

**BOND PURCHASE AGREEMENT**

**BETWEEN**

**CITY OF LAWRENCE, KANSAS**

**AND**

**NEIGHBORLY SECURITIES  
KANSAS CITY, MISSOURI**

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**\$654,000**

**GENERAL OBLIGATION IMPROVEMENT BONDS**

**SERIES 2017-C**

**DATED AS OF MAY 24, 2017**

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**\$654,000**  
**CITY OF LAWRENCE, KANSAS**  
**GENERAL OBLIGATION IMPROVEMENT BONDS**  
**SERIES 2017-C**

May 8, 2017

City of Lawrence, Kansas  
6 East 6th Street  
Lawrence, Kansas 66044

**BOND PURCHASE AGREEMENT**

On the basis of the representations, warranties and covenants and upon the terms and conditions contained in this Bond Purchase Agreement, Neighborly Securities, Kansas City, Missouri (the “Purchaser”), hereby offers to purchase all (but not less than all) of the above-described bonds (the “Bonds”) to be issued by the City of Lawrence, Kansas (the “Issuer”), under and pursuant to an Ordinance to be passed and a Resolution to be adopted by the governing body of the Issuer on May 9, 2017 (collectively the “Bond Resolution”). All capitalized terms not specifically defined herein shall have the same meaning as defined in the Bond Resolution, unless some other meaning is plainly indicated.

This offer is made subject to acceptance of this Bond Purchase Agreement by or on behalf of the governing body of the Issuer on or before 10:00 p.m., applicable Central time, on this date (the “Sale Date”).

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

(a) On the basis of the representations, warranties and covenants contained herein and in the other agreements and documents referred to herein, and subject to the terms and conditions herein set forth, the Purchaser agrees to purchase from the Issuer and the Issuer agrees to sell to the Purchaser the Bonds not later than 12:00 Noon, applicable Central time on May 24, 2017, or such other place, time or date as shall be mutually agreed upon by the Issuer and the Purchaser, at the purchase price set forth on ***Exhibit A*** attached hereto, plus accrued interest from the Dated Date to the Closing Date (the “Purchase Price”). The date of such delivery and payment is herein called the “Closing Date,” the hour and date of such delivery and payment is herein called the “Closing Time” and the transactions to be accomplished for delivery of the Bonds on the Closing Date shall be herein called the “Closing.” The Bonds shall be issued under and secured as provided in the Bond Resolution and the Bonds shall have the maturities and interest rates as set forth therein and on ***Exhibit A*** attached hereto, which also contains a summary of the redemption provisions of the Bonds. The Bonds shall contain such other provisions as are described in the Bond Resolution and the Official Statement (as hereinafter defined).

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

to the obligations expressly set forth in this Bond Purchase Agreement; and (4) the Issuer has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

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

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

(e) The Purchaser agrees to offer the Bonds to the public initially at the offering prices or yields set forth in **Exhibit A** attached hereto, but may subsequently change such offering prices. The Purchaser agrees to notify the Issuer of such changes, if such changes occur prior to the Closing Time, but failure so to notify shall not invalidate such changes. The Purchaser may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the offering prices set forth in **Exhibit A** attached hereto.

(f) On or prior to the Closing Time, the Purchaser will execute and deliver to the Issuer a written certification (the “Issue Price Certificate”) in substantially the form attached hereto as **Exhibit B**.

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

## **SECTION 2. OFFICIAL STATEMENT**

(a) The Issuer has previously furnished to the Purchaser the Preliminary Official Statement, dated April 4, 2017, as supplemented on April 26, 2017 and May 3, 2017, relating to the Bonds, including all appendices thereto and maps and pictorial information included therein (the “Preliminary Official Statement”). The Issuer hereby ratifies and confirms the Purchaser’s use and public distribution of the Preliminary Official Statement in connection with the offering for sale of the Bonds.

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

Board (the “MSRB”). The Issuer hereby confirms the authority of the Purchaser to use, and consents to the use of, the Official Statement in connection with the public offering and sale of the Bonds.

