Form of Bond	A-1
Exhibit B – Certificate of Issuance	B-1

BOND AGREEMENT

THIS BOND AGREEMENT, dated as of December 1, 2021, between the City of Bel Aire, Kansas an incorporated city of the second class, duly organized under the laws of the State of Kansas (the "Issuer"), Security Bank of Kansas City, Kansas City, Kansas, a banking corporation or association organized under the laws of the United States of America or one of the states thereof (the "Bank"), having a commercial banking office in Kansas City, Kansas, as depository, fiscal agent and paying agent, and Webb Industrial, LLC, a Kansas limited liability company (the "Tenant").

The Issuer, the Bank and the Tenant hereby agree as follows:

Section 1. Definitions. In addition to the words and terms defined elsewhere in this Bond Agreement, the Site Lease and the Project Lease, the following words and terms as used in this Bond Agreement shall have the following meanings, unless some other meaning is plainly intended:

"Act" means K.S.A. 12-1740 *et seq.*, as amended.

"Assignment" means the Assignment of Leases and Security Agreement, dated as of the date hereof, from the Issuer to the Bank.

"Authorized Tenant Representative" means the person designated to act on behalf of the Tenant as provided in *Section 9* of this Bond Agreement.

"Bank" means Security Bank of Kansas City, Kansas City, Kansas, as fiscal agent and paying agent.

"Bond Agreement" means this Bond Agreement as from time to time amended and supplemented.

"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 Issuer and Tenant.

"Debt Service Fund" means the Debt Service Fund created by *Section 5* hereof.

"Bonds" means the Issuer's Taxable Industrial Revenue Bonds, Series 2021 (Wichita Hoops Project), in an aggregate original principal amount of \$4,949,600 issued pursuant to this Bond Agreement.

"Change of Circumstances" means the occurrence of any of the following events:

(a) title to, or the temporary use of, all or any substantial part of the Project shall be condemned by any authority exercising the power of eminent domain;

(b) title to the portion of the Real Property is found to be deficient or nonexistent to the extent that the Project is untenable or the efficient utilization of the Project by the Tenant is substantially impaired;

(c) substantially all of the Improvements are damaged or destroyed by fire or other casualty; or

(d) as a result of: (i) changes in the constitution of the State; or (ii) any legislative or administrative action by the State or any political subdivision thereof, or by the United States; or (iii) any action instituted in any court, the Site Lease or Project Lease shall become void or unenforceable, or impossible of performance

without unreasonable delay, or in any other way by reason of changes of circumstances, unreasonable burdens or excessive liabilities are imposed upon Issuer or Tenant.

"Completion Date" means the date the Project is completed as certified in accordance with *Section 5.5* of the Project Lease.

"Costs of Issuance" means any and all expenses of whatever nature incurred in connection with the issuance and sale of Bonds, including, but not limited to, underwriting fees and expenses, underwriting discount, initial fees of the Bank, appraisal fees, administrative fees or expenses of the Issuer, bond and other printing expenses and legal fees and expenses of Bond Counsel, Issuer's counsel, Bank counsel and counsel for the Tenant.

"Event of Default" means, with respect to this Bond Agreement, an "Event of Default" as defined in *Section 7* hereof and, with respect to the Project Lease, an "Event of Default" as defined in *Section 1* thereto.

"Existing Facilities" means all buildings and building improvements existing on the Real Property on the date of issuance of the Bonds.

"Government Securities" means direct obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Improvements" means all real property improvements and personal property purchased in whole or in part with the proceeds of the Bonds and any additional Improvements as contemplated by *Article XII* of the Project Lease.

"Interest Payment Date" means any date on which any interest is payable on any Bonds.

"Issue Date" means the date on which the initial Bond certificates representing the Bonds are authenticated by the Bank and delivered in exchange for payment of their purchase price.

"Issuer" means the City of Bel Aire, Kansas, an incorporated city of the second class duly organized under the laws of the State of Kansas, and its successors and assigns.

"Net Proceeds" means the gross proceeds from the insurance (including without limitation title insurance) or condemnation award with respect to which that term is used remaining after the payment of all expenses (including without limitation attorneys' fees and any expenses of the Issuer, the Tenant, the Bank or any other Owner) incurred in the collection of the gross proceeds.

"Outstanding" means, as of a particular date, all Bonds issued, authenticated and delivered under this Bond Agreement, except:

(a) Bonds canceled by the Bank or delivered to the Bank as fiscal agent and paying agent for cancellation pursuant to this Bond Agreement;

(b) Bonds for the payment or redemption of which moneys or investments have been deposited in trust and irrevocably pledged to the payment or redemption; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Bond Agreement.

"Owner" means the registered owner of any Bond as shown on the registration books of the Bank maintained as provided in this Bond Agreement.

"Permitted Encumbrances" means Permitted Encumbrances as defined in the Site Lease and Project Lease.

