

\$3,200,000
(Aggregate Maximum Principal Amount)
CITY OF LAWRENCE, KANSAS
INDUSTRIAL REVENUE BOND
(WILLIAMS MANAGEMENT, LLC PROJECT)
SERIES 2016

Dated December [____], 2016

BOND PURCHASE AGREEMENT

City of Lawrence, Kansas
Lawrence, Kansas

On the basis of the representations, and covenants and upon the terms and conditions contained in this Bond Purchase Agreement, Williams Management, LLC, a Kansas limited liability company (the “Purchaser”) offers to purchase from the City of Lawrence, Kansas (the “Issuer”), the above-referenced industrial revenue bonds, dated as provided in the Indenture (hereinafter defined), in the maximum aggregate principal amount of \$3,200,000 (the “Bonds”), to be issued by the Issuer under and pursuant to Ordinance No. 9136 adopted by the governing body of the Issuer on December 13, 2016 (the “Ordinance”) and a Bond Trust Indenture dated as of December 1, 2016 (the “Indenture”), by and between the Issuer and Security Bank of Kansas City, Kansas, duly organized and existing and authorized to accept and execute trusts of the character herein, with its designated corporate trust office located in Kansas City, Kansas, as Trustee (the “Trustee”).

SECTION 1. REPRESENTATIONS AND AGREEMENTS

By the Issuer's acceptance hereof, the Issuer hereby represents to the Purchaser that:

(a) The Issuer is a municipal corporation duly organized and validly existing under the laws of the State of Kansas. The Issuer is authorized pursuant to the Constitution and laws of the State of Kansas, to authorize, issue and deliver the Bonds and to consummate all transactions contemplated by this Bond Purchase Agreement, the Ordinance, the Indenture, Base Lease Agreement dated as of December 1, 2016 (the “Base Lease Agreement”), by and between Williams Management, LLC, a Kansas limited liability company (the “Company”) and the Issuer, the Lease Agreement dated as of December 1, 2016 (the “Lease Agreement”), by and between the Issuer and the Company, and any and all other agreements relating thereto. The proceeds of the Bonds shall be used to finance the Project as defined in the Indenture and may also be used to pay for the costs incurred in connection with the issuance of the Bonds.

(b) There is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the Issuer or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act leading up to the issuance of the Bonds or the constitutionality or validity of the indebtedness represented by the Bonds or the validity of the Bonds, the Base Lease Agreement, the Lease Agreement or the Indenture.

SECTION 2. PURCHASE, SALE AND DELIVERY OF THE BOND

On the basis of the representations and covenants contained herein and in the other agreements referred to herein, and subject to the terms and conditions herein set forth and in the Indenture, the Purchaser agrees to purchase from the Issuer and the Issuer agrees to sell to the Purchaser the Bonds on the terms and conditions set forth herein.

The interest rate on the Bonds shall be 2.00% per annum.

The maturity date of the Bonds shall be December 1, 2018.

The maximum principal amount of the Bonds is \$3,200,000.

The Bonds shall be sold to the Purchaser by the Issuer on the Closing Date (hereinafter defined) upon payment of an amount equal to the Closing Price (hereinafter defined), which amount shall be deposited in the Project Fund as provided in **Section 402** of the Indenture and shall thereafter on the Closing Date immediately be applied to the payment of Project Costs as defined in the Indenture. From time to time after the Closing Date, the Purchaser shall make additional payments with respect to the Bonds (“Additional Payments”) to the Trustee, which Additional Payments shall be deposited in the Project Fund and applied to the payment of Project Costs; provided that the sum of the Closing Price and all such Additional Payments shall not, in the aggregate, exceed \$3,200,000.

As used herein, the term “Closing Date” shall mean the date of this Bond Purchase Agreement or such other date as shall be mutually agreed upon by the Issuer and the Purchaser; the term “Closing Price” shall mean that certain amount specified in writing by the Purchaser and agreed to by the Issuer as the amount required to fund the initial disbursement from the Project Fund and the Costs of Issuance Fund on the Closing Date.

The Bonds shall be issued under and secured as provided in the Ordinance and in the Indenture and the Base Lease and the Lease Agreement authorized thereby and the Bonds shall be subject to redemption as set forth therein. The delivery of the Bonds shall be made in definitive form as a single fully registered bond in the maximum aggregate principal denomination of \$3,200,000; provided, that the principal amount of the Bonds outstanding at any time shall be that amount recorded in the official bond registration records of the Trustee and further provided that interest shall be payable on the Bonds only on the outstanding principal amount of the Bonds, as more fully provided in the Indenture.

