
ORDINANCE NO. S-1042

**OF THE
CITY OF PITTSBURG, KANSAS**

**AUTHORIZING THE ISSUANCE OF
\$8,640,000
INDUSTRIAL DEVELOPMENT REVENUE BONDS
SERIES 2017A AND 2017B
(KENDALL PACKAGING CORPORATION PROJECT)**

(Published in the *Morning Sun*, January 13, 2017)

ORDINANCE NO. S-1042

AN ORDINANCE AUTHORIZING THE CITY OF PITTSBURG, KANSAS TO ISSUE ITS INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 2017A AND 2017B (KENDALL PACKAGING CORPORATION PROJECT) TO PROVIDE FUNDS TO PAY THE COSTS OF CONSTRUCTING AND EQUIPPING THE EXPANSION OF AN EXISTING MANUFACTURING FACILITY; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

THE GOVERNING BODY OF THE CITY OF PITTSBURG, KANSAS HAS FOUND AND DETERMINED:

A. The City of Pittsburg, Kansas (the "Issuer") is authorized by K.S.A. 12-1740 *et seq.*, as amended (the "Act"), to acquire, construct, improve and equip certain facilities (as defined in the Act) for commercial, industrial and manufacturing purposes, to enter into leases and lease-purchase agreements with any person, firm or corporation for such facilities, and to issue revenue bonds for the purpose of paying the costs of such facilities.

B. The Issuer's governing body has determined that it is desirable in order to promote, stimulate and develop the general economic welfare and prosperity of the Issuer and the State of Kansas that the Issuer issue its Industrial Development Revenue Bonds, Series 2017A and 2017B (Kendall Packaging Corporation Project) in the aggregate principal amount not to exceed \$8,640,000 (collectively, the "Series 2017 Bonds"), for the purpose of paying the costs of the construction and equipping of an expansion of an existing manufacturing facility (the "Project") as more fully described in the Indenture and in the Lease authorized in this Ordinance, for lease to Kendall Packaging Corporation, a Delaware corporation (the "Lessee").

C. The Issuer's governing body finds that it is necessary and desirable in connection with the issuance of the Series 2017 Bonds to execute and deliver the following documents (collectively, the "Bond Documents"):

(i) an Indenture of Trust dated as of January 1, 2017 (the "Indenture"), with BMO Harris Bank N.A. as Trustee (the "Trustee"), prescribing the terms and conditions of issuing and securing the Series 2017 Bonds;

(ii) a Lease Financing Agreement dated as of January 1, 2017 (the "Lease"), with the Lessee, under which the Issuer will acquire, construct and equip the Project and lease it to the Lessee in consideration of Basic Rent and other payments; and

(iii) a Bond Purchase Agreement (the "Bond Purchase Agreement") providing for the sale of the Series 2017 Bonds by the Issuer to BMO Harris Bank N.A. (the "Purchaser").

D. The Issuer's governing body has found that under the provisions of K.S.A. 79-201a, the Project purchased or constructed with the proceeds of the Series 2017 Bonds is eligible for exemption from ad valorem property taxes for up to 10 years, commencing in the calendar year following the calendar year in which the Bonds are issued, if proper application is made. The Issuer's governing body has further found that the Project should be exempt from ad valorem property taxes for a period of 10 years. Prior to making this determination, the governing body of the Issuer has conducted the public hearing and reviewed the analysis of costs and benefits of such exemption required by K.S.A. 12-1749d.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF PITTSBURG, KANSAS:

Section 1. **Definition of Terms.** All terms and phrases not otherwise defined in this Ordinance will have the meanings set forth in the Indenture and the Lease.

Section 2. **Authority to Cause the Project to Be Purchased and Constructed.** The Issuer is authorized to cause the Project to be acquired, constructed and equipped in the manner described in the Indenture and the Lease.

Section 3. **Authorization of and Security for the Bonds.** The Issuer is authorized and directed to issue the Series 2017 Bonds, to be designated "City of Pittsburg, Kansas Industrial Development Revenue Bonds, Series 2017A and 2017B (Kendall Packaging Corporation Project)" in the aggregate principal amount of not to exceed \$8,640,000, for the purpose of providing funds to pay the costs of the Project. Each series of the Series 2017 Bonds will be in such principal amount, will be dated and bear interest, will mature and be payable at such times, will be in such forms, will be subject to redemption and payment prior to maturity, and will be issued according to the provisions, covenants and agreements in the Indenture. The Series 2017 Bonds will be special limited obligations of the Issuer payable solely from the Trust Estate under the Indenture, including revenues derived from the Lease of the Project. The Series 2017 Bonds will not be general obligations of the Issuer, nor constitute a pledge of the faith and credit of the Issuer, and will not be payable in any manner by taxation.