"Permitted Investments" means any of the following securities, which are permitted for investment of funds held by the Bank pursuant to this Bond Agreement:

(a) Government Securities;

(b) obligations of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, National Bank for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Association;

(c) savings or other depository accounts or certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Bank and its affiliates), provided that the deposits shall be either of a bank, trust company or national banking association continuously and fully insured by the Federal Deposit Insurance Corporation, or continuously and fully insured by a guarantee deposit bond issued by an acceptable insurance carrier which carrier would include Kansas Bankers Surety of Topeka, Kansas which shall have an insured amount (exclusive of accrued interest) at all times at least equal to the principal amount of such deposits and shall be lodged with the Bank, as custodian, by the bank, trust company or national banking association accepting such deposit or issuing such certificate of deposit, and the bank, trust company or national banking association issuing each such certificate of deposit required to be so secured shall furnish the Bank an undertaking satisfactory to it that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount equal to the principal amount of each such certificate of deposit and the Bank shall be entitled to rely on each such undertaking;

(d) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Bank) or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities described in clauses (a) or (b) above, and

(e) investments in shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in clauses (a), (b) or (c) above or repurchase agreement related thereto.

"Project" means the Project described in *Schedule I* to the Project Lease and any additions, modifications, improvements, replacements, repairs, renewals, reconstruction or restoration thereof, therefor or thereto made pursuant to *Section 11.1 or 12.1* of the Project Lease.

"Project Costs" means (a) all costs and expenses incurred in or necessary or incident to the purchase, construction and installation of the Improvements; (b) expenses incurred by the Tenant for preliminary plans, surveys, soil borings and other items necessary to the commencement of construction; and (c) the cost of the title evidence required by *Section 6.4* of the Project Lease.

"Project Fund" means the Project Fund created by *Section 5* hereof.

"Project Lease" means the Project Lease, dated as of December 1, 2021, between the Issuer and the Tenant, as from time to time amended or supplemented.

"Site Lease" means the Site Lease, dated as of December 1, 2021, between the Tenant and the Issuer, as from time to time amended or supplemented, creating a leasehold interest of the .

"Tenant" means Webb Industrial, LLC, a Kansas limited liability company, and its successors or assigns and any surviving, resulting or succeeding business entity, as provided in *Sections 9.2 and 9.4* of the Project Lease.

Section 2. Reserved.

Section 3. Owner's Representations. The Owner of the Bonds represents that: (a) it is purchasing the Bonds solely for its own account for investment purposes only, and not with a view to, or in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof (subject to the understanding that disposition of its property will remain at all times within its control); (b) it understands that the Bonds have not been registered under the Securities Act of 1933, as amended (the "1933 Act") or the securities laws of any state and will be sold to it in reliance upon certain exemptions from registration and in reliance upon its representations and warranties set forth herein; and (c) it will only offer, sell, pledge, transfer or exchange any of the Bonds it purchases (1) in accordance with an available exemption from the registration requirements of *Section 4* of the 1933 Act, (2) in accordance with any applicable state securities law and (3) in accordance with the provisions of the Bonds and this Bond Agreement. The Owner acknowledges that (i) no CUSIP numbers will be obtained for the Bonds, (ii) no official statement or other similar offering document has been prepared in connection with the private placement of the Bonds, and (iii) the Bonds will not close through the DTC or any similar repository and will not be in book entry form.

Section 4. The Bonds. The Bonds are described as follows:

(a) *Principal Amount; Purchase Price; Form of Bonds; Source of Repayments.* The Bonds shall be issued by the Issuer in an aggregate principal amount of \$4,949,600 and shall be purchased by the initial purchaser of the Bonds at their par principal amount for the purpose of providing funds to pay, or reimburse the Tenant for payment of, Project Costs. They shall be in substantially the form attached hereto as *Exhibit A*.

The Bonds shall be payable as set forth in *Exhibit A* and shall be dated, bear interest, and be subject to redemption and transfer as set forth in such form. All of the terms and provisions of the Bonds as set forth in *Exhibit A* are incorporated into this Bond Agreement by reference. The Bonds and the interest and redemption premium, if any, thereon will not be a general obligation of the Issuer, but shall be payable solely out of the revenues derived by the Issuer pursuant to the Project Lease (except to the extent payable from proceeds of sale or re-letting of the Project. Payment of principal, redemption premium, if any, and interest on the Bonds is secured by a pledge of the Project and the net rentals therefrom pursuant to the Ordinance.

(b) *Execution and Authentication of Bonds.* The Bonds shall be executed as specified in *Exhibit A*. If any officer of the Issuer whose signature appears on the Bonds shall cease to be such officer before delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until delivery. The Bonds may be executed by such persons as shall be the proper officers to sign the Bonds at the actual time of execution of the Bonds although at the date of such Bonds such person may not have been such officer. The Bonds shall have endorsed thereon a Certificate of Authentication which shall be manually executed by the Bank as fiscal agent and paying agent for the Issuer upon the initial delivery

of the certificate. No Bonds shall be entitled to any security or benefit under this Bond Agreement or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed. The Certificate of Authentication on any Bond certificate shall be deemed to have been duly executed when signed by any authorized officer or employee of the Bank.