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

(d) If, prior to the earlier of: (1) 90 days after the “end of the underwriting period” (as defined in the Rule); or (2) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, specifically including the MSRB’s Electronic Municipal Market Access system (“EMMA”), but in no case earlier than 25 days after the end of the underwriting period, any event shall occur relating to or affecting the Issuer, as a result of which it is necessary to amend or supplement the Official Statement in order to make the statements therein, in the light of the circumstances existing when the Official Statement is delivered to a purchaser, not materially misleading, or the Official Statement is required to be amended or supplemented to comply with law, the Issuer shall promptly prepare and furnish, at the expense of the Issuer, to the Purchaser and to the dealers (whose names and addresses the Purchaser will furnish to the Issuer) to which Bonds may have been sold by the Purchaser and to any other dealers upon request, such amendments or supplements to the Official Statement as may be necessary so that the statements in the Official Statement as so amended or supplemented will not, in the light of the circumstances existing when the Official Statement is delivered to a purchaser of the Bonds, be misleading or so that the Official Statement will comply with law.

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

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

### **SECTION 3. REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF THE PURCHASER**

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

### **SECTION 4. ISSUER’S REPRESENTATIONS AND WARRANTIES**

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

(a) The Issuer is 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 Resolution and this Bond Purchase Agreement, and all other agreements relating thereto.

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

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

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

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

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

(h) The Preliminary Official Statement did not, and the Official Statement and in any amendment or supplement thereto, will not, as of the Closing Time, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided that, the Issuer makes no statement as to the Excluded Sections (as defined in **Section 6(b)(2)** hereof).

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

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

(k) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer (or, to its knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by the Bond Resolution or the validity of the Bonds, the Bond Resolution, this Bond Purchase Agreement or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Bond Resolution.

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 5. COVENANTS AND AGREEMENTS OF THE ISSUER**

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

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

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

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

## **SECTION 6. CONDITIONS TO THE PURCHASER’S OBLIGATIONS**

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

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

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

(1) An opinion dated as of the Closing Date, of Gilmore & Bell, P.C. ("Bond Counsel"), substantially in the form attached to the Official Statement as ***Appendix I***.

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

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

(4) An executed copy of the Disclosure Instructions.

(5) Receipt of a municipal bond rating by Moody's of at least "Aa1".

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

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

## **SECTION 7. CONDITIONS TO THE ISSUER'S OBLIGATIONS**

The obligations of the Issuer hereunder are subject to the Purchaser's performance of its obligations hereunder.

## **SECTION 8. THE PURCHASER'S RIGHT TO CANCEL**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **SECTION 9. PAYMENT OF EXPENSES**

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

(b) If the Bonds are sold by the Issuer to the Purchaser, except as hereinafter set forth, all expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bonds shall be paid by the Issuer out of the proceeds of the Bonds or other Issuer funds. Such expenses and costs shall include, but not be limited to: (1) the fees and disbursements of Bond Counsel; (2) the fees and disbursements of the Issuer's legal counsel and municipal advisor; (3) costs associated with obtaining municipal bond ratings relating to the Bonds; (4) the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Bonds, the Official Statement, this Bond Purchase Agreement and all other agreements and documents contemplated hereby; (5) fees of the Bond Registrar and Paying Agent designated by the Issuer pursuant to the Bond Resolution; and (6) all costs and expenses of the Issuer relating to the issuance of the Bonds. Notwithstanding the foregoing, the Issuer shall not be obligated to pay any fees or expenses of the Purchaser or any costs that could be construed as underwriting discount or any similar underwriting fee. The Purchaser shall be responsible for payment of the costs of qualifying the Bonds for sale in the various states chosen by the Purchaser, all advertising expenses in connection with the offering of the Bonds, the fees and disbursements of the Purchaser's legal counsel and all other expenses incurred by the Purchaser in connection with the offering, sale and distribution of the Bonds.

## **SECTION 10. NOTICE**

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

(a) If to the Issuer at 6 East 6<sup>th</sup> Street, Lawrence, Kansas 66044, Attention: City Clerk.

(b) If to the Purchaser at: Neighborly Securities, P.O. Box 412511, Kansas City, Missouri 64141, Attention: Manager, Public Finance Department.

## **SECTION 11. INDEMNIFICATION**

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

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

Issuer or any of the Indemnified Parties, with or without the consent of the Issuer, the Issuer agrees to indemnify and hold harmless the Indemnified Parties to the extent provided herein.

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

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

## **SECTION 12. MISCELLANEOUS**

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

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

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

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

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

**SECTION 13. EFFECTIVE DATE**

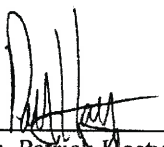
This Bond Purchase Agreement shall become effective upon acceptance hereof by the Issuer.

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

**NEIGHBORLY SECURITIES**

Date: May 8, 2017  
Time: 3:45 p.m.