Section 4. **Authorization of Indenture.** The Issuer is authorized to enter into the Indenture with the Trustee in the form approved in this Ordinance. The Issuer will pledge the Trust Estate described in the Indenture to the Trustee for the benefit of the owners of the Series 2017 Bonds on the terms and conditions in the Indenture.

Section 5. **Lease of the Project.** The Issuer will acquire, construct and equip the Project and lease it to the Lessee according to the provisions of the Lease in the form approved in this Ordinance.

Section 6. **Authorization of Bond Purchase Agreement.** The Issuer is authorized to sell the Series 2017 Bonds to the Purchaser, according to the terms and provisions of the Bond Purchase Agreement, in the form approved in this Ordinance.

Section 7. **Execution of Bonds and Bond Documents.** The Mayor of the Issuer is authorized and directed to execute the Series 2017 Bonds and deliver them to the Trustee for authentication on behalf of the Issuer in the manner provided by the Act and in the Indenture. The Mayor or member of the Issuer's governing body authorized by law to exercise the powers and duties of the Mayor in the Mayor's absence is further authorized and directed to execute and deliver the Bond Documents on behalf of the Issuer in substantially the forms presented for review prior to passage of this Ordinance, with such corrections or amendments as the Mayor or other person lawfully acting in the absence of the Mayor may approve, which approval shall be evidenced by his or her signature. The authorized signatory may sign and deliver all other documents, certificates or instruments as may be necessary or desirable to carry out the purposes and intent of this Ordinance and the Bond Documents. The City Clerk or the Deputy City Clerk of the Issuer is hereby authorized and directed to attest the execution of the Series 2017 Bonds, the Bond Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out the intent of this Ordinance under the Issuer's corporate seal.

Section 8. **Property Tax Exemption.** The Project will be exempt from ad valorem property taxes for ten years, commencing in the calendar year after the calendar year in which the Series 2017 Bonds are

issued. The Lessee will prepare the application for exemption and submit it to the Issuer for its review. After its review, the Issuer will submit the application for exemption to the State Board of Tax Appeals.

Section 9. Pledge of the Project and Net Lease Rentals. The Issuer hereby pledges the Project and the net rentals generated under the Lease to the payment of the Series 2017 Bonds in accordance with K.S.A. 12-1744. The lien created by the pledge will be discharged when all of the Series 2017 Bonds are paid or deemed to have been paid under the Indenture.

Section 10. Authority To Correct Errors, Etc. The Mayor or member of the Issuer's governing body authorized to exercise the powers and duties of the Mayor in the Mayor's absence, the City Clerk and any Deputy City Clerk are hereby authorized and directed to make any alterations, changes or additions in the instruments herein approved, authorized and confirmed which may be necessary to correct errors or omissions therein or to conform the same to the other provisions of said instruments or to the provisions of this Ordinance.

Section 11. Further Authority. The officials, officers, agents and employees of the Issuer are authorized and directed to take whatever action and execute whatever other documents or certificates as may be necessary or desirable to carry out the provisions of this Ordinance and to carry out and perform the duties of the Issuer with respect to the Series 2017 Bonds and the Bond Documents.

Section 12. Effective Date. This Ordinance shall take effect after its passage by the governing body of the Issuer and publication once in the Issuer's official newspaper.

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PASSED by the governing body of the Issuer on January 10, 2017 and **SIGNED** by the Mayor.



John D. Helman
Mayor

Sammy Nagel
City Clerk

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INDENTURE OF TRUST

between

CITY OF PITTSBURG, KANSAS,

as Issuer

and

BMO HARRIS BANK N.A.,

as Trustee

Dated as of:

January 1, 2017

Relating to:

\$8,640,000

CITY OF PITTSBURG, KANSAS

**INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 2017A AND 2017B
(KENDALL PACKAGING CORPORATION PROJECT)**

INDENTURE OF TRUST

\$8,640,000

City of Pittsburg, Kansas

Industrial Development Revenue Bonds, Series 2017A and 2017B
(Kendall Packaging Corporation Project)

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\$8,640,000
City of Pittsburg, Kansas
Industrial Development Revenue Bonds, Series 2017A and 2017B
(Kendall Packaging Corporation Project)

INDENTURE OF TRUST

This INDENTURE OF TRUST, dated as of January 1, 2017 (the "Indenture") is between the City of Pittsburg, Kansas (the "Issuer"), and BMO Harris Bank N.A., as trustee (the "Trustee").