(c) *Appointment of Fiscal Agent and Paying Agent; Transfer of Bonds; Annual Report to Issuer.* The Bank is hereby appointed by the Issuer as the Issuer's fiscal agent and paying agent. Ownership of the Bonds may be transferred as set forth in the form of the Bonds attached hereto as *Exhibit A*. If ownership of any Bonds is transferred, the assigned Bond certificates shall be reissued to the transferee by the Bank as fiscal agent and paying agent for the Issuer, and shall be authenticated as of the payment date immediately preceding the effective date of the transfer. The Bank shall, upon request, report to the Issuer the principal balance outstanding on the Bonds as of the preceding December 31, and the amount of principal and interest paid on the Bonds during that year, in order to enable the Issuer to timely report such information to the State of Kansas as required by law.

(d) *Negative Covenant Regarding Issuance of Additional Bonds.* The Issuer will not issue any other obligations payable out of the revenues derived by the Issuer pursuant to the Project Lease or secured by an assignment, security interest in or other lien upon any of the rights of the Issuer in the Project and under the Site Lease and Project Lease without the written consent of all Owners.

(e) *Security for Bonds.* The Issuer has by Ordinance pledged the Project and the net revenues generated by the Issuer under the Project Lease as security for payment of the principal of, redemption premium, if any, and interest on the Bonds.

(f) *Provision for Payment of Bonds.* Bonds shall be deemed to be paid when payment of the principal, redemption premium, if any, and interest to the due date thereof (whether by reason of maturity or earlier redemption, or otherwise), either (i) has actually been made in accordance with the terms thereof, or (ii) has been provided for by depositing with a bank or trust company, including the Bank, if eligible, in trust and irrevocably set aside exclusively for such payment (1) cash sufficient to make such payment or (2) non-callable Government Securities maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payments when due. Bonds shall also be deemed paid if the Bond certificate(s) are surrendered to the Bank as paying agent, accompanied by a written communication from the registered Owner waiving payment and directing that they be cancelled without actual payment. At such time as a Bond shall be deemed to be paid as provided in this paragraph, it shall no longer be secured by the pledge of the Project or the revenues generated under the Project Lease or entitled to benefit from this Bond Agreement, except for the purpose of receiving payment from such moneys or Government Securities.

Section 5. Project Fund, Debt Service Fund and Other Funds. The following funds and accounts shall be established:

(a) *Project Fund.* There is hereby established with the Bank a separate special fund designated "City of Bel Aire, Kansas Project Fund (Wichita Hoops Project)" which shall be held, invested and disbursed by the Bank as hereinafter provided in this Section and *Article V* of the Project Lease. All moneys that will remain on deposit in the Project Fund for over 10 days shall be invested in Permitted Investments as directed in writing by the Tenant (or in the absence of Tenant's written direction, in Permitted Investments described in paragraph (c) of the definition). The proceeds of the Bonds as advanced and any investment earnings accruing thereof shall be deposited in the Project Fund. The Bank shall disburse moneys in the Project Fund to pay Project Costs in accordance with the provisions of *Article V* of the Project Lease. If any moneys remain in the Project Fund thirty (30) days after the Issue Date, they shall be deposited in the Debt Service Fund and used as provided in Section 5(b) below.

(b) *Debt Service Fund.* There is also hereby established with the Bank a separate special fund designated "City of Bel Aire, Kansas Debt Service Fund (Wichita Hoops Project)", which shall be held, invested in Permitted Investments and disbursed by the Bank as hereinafter provided in this Section and in *Section 3.1* of the Project Lease. All payments of Basic Rent received by the Bank shall be deposited in the Debt Service Fund. On each date on which interest or principal is payable on the Bonds as provided therein, the Bank shall withdraw moneys from the Debt Service Fund sufficient to make such payments on the Bonds, and shall transmit such moneys by check or draft mailed to each Owner at the address as shown on the Bank's records. All moneys on deposit or to be deposited in the Debt Service Fund from time to time shall be deemed pledged exclusively to payment of principal and interest on the Bonds, and the Issuer hereby grants to all Owners a security interest in the Debt Service Fund and the moneys on deposit or to be deposited therein from time to time to secure payment of the Bonds. If after the Bonds have been fully paid and discharged moneys remain on deposit in the Debt Service Fund, such moneys shall be returned to the Tenant.

(c) *Additional Special Funds.* Any Net Proceeds of insurance, condemnation awards or other moneys paid to the Bank under this Agreement or the Project Lease shall be deposited in one or more special funds held by the Bank and applied, with accrued interest, to the purposes specified in the Project Lease for which such moneys were deposited. The Bank agrees to pay to the Issuer, upon receipt, any Additional Rent due to the Issuer under the Project Lease but is inadvertently paid to the Bank under this Section.

(d) *Investment Fees and Expenses.* The Bank may charge the Tenant, the Debt Service Fund, the Project Fund, or any other special fund from which an investment is made, for any fees and expenses incurred in making such investment and the Bank may make any investment pursuant to this Section through its money management or short-term investment department.