By:   
Name: Patrick Hosty  
Title: Managing Principal

Accepted and agreed to:

**CITY OF LAWRENCE, KANSAS**

By: \_\_\_\_\_  
Mayor

ATTEST:

(Seal)

By: \_\_\_\_\_  
City Clerk

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

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

**NEIGHBORLY SECURITIES**

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

By: \_\_\_\_\_  
Name: Patrick Hosty  
Title: Managing Principal

Accepted and agreed to:

**CITY OF LAWRENCE, KANSAS**

Date: May 8, 2017  
Time: 03:58 p.m.

By: \_\_\_\_\_  
Mayor

ATTEST:

By: Sherri Riedemann amj  
City Clerk



**EXHIBIT A**

**\$654,000**  
**CITY OF LAWRENCE, KANSAS**  
**GENERAL OBLIGATION IMPROVEMENT BONDS**  
**SERIES 2017-C**

**CALCULATION OF PURCHASE PRICE**

Principal Amount	\$654,000.00
Less Underwriter's Discount	0.00
Plus Original Issue Premium	0.00
Less Original Issue Discount	0.00
<i><b>Total Purchase Price</b></i>	<i><b>\$654,000.00</b></i>

**MATURITY SCHEDULE**

**SERIAL BONDS**

<u>Stated Maturity September 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Price</u>	<u>Stated Maturity September 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Price</u>
2018	\$59,000	0.950%	100.00%	2023	\$66,000	1.750%	100.00%
2019	62,000	1.100	100.00	2024	67,000	1.900	100.00
2020	63,000	1.250	100.00	2025	68,000	2.100	100.00
2021	64,000	1.400	100.00	2026	69,000	2.250	100.00
2022	65,000	1.550	100.00	2027	71,000	2.400	100.00

**REDEMPTION OF BONDS**

**No Redemption of Bonds.** The Bonds shall not be subject to redemption and payment prior to their Stated Maturity.

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**EXHIBIT B**

**\$654,000  
CITY OF LAWRENCE, KANSAS  
GENERAL OBLIGATION IMPROVEMENT BONDS  
SERIES 2017-C**

This certificate is being delivered by Neighborly Securities, New York, New York (the “Purchaser”) in connection with the issuance of the above-described bonds (the “Bonds”), being issued on the date of this Receipt by the City of Lawrence, Kansas (the “Issuer”). Based on its records and information available to the undersigned which the undersigned believes to be correct, the Purchaser represents as follows:

**1. Authorized Representative.** The undersigned is the duly authorized representative of the Purchaser.

**2. Receipt for Bonds.** The Purchaser acknowledges receipt by the Depository Trust Company on behalf of the Purchaser on the Issue Date of the Bonds consisting of fully registered “book-entry-only” bonds in Authorized Denominations in a form acceptable to the Purchaser.

**3. Public Offering.** All of the Bonds have been the subject of an initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) (the “Public”), made pursuant to the Bond Purchase Agreement between the Issuer and the Purchaser, dated May 8, 2017, at prices no higher than par, without accrued interest (the “Offering Prices”). On the basis of information available to us which we believe to be correct, we expect that at least 10 percent of the Bonds of each maturity will be sold to the Public at offering prices no higher than said Offering Prices. For purposes of this certificate, we have assumed that the phrase “bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers” refers only to persons who, to our actual knowledge, have an arrangement with the Issuer or the Purchaser to act in such capacity on behalf of the Issuer or the Purchaser.

**4. Compliance with Bond Purchase Agreement.** The Purchaser acknowledges that it has timely received in satisfactory form and manner all proceedings, certificates, opinions, letters and other documents required to be submitted to it pursuant to the Bond Purchase Agreement on the date of the delivery of and payment for the Bonds (except to the extent the Purchaser has waived or consented to modification of certain provisions thereof), and that the Issuer has in all respects complied with and satisfied all of its obligations to us which are required under the Bond Purchase Agreement to be complied with and satisfied on or before the date hereof.

**5. Reliance.** The Issuer may rely on the foregoing representations in executing and delivering its Federal Tax Certificate with respect to its certification as to issue price of the Bonds under the Internal Revenue Code of 1986, as amended (the “Code”), and Gilmore & Bell, P.C., Bond Counsel may rely on the foregoing representations in rendering its opinion relating to the exclusion from federal gross income of the interest on the Bonds under the Code.

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Dated: May \_\_\_, 2017.

**NEIGHBORLY SECURITIES  
KANSAS CITY, MISSOURI**

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

Name: Patrick Hosty

Title: Managing Principal