RECITATIONS:

WHEREAS, by virtue of the authority of the laws of the State and pursuant to the provisions of the Kansas Economic Development Revenue Bond Act, as amended and codified in K.S.A. 12-1740 *et seq.* (the "Act") and pursuant to the Bond Ordinance referred to below, the Issuer is authorized to enter into this Indenture and to do or cause to be done all the acts and things herein provided or required to be done, to issue the Bonds for the purpose of paying the costs of the Project;

WHEREAS, by adoption of the Bond Ordinance on January 10, 2017, the Issuer has authorized the issuance of its Industrial Development Revenue Bonds, Series 2017A and 2017B (Kendall Packaging Corporation Project) in an aggregate principal amount not to exceed \$8,640,000 (the "Bonds") for the purpose described above and to enter into this Indenture and secure the Bonds by the pledge and assignment of Pledged Revenues and the Project;

WHEREAS, in connection with the issuance of the Bonds, Kendall Packaging Corporation, a Delaware corporation (the "Lessee"), and the Issuer have entered into the Lease Financing Agreement of even date herewith pursuant to which the Lessee promised to pay rents and other payments which will be sufficient to pay all Bond Service Charges associated with the Bonds;

WHEREAS, all acts and conditions required to happen, exist and be performed precedent to and in the issuance of the Bonds and the execution and delivery of this Indenture have happened, exist and have been performed, or at the delivery of the Bonds will exist, will have happened and will have been performed (i) to make the Bonds, when issued, delivered and authenticated, valid obligations of the Issuer in accordance with the terms hereof and (ii) to make this Indenture a valid, binding and legal trust agreement for the security of the Bonds in accordance with its terms; and

WHEREAS, the Trustee has accepted the trusts created by this Indenture, and in evidence thereof has joined in the execution hereof.

GRANTING CLAUSES:

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that to secure the payment of principal and interest when and as due on the Bonds, to secure the performance and observance of all of the covenants, agreements, obligations and conditions contained therein and herein, and to declare the terms and conditions upon and subject to which the Bonds are and are intended to be

issued, held, secured and enforced, and in consideration of the premises and the acceptance by the Trustee of the trusts created herein and of the purchase and acceptance of the Bonds by the Holders, and for other good and valuable consideration, the receipt of which is acknowledged, the Issuer has executed and delivered this Indenture and absolutely assigns hereby to the Trustee, and to its successors in trust, and its and their assigns, all right, title and interest of the Issuer in and to (i) the Pledged Revenues, including, without limitation, all Lease Payments and other amounts receivable by or on behalf of the Issuer under the Agreement and all moneys and investments in the Bond Fund and the Project Fund; (ii) the Project; and (iii) the Agreement, except for the Unassigned Issuer's Rights.

TO HAVE AND TO HOLD unto the Trustee and its successors in that trust and its and their assigns forever;

BUT IN TRUST, NEVERTHELESS, and subject to the provisions hereof,

(a) except as provided otherwise herein, for the equal and proportionate benefit, security and protection of all present and future Holders of the Bonds issued or to be issued under and secured by this Indenture,

(b) for the enforcement of the payment of the principal of and interest and any premium on the Bonds, when payable, according to the true intent and meaning thereof and of this Indenture, and

(c) to secure the performance and observance of and compliance with the covenants, agreements, obligations, terms and conditions of this Indenture;

in each case, without preference, priority or distinction, as to lien or otherwise, of any one Bond over any other by reason of designation, number, date of the Bonds or of authorization, issuance, sale, execution, authentication, delivery or maturity thereof, or otherwise, so that each Bond and all Bonds shall have the same right, lien and privilege under this Indenture and shall be secured equally and ratably hereby, it being intended that the lien and security of this Indenture shall take effect from the date hereof, without regard to the date of the actual issue, sale or disposition of the Bonds, as though upon that date all of the Bonds were actually issued, sold and delivered to purchasers for value; and provided further however, that

(i) if the principal of the Bonds and the interest due or to become due thereon together with any premium required by redemption of any of the Bonds prior to maturity shall be well and truly paid, at the times and in the manner to which reference is made in the Bonds, according to the true intent and meaning thereof, or the outstanding Bonds shall have been paid and discharged in accordance with Article 9 hereof, and

(ii) if there shall have been paid (or provided for) to the Issuer, the Trustee, the Original Purchaser, the Registrar, the Paying Agents and the Authenticating Agents all sums of money due or to become due to them in accordance with the terms and provisions hereof and of the Agreement,

this Indenture and the rights assigned hereby shall cease, terminate and be void, except the survival of certain provisions contained herein; otherwise, this Indenture shall be and remain in full force and effect.

It is declared that all Bonds issued hereunder and secured hereby are to be issued, authenticated and delivered, and that all revenues assigned hereby are to be dealt with and disposed of under, upon and subject to, the terms, conditions, stipulations, covenants, agreements, obligations, trusts, uses and purposes provided in this Indenture. The Issuer has agreed and covenanted, and agrees and covenants with the Trustee and with each and all Holders, as follows:

ARTICLE 1.