(e) *Tenant as Sole Owner of the Bonds.* If the Tenant is the sole Owner of the Bonds, payments of Basic Rent made by the Tenant under the Project Lease which coincide with payments of principal and interest on the Bonds may be entered by the Tenant directly on the books and records of the Tenant as Owner of the Bonds without being deposited in the Debt Service Fund. Such payments shall be credited against the Tenant's obligation to make payments of Basic Rent under the Project Lease against the Issuer's obligation to make payments of principal and interest on the Bonds. If the Bonds are at any time held by more than one Owner, then payments of Basic Rent shall be received and disbursed in accordance with the provisions of *subsection (b)* of this Section.

Section 6. The Bank. The Bank's duties as fiscal agent and paying agent shall be subject to the following provisions:

(a) *Limitations on Duty of Care.* The Bank is not under any duty to give the property held in the Debt Service Fund, the Project Fund or any special fund any greater degree of care than it gives its own similar property and is not liable or responsible for any action or omission to act by it under this Section except for its own negligence or willful misconduct.

(b) *Reliance.* The Bank may act in reliance upon any instrument or signature reasonably believed by it to be genuine and authorized.

(c) *No Representation.* The Bank makes no representation as to the validity, genuineness or collectability of any security held in the Debt Service Fund, the Project Fund or any other special fund.

(d) *Liability Limitation.* The Bank is not bound by any agreement or contract not signed by it, other than as assignee of the Issuer under the Site Lease and Project Lease. Its only duties or responsibilities as

fiscal agent and paying agent are to deal with the Debt Service Fund, the Project Fund and any other special fund in accordance with this Bond Agreement.

(e) *Agents; Attorneys-Reliance.* The Bank may execute or perform any of its powers or duties either directly or through agents, attorneys or receivers and is not responsible for any misconduct or negligence on the part of any agent, attorney or receiver chosen by it with due care, and the Bank is entitled to act upon and may conclusively rely upon the opinion or advice of counsel, who may be counsel to the Issuer, the Tenant or the Bank, concerning all matters and duties related hereto, and may in all cases pay such reasonable compensation to all such agents, attorneys and receivers as are employed in connection herewith. The Bank is not responsible for any loss or damage resulting from any action or nonaction taken or omitted to be taken in good faith reliance upon such opinion or advice of counsel.

(f) *Recitals, Filings, Investment Losses.* The Bank shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of authentication of the Bank as fiscal agent and paying agent endorsed on the Bonds), or for the recording, rerecording, filing or refiling of any security agreement or instrument in connection herewith, or for insuring the Project or collecting any insurance moneys, or for the validity of execution by any party of this Bond Agreement, any supplement or amendment hereto, any other instrument related hereto, or for the sufficiency of security for the Bonds. The Bank shall not be responsible for any loss suffered in connection with any investment of funds made in accordance with *Section 5* hereof.

(g) *Bond Ownership; Use.* The Bank, in its individual or any other capacity, may become the Owner or pledgee of Bonds with the same rights which it would have if it were not serving as fiscal agent and paying agent hereunder.

(h) *Consents or Requests Binding on Future Owners.* Any action taken by the Bank upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent is the Owner, shall be conclusive and binding upon all future Owners and upon Bonds issued in exchange therefor or upon transfer or in place thereof.

(i) *Proof of Certain Facts.* As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper, or proceeding, or whenever in the administration of its functions hereunder or related hereto the Bank shall deem it advisable that a matter be proved or established prior to taking, suffering or omitting any action, the Bank shall be entitled to rely upon a certificate signed by the Authorized Tenant Representative or a representative of the Issuer as sufficient evidence of the facts therein contained, and prior to the occurrence of an Event of Default of which the Bank has been notified as provided in *subsection (k)* of this *Section 6* or of which by said subsection it is deemed to have notice, the Bank shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(j) *Further Liability Limitation.* The permissive right of the Bank to do things enumerated shall not be construed as a duty, and the Bank shall not be answerable for other than its negligence or willful misconduct.

(k) *Notice.* The Bank shall not be required to take notice or be deemed to have notice of any default or Event of Default except failure by the Tenant to timely deliver Basic Rent for deposit to the Debt Service Fund, unless the Bank shall be specifically notified in writing of such default or Event of Default by the Issuer or by the Owners of at least 25% of the aggregate principal amount of all Bonds Outstanding.

(l) *No Bond or Surety.* The Bank shall not be required to give any bond or surety with respect to the execution of its duties and powers or otherwise in respect to the Bonds or the Project.

(m) *Required Proof of Entitlement.* The Bank shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Bond Agreement or related instruments, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof deemed desirable by the Bank to establish the right to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Bank.

(n) *Indemnity Prior to Action.* Notwithstanding anything otherwise provided in this Bond Agreement or other instrument related hereto, before taking any action (other than the application of available moneys in the Debt Service Fund to payments on the Bonds) the Bank may require that satisfactory indemnity be provided to it for the reimbursement of all fees, costs and expenses (including, without limitation attorney's fees and expenses) to which it may be put and to protect it against all liability which it may incur in or by reason of such action, including, without limitation, liability in connection with environmental contamination and the cleanup thereof, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(o) *Bank Action Authorized.* Notwithstanding any other provision in this Bond Agreement or other instrument related hereto, the rights, privileges and immunities provided to the Bank by this *Section 6* and any other provision of this Bond Agreement or any related instrument intended to provide authority to act, right to payment of fees and expenses, protection, immunity and indemnification of the Bank shall be interpreted to include any action of the Bank whether it is deemed to be in its capacity as fiscal agent and paying agent or assignee of Issuer pursuant to the Assignment or other related capacity. The provisions of this *Section 6* shall be applicable to the Bank with respect to any function which it performs with respect to the Bonds.