The Company agrees to indemnify and hold harmless the Issuer, including any member, officer, official or employee of the Issuer (collectively, the “Indemnified Parties”), against any and all losses, claims, damages, liabilities or expenses whatsoever (but expressly excluding consequential, punitive or similar type damages) to the extent caused by any violation or failure by the Company to comply with any federal or state securities laws in connection with the Bonds, provided, however, the indemnification contained in this paragraph shall not extend to such Indemnified Party if such loss, claim, damage, liability or expense is (a) the result of the Indemnified Parties’ negligence or willful misconduct, or (b) the Indemnified Party is not following the written instructions of the Company or the Owner of the Bonds.

In case any action shall be brought against one or more of the Indemnified Parties based upon the foregoing indemnification and in respect of which indemnity may be sought against the Company, the Indemnified Parties shall promptly notify the Company in writing and the Company 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 Company. The Company 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 Company or if there be a final judgment for the plaintiff in any such action against the Company or any of the Indemnified Parties, with or without the consent of the Company, the Company agrees to indemnify and hold harmless the Indemnified Parties to the extent provided herein.

SECTION 3. 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 on or prior to the Closing Date and to the accuracy of and compliance with the Issuer's representations contained herein, as of the date hereof and as of the Closing Date, and are also subject to the following conditions:

(a) There shall be delivered to the Purchaser on or prior to the Closing Date a duly executed copy of the Ordinance, the Trust Indenture, the Base Lease and the Lease Agreement and any other instrument contemplated thereby shall be in full force and effect and shall not have been modified or changed except as may have been agreed to in writing by the Purchaser;

(b) The Issuer shall confirm on the Closing Date by a certificate that at and as of the Closing Date the Issuer has taken all action necessary to issue the Bonds and that there is no controversy, suit or other proceeding of any kind pending or threatened wherein any question is raised affecting in any way the legal organization of the Issuer or the legality of any official act shown to have been done in the transcript of proceedings leading up to the issuance of the Bonds, or the constitutionality or validity of the indebtedness represented by the Bonds or the validity of the Bonds or any proceedings in relation to the issuance or sale thereof. The form and substance of such certificate shall be satisfactory to the Purchaser and the Company; and

(c) Receipt by the Purchaser and the Company of an approving opinion from Gilmore & Bell, P.C., Bond Counsel, in form and substance satisfactory to the Purchaser and the Company.

SECTION 4. THE PURCHASER'S RIGHT TO CANCEL

The Purchaser shall have the right to cancel its obligation hereunder to purchase the Bonds by notifying the Issuer in writing of its election to make such cancellation at any time prior to the Closing Date.

SECTION 5. CONDITIONS OF OBLIGATIONS

The obligations of the parties hereto are subject to the receipt of the approving opinion of Gilmore & Bell, P.C., Bond Counsel, with respect to the validity of the authorization and issuance of the Bonds.

SECTION 6. REPRESENTATIONS AND AGREEMENTS TO SURVIVE DELIVERY

All of the representations and agreements by either party shall remain operative and in full force and effect, and shall survive delivery of the Bonds to the Purchaser.

SECTION 7. PAYMENT OF EXPENSES

The Company shall pay all reasonable expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bonds from Bonds proceeds or otherwise.

SECTION 8. NOTICE

Any notice or other communication to be given to the Issuer under this Agreement may be given by mailing or delivering the same in writing to the Issuer at 6 East 6th Street, Lawrence, Kansas 66044, Attention: City Clerk; any notice or other communication to be given to the Purchaser under this Agreement may be given by delivering the same in writing to Williams Management, 1760 E. 1100 Road, Lawrence, Kansas 66049; and any notice or other communication to be given to the Company under this Agreement may be given by delivering the same in writing to Williams Management, LLC, 1760 E. 1100 Road, Lawrence, Kansas 66049.

SECTION 9. APPLICABLE LAW; ASSIGNABILITY

This Bond Purchase Agreement shall be governed by the laws of the State of Kansas and may be assigned by the Purchaser with the written consent of the Issuer.

SECTION 10. 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.

[The remainder of this page intentionally left blank.]

Very truly yours,

WILLIAMS MANAGEMENT, LLC
a Kansas limited liability company, as Purchaser

By: _____
Adam Williams, Manager

WILLIAMS MANAGEMENT, LLC
a Kansas limited liability company, as Company

By: _____
Adam Williams, Manager

Accepted and Agreed to this ____ day of December, 2016

CITY OF LAWRENCE, KANSAS

By: _____
Mayor

(Seal)

ATTEST:

By: _____
City Clerk