(p) *Limitation on Directed Action.* The Bank may elect not to proceed in accordance with the directions of the Owners without incurring any liability to them if, in the opinion of the Bank, such direction would result in environmental or other liability to the Bank, in its individual capacity, for which the Bank has not received indemnity pursuant to this Section, and the Bank may rely conclusively upon an opinion of counsel in determining whether any action directed may result in such liability.

(q) *Environmental Hazards.* The Bank may inform the Owners of environmental hazards that the Bank has reason to believe exist, and the Bank has the right to take no further action with respect to the Project if the Bank, in its individual capacity, determines that any such action could materially and adversely subject the Bank to environmental or other liability for which the Bank has not received indemnity satisfactory to it.

(r) *Reasonable Fees and Expenses.* The Bank shall be entitled to payment of and/or reimbursement for reasonable fees and expenses for its ordinary services and all advances, agent and counsel fees and other ordinary expenses reasonably and necessary made or incurred by the Bank in connection with such ordinary services and, in the event that it should become necessary that the Bank perform extraordinary services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith. Pursuant to *Section 3.2* of the Project Lease, the Tenant has agreed to pay the reasonable fees, charges and expenses of the Bank. Upon the occurrence of an Event of Default and during its continuance, the Bank shall have a first lien, with right of payment prior to payment of principal or interest on the Bonds, upon all moneys in its possession under any of the provisions hereof for the foregoing reasonable fees, advances, costs and expenses incurred.

(s) *Resignation; Successor.* The Bank may resign from its duties as fiscal agent and paying agent hereunder, or under any other related instrument, upon giving 60 days' advance written notice to Issuer and Tenant. Such resignation shall become effective at the end of such 60 days or upon the earlier appointment of a successor by the Owners of a majority in principal amount of the Bonds outstanding, provided, however, that, in the case of a vacancy, the Issuer may appoint a temporary successor to serve until a permanent successor shall be appointed by the Owners as above provided. If no successor shall have been appointed and have accepted such appointment within said 60-day period, the Bank or any Owner may petition any court of competent jurisdiction for the appointment of a successor. The Bank shall deliver assets held hereunder to the successor appointed and accepting such appointment pursuant to this subsection, and thereupon the obligations and duties of the Bank hereunder shall cease and terminate.

(t) *Bank's Enforcement Obligation.* Notwithstanding anything in this Bond Agreement to the contrary, the Bank, as assignee of the Issuer's interest under the Site Lease and Project Lease, in its name or in the name of the Issuer, shall enforce all rights of the Issuer and all obligations of the Tenant under and pursuant to the Site Lease and Project Lease, whether or not the Issuer is in default under this Bond Agreement.

Section 7. Events of Default and Remedies.

(a) *Definition of Events of Default.* An "Event of Default" under this Bond Agreement shall mean any one or more of the following events:

(1) *Payment Default.* Default in the payment when due of any installment of principal or of any interest or premium on any Bond or default in any payment of any amount payable to the Bank under this Bond Agreement and expiration of any applicable right to cure;

(2) *Non-Payment Default.* A breach or failure of performance by the Tenant or the Issuer of any provision of this Bond Agreement (other than as referred to in (1) above) that is not remedied within 30 days after the Tenant or the Issuer, as the case may be, has received written notice thereof from the Bank or any Owner;

(3) *Breach of Material Representation or Warranty.* Any material representation or warranty of the Issuer or the Tenant contained herein, in the Site Lease, the Project Lease or in any certificate or other instrument or document delivered hereunder or thereunder or in connection with the financing of the Project shall prove to have been false or incorrect or breached in any material respect on the date on which it is made;

(4) *Project Lease Default.* The occurrence of an "Event of Default" under the Project Lease.

(b) *Default Remedies.* Upon the occurrence of an Event of Default under this Bond Agreement and upon written notice to the Issuer and the Tenant, the Bank may:

(1) *Acceleration of Maturity.* Declare the unpaid principal of any Bonds to be, and the same, together with the accrued interest thereon, shall forthwith become due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived; provided that upon the occurrence of any Event of Default as mentioned in (c) or (d) of the definition of "Event of Default" in the Project Lease, the unpaid principal of the Bonds, together with the accrued interest thereon, shall forthwith become due and payable without any further act or action on the part of any Owner.

(2) *Legal Action to Enforce Bonds, Site Lease and Project Lease.* As assignee of the Issuer's interests under the Site Lease and Project Lease, commence legal action against the Tenant to obtain (A) a judgment against the Tenant for all sums owing under the Project Lease; and/or (B) judgment against the Tenant for possession and sale of the Project, with the proceeds of any sale applied to pay the Bonds and interest and any other sums owing by the Tenant under the Project Lease, as provided in the Project Lease and this Bond Agreement.

(3) *Recovery of Attorney Fees.* Recover attorney fees and related costs incurred in pursuing any remedies under the Bonds, this Bond Agreement, the Site Lease, the Project Lease, any document creating a pledge or security agreement securing the Tenant's obligations, or available at law, in equity or by statute.

(4) *Exercise of Remedies Under the Project Lease.* As assignee of the Issuer's interests under the Project Lease, undertake any of the remedies on default specified in *Article XX* of the Project Lease. Any net proceeds of any action under this Section shall be applied as provided in the Project Lease and this Bond Agreement.

(c) *Action by and Owner.* Any Owner may also pursue any other remedy available to it at law or in equity or by statute or contemplated by the Bonds, this Bond Agreement, the Site Lease, the Project Lease or the Assignment.

(d) *Remedies Cumulative.* No such remedy is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to any other remedy now or hereafter existing at law or in equity or by statute.

(e) *Waivers of Default.* No delay or omission to exercise any right or power accruing upon any Event of Default under this Bond Agreement shall impair any such right or power or be a waiver thereof or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient. The Owners may waive any Event of Default under this Bond Agreement and the breach of any requirement contained in this Bond Agreement or the Bonds, but such waiver must be in writing. Any such waiver shall be limited to such particular Event of Default or breach.

Section 8. Notices. Except as otherwise expressly provided, all notices, certificates or other communications hereunder or under the Site Lease, the Project Lease, the Assignment or shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, addressed as follows:

- (i) If to the Issuer: City of Bel Aire, Kansas
7651 E. Central Park Ave.
Bel Aire, Kansas 67226
Attention: City Clerk

- (ii) If to the Bank: Security Bank of Kansas City
701 Minnesota Avenue, Suite 206
P.O. Box 171297
Kansas City, Kansas 66117
Attention: Commercial Loan Department

- (iii) If to the Tenant: Webb Industrial, LLC
150 N. Market
Wichita, Kansas 67202
Attention: Steven R. Barrett

(iv) If to any Owner(s) other than the Bank or the Tenant, at its address as it appears on the records kept by the Bank as fiscal agent and paying agent for the Bonds.

The Bonds, this Bond Agreement, the Site Lease, the Project Lease, (except to the extent otherwise provided in the Project Lease), and the Assignment may not be amended or terminated unless such amendment is executed or consented to in writing by the Issuer, the Bank, the Tenant and Owners owning at least 51% of the principal amount of all Bonds Outstanding. It shall not be necessary to note any such amendment on any Bond unless the amendment is to the Bond itself.

Neither this Bond Agreement, the Site Lease, the Project Lease nor the Bond shall constitute, give rise to, nor impose a pecuniary liability upon, or a charge upon the general credit of, the Issuer. The Bonds shall not constitute an indebtedness of the Issuer for any constitutional or statutory purpose, and shall not be payable in any manner from taxation.

Section 9. Miscellaneous Provisions.

(a) *Severability.* The invalidity or unenforceability of any one or more of the provisions of this Bond Agreement shall not affect the validity or enforceability of the remaining provisions hereof.

(b) *Authorized Tenant Representative.* Except as otherwise specified, any action to be taken by the Tenant under this Bond Agreement, the Site Lease or the Project Lease may be taken by any person designated to act on behalf of the Tenant as Authorized Tenant Representative by a written certificate furnished to the Issuer and the Bank and signed by the Managing Member of the Tenant.

(c) *Execution and Counterparts.* This Bond Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

(d) *Section Headings.* The table of contents and section headings in this Bond Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions hereof.

(e) *Governing Law.* This Bond Agreement shall be governed by, and construed in accordance with, the laws of the State of Kansas.

(f) *Binding Effect.* This Bond Agreement shall inure to the benefit of and shall be binding upon the parties hereto and any subsequent Owners and their respective successors and assigns.

(g) *Electronic Storage.* The parties agree that the transaction described herein may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[BALANCE OF THIS PAGE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties hereto have caused this Bond Agreement to be duly executed by their duly authorized officials or officers.

CITY OF BEL AIRE, KANSAS

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

WEBB INDUSTRIAL, LLC

By: _____
Name: Steven R. Barrett
Title: Manager

**SECURITY BANK OF KANSAS CITY,
Kansas City, Kansas**

By: _____
Name: Bonnie Mosher
Title: Vice President

EXHIBIT A

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE. NO TRANSFER, SALE, ASSIGNMENT OR HYPOTHECATION OF THIS SECURITY SHALL BE MADE. THE BANK, AS FISCAL AGENT AND PAYING AGENT, SHALL BE CONSIDERED UNDER "STOP TRANSFER" ORDERS FOR ALL TRANSFERS OF BONDS UNLESS: (1) THERE SHALL HAVE BEEN DELIVERED TO THE TENANT AND THE BANK PRIOR TO THE TRANSFER, SALE ASSIGNMENT OR HYPOTHECATION AN OPINION OF NATIONALLY RECOGNIZED BOND OR SECURITIES COUNSEL, SATISFACTORY TO THE TENANT AND THE BANK, TO THE EFFECT THAT REGISTRATION UNDER THE SECURITIES ACT OF 1933 AND REGISTRATION UNDER ANY APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED; OR (2) THERE SHALL BE A REGISTRATION STATEMENT IN EFFECT UNDER THE SECURITIES ACT OF 1933 AND UNDER ANY APPLICABLE STATE SECURITIES LAWS REQUIRING A STATE-LEVEL REGISTRATION STATEMENT WITH RESPECT TO THE TRANSFER, ASSIGNMENT, SALE OR HYPOTHECATION, AND, IN THE CASE OF BOTH (1) AND (2), THERE SHALL HAVE BEEN COMPLIANCE WITH ALL APPLICABLE STATE AND FEDERAL SECURITIES LAWS AND ALL APPLICABLE RULES AND REGULATIONS THEREUNDER. THE BANK, AS BOND REGISTRAR, SHALL NOT TRANSFER THIS BOND EXCEPT IN ACCORDANCE WITH THIS LEGEND AND THE CORRELATIVE PROVISIONS OF THE BOND AGREEMENT.

No. R-__

\$_____

UNITED STATES OF AMERICA
STATE OF KANSAS

CITY OF BEL AIRE, KANSAS

TAXABLE INDUSTRIAL REVENUE BOND
SERIES 2021
(WICHITA HOOPS PROJECT)

The City of Bel Aire, Kansas (the "Issuer"), hereby promises to pay, solely out of the sources hereinafter specified, _____, the registered Owner hereof, or registered assigns (an "Owner"), the principal sum of

_____ DOLLARS

or such lesser principal sum as is actually advanced hereunder pursuant to the Project Lease to pay Project Costs (both hereinafter defined), plus interest on the unpaid balance hereof accruing from the date of advance until paid, in lawful money of the United States of America, at the rates and payable as follows:

- a. From the Issue Date of this Bond to the Final Maturity Date (herein defined), interest shall be paid in arrears at the Fixed Rate (herein defined), commencing on the First Payment Date and continuing on each Payment Date thereafter until the Final Maturity Date.
- b. One final payment in the amount of the entire unpaid principal balance hereunder (including all accrued and unpaid interest) shall be paid on the Final Maturity Date.

A "Business Day" shall mean a day on which the Bank is open for business at its commercial bank office in Kansas City, Kansas.

The "Final Maturity Date" shall be December 31, 2031.

The "First Payment Date" shall mean December 31, 2021.

The "Fixed Rate" shall mean 4.00% per annum, computed on the basis of 30 days per month for 360 days per year.

The "Issue Date" shall mean the date endorsed by the fiscal agent and paying agent on the Certificate of Authentication on this Bond.

The "Payment Date" shall be each December 31 following the First Payment Date.

Payments of principal of and redemption premium, if any, and interest on this Bond shall be made in immediately available funds no later than 11:00 A.M., Central time, on the Payment Date, at Security Bank of Kansas City (the "Bank") at its commercial banking office in Kansas City, Kansas or such other place as the Bank may from time to time designate in writing, in lawful money of the United States of America. If the principal of or interest on this Bond falls due on a day other than a Business Day, then such due date shall be extended to the next succeeding full Business Day. If payment is made by check, the check must be delivered to the Bank at least 3 Business Days prior to the Payment Date.

If there is a default in the payment of any item or installment when due, the item or installment so in default shall continue as an obligation hereunder until the same shall be fully paid, and such item or installment shall be payable upon demand with interest thereon.

This Bond is issued pursuant to an Ordinance of the governing body of the Issuer and a Bond Agreement dated as of the Issue Date of this Bond (the "Bond Agreement"), between the Issuer, the Bank and Webb Industrial, LLC (the "Tenant"), for the purpose of providing funds for the acquisition, improving and equipping of a sports facility located in the City of Bel Aire, Kansas (the "Project"), to be leased to the Tenant pursuant to the Project Lease, dated as of the Issue Date of this Bond (the "Project Lease"), between the Issuer and the Tenant by the authority of and in conformity with the constitution and statutes of the state of Kansas, including particularly K.S.A. 12-1740 *et seq.*, as amended, and all other laws of said state applicable thereto.

This Bond and the interest and redemption premium, if any, hereon are payable solely out of the revenues derived by the Issuer from the Project and pursuant to the Project Lease. This Bond and the interest and redemption premium, if any, hereon do not constitute a debt of the Issuer, or of the State of Kansas, and neither the Issuer nor said state shall be liable thereon, and this Bond shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. To secure the payment of the principal of and redemption premium, if any, and interest on this Bond, the Issuer has assigned to the Bank substantially all its rights under the Project Lease pursuant to an Assignment of Leases and Security Agreement, dated as of the Issue Date of this Bond (the "Assignment"). Reference is hereby made to the Bond Agreement, the Site Lease, the Project Lease and the Assignment, for a further description of the Project, the rights, duties and obligations of the Issuer, the Tenant, the Bank and any other Owners, the security for this Bond and such obligations hereunder.

In the event of a Change of Circumstances (as defined in the Bond Agreement), this Bond shall be subject to redemption and payment prior to the stated maturity thereof at the option of the Issuer, upon instructions from the Tenant, on any date, at the par value of the principal amount thereof, plus accrued interest thereon to the redemption date, without premium.

This Bond is also subject to redemption in whole or in part, in even multiples of \$100 by the Issuer, at the option of and upon instructions from the Tenant to the Issuer, on any date, at the par value of the principal amount thereof, without premium, plus interest accrued to the date of redemption.

This Bond shall be redeemed in part, in order to exhaust any Net Proceeds (as defined in the Project Lease) of insurance or condemnation awards paid into the Debt Service Fund as soon as practicable after receipt at a price equal to the principal amount of this Bond to be redeemed, plus accrued interest thereon to the redemption date, without premium.

Unless waived by the applicable Owner, notice of any call for redemption at the option of the Tenant shall be given by the Issuer or the Tenant on behalf of the Issuer to each Owner at its address as it appears on the records maintained by the Bank as fiscal agent and paying agent by first class mail, postage prepaid, mailed not less than ten (10) days prior to the redemption date.

All portions of this Bond so called for redemption will cease to bear interest on the specified redemption date, provided funds or securities in which such funds are invested for their redemption are on deposit with the paying agent on or prior to the redemption date, and shall no longer be entitled to the benefits and protection of the Bond Agreement and shall not be deemed to be outstanding.

If this Bond is redeemed in part, notice need not be delivered to the Bank or the Issuer to note such partial redemption, but the Owner shall note such partial redemption by endorsing the acknowledgment provided on this Bond. Any redemption in part of this Bond shall be applied to reduce the installments of principal hereof in inverse order of their maturity.

This Bond is issuable in the form of a fully registered Bond without coupons. This Bond shall be transferable by the Owner upon the surrender of the certificate or certificates representing this Bond for transfer or exchange at the offices of the Bank as fiscal agent and paying agent, accompanied, in the case of a transfer, by a written instrument of transfer executed by the Owner or its attorney in fact duly authorized in writing. Upon such surrender, the Bank shall cause the Issuer to execute and deliver in the name of the transferee a new registered Bond certificate or certificates in an aggregate principal amount equal to the unpaid principal amount hereof. The Issuer, the Bank and the Tenant may deem and treat the person in whose name this Bond certificate is registered as the absolute Owner of the principal amount represented by this certificate for the purpose of receiving payment of, or on account of, the principal or interest due hereon and for all other purposes. Transfer of this Bond certificate is subject to certain further conditions and restrictions as further endorsed hereon.

In certain events, on the conditions, in the manner and with the effect set forth in the Bond Agreement, the principal of this Bond may be declared due and payable before the stated maturity hereof, together with interest accrued hereon. Modifications or alterations of this Bond may be made only to the extent and in the circumstances permitted by the Bond Agreement.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and its official seal to be affixed hereto or imprinted hereon, and has caused this Bond to be dated as of the Issue Date of this Bond.

CITY OF BEL AIRE, KANSAS

By: _____
Mayor

[SEAL]

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond certificate evidences ownership of the City of Bel Aire, Kansas Taxable Industrial Revenue Bonds, Series 2021 (Wichita Hoops Project), as described herein and in the Bond Agreement described herein. The Issue Date of this Bond is _____, 2021.

**SECURITY BANK OF KANSAS CITY
Kansas City, Kansas,
as fiscal agent and paying agent**

By: _____
Authorized Officer

SCHEDULE OF PRINCIPAL AMOUNTS ADVANCED

DATE OF ADVANCE

AMOUNT OF ADVANCE

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

Print or Type Name and Address of Transferee

the Bonds represented by this certificate and all rights thereunder, and hereby authorizes the transfer of the within Bond on the books kept by the Bank for the registration and transfer of Bonds.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

[Seal of Owner]

(Name of Eligible Guarantor Institution)

By: _____

Title: _____

Signature must be guaranteed by an eligible guarantor institution as defined by S.E.C. Rule 17 Ad-15 (17 C.F.R. 240. 17-Ad-15) or any similar rule which the Bank deems applicable.

THIS BOND MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS, OR IN A TRANSACTION EXEMPT FROM THE APPLICATION OF FEDERAL AND STATE SECURITIES LAWS.

**ACKNOWLEDGMENT OF PARTIAL REDEMPTION
RECORD OF PAYMENTS**

Partial prepayments of the principal of this Bond may be made directly to the registered Owner hereof without surrender hereof to the Bank, and each registered Owner hereof may record such prepayment on the table set forth below. Accordingly, any purchaser or other transferee of this Bond should verify with the Bank the principal hereof outstanding prior to such purchase or transfer, and the records of the Bank shall be conclusive for such purposes.

<u>Payment</u> <u>Date</u>	<u>Amount</u> <u>Paid</u>	<u>Signature</u>	<u>Payment</u> <u>Date</u>	<u>Amount</u> <u>Paid</u>	<u>Signature</u>
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