DEFINITIONS AND USE OF PHRASES

Section 1.1 Definitions. In addition to other terms defined in this Indenture, the following capitalized terms shall have the respective meanings set below:

“7-Year LIBOR Swap Rate” means the International Swaps and Derivatives Association (ISDA(R)) mid-market par interest rate swap rates as most recently published by the Board of Governors of the Federal Reserve System, Published in Release H.15 (currently available at www.federalreserve.gov/releases/h.15/update) for seven (7) years determined five Business Days prior to the applicable Reset Date; provided, however, that if such rate is not available on H.15 then such offered rate shall be otherwise independently determined by the Original Purchaser from an alternate, substantially similar independent source available to the Original Purchaser. Each determination of the 7-Year LIBOR Swap Rate made by Original Purchaser shall be final and conclusive, absent manifest error.

“10-Year LIBOR Swap Rate” means the International Swaps and Derivatives Association (ISDA(R)) mid-market par interest rate swap rates as most recently published by the Board of Governors of the Federal Reserve System, Published in Release H.15 (currently available at www.federalreserve.gov/releases/h.15/update) for ten (10) years determined five Business Days prior to the applicable Reset Date; provided, however, that if such rate is not available on H.15 then such offered rate shall be otherwise independently determined by the Original Purchaser from an alternate, substantially similar independent source available to the Original Purchaser. Each determination of the 10-Year LIBOR Swap Rate made by Original Purchaser shall be final and conclusive, absent manifest error.

“Act” means the Kansas Economic Development Revenue Bond Act, as amended and codified in K.S.A. 12-1740 *et seq.*

“Additional Bonds” means any Bonds issued pursuant to and in accordance with Section 2.15.

“Alternate Paying Agent” means any bank or trust company designated by the Issuer at the written request of the Lessee as an alternate or co-paying agent in respect of the Bonds.

“Authenticating Agent” shall mean the Trustee.

“Authorized Lessee Representative,” means Michael Sallmann, who shall be the person (or, in his absence, the alternate person) designated in a Lessee’s Certificate executed by Lessee (containing specimen signatures of such Authorized Representative) as the person(s) authorized to execute and deliver Requisitions and to give Trust Fund investment directions on behalf of the Lessee.

“Bond Counsel” means a law firm whose legal and tax opinion on municipal bond issues is nationally recognized, initially, Husch Blackwell LLP, Milwaukee, Wisconsin and Gilmore & Bell, P.C., Wichita, Kansas, as co-Bond Counsel.

“Bond-Financed Property” means any Property the construction or acquisition of which was funded by the proceeds of the Bonds.

“Bond Fund” means the Trust Fund described in Section 7.3.

“Bond Legislation or Bond Ordinance” means (a) when used with reference to the Bonds, the ordinance providing for their issuance and approving the Agreement, this Indenture, the Bond Purchase Agreement, and related matters; (b) when used with reference to an issue of Additional Bonds, the ordinance providing for the issuance of the Bonds, to the extent applicable, and the ordinance providing for the issuance of the Additional Bonds and approving any amendment or supplement to the Agreement, any Supplemental Indenture and related matters; and (c) when used with reference to Bonds when Additional Bonds are outstanding, the ordinance providing for the issuance of the Bonds and the ordinance providing for the issuance of the then outstanding and the then to be issued Additional Bonds; in each case as amended or supplemented from time to time. The Bond Legislation is incorporated herein by reference.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated as of January 1, 2017 among the Issuer, the Lessee and the Original Purchaser.

“Bond Register” means the registration book maintained by the Trustee pursuant to Section 2.7.

“Bond Service Charges” means, for any series of Bonds, the principal of, premium, if any, and interest on such Bonds for any period or payable at any time, whether due on a Payment Date, at maturity or upon acceleration or redemption.

“Bondowners” means, at the time or times of determination, the persons who are registered Owners of Bonds as shown in the Bond Register.

“Bonds” means collectively, the Series 2017A Bonds and the Series 2017B Bonds, issued hereunder in the principal amounts equal to such sum as is actually advanced pursuant to Section 6.1 hereof and Section 3.4 of the Lease, in an aggregate amount not to exceed \$8,640,000.

“Buildings” means the buildings, located at the Project Site which are to be acquired as part of the Project, and leased by the Lessee in connection with its business of manufacturing flexible packaging solutions. The term “Buildings” includes (without limitation and regardless of whether financed with proceeds of the Bonds) all Equipment.

“Business Day” means any day other than a Saturday, Sunday or other day on which banks and other financial institutions are required or authorized to remain closed in the city in which the Trustee’s Designated Office is located.

“Clerk” means the duly elected or appointed City Clerk of the Issuer.

“Closing Date” means the date on which the Bonds will be delivered to the Original Purchaser in exchange for payment therefor.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collateral” shall have the meaning provided in the Credit Agreement.

“Counsel” means an attorney acceptable to the Trustee, duly admitted to practice law before the highest court of any state, who may be an attorney for the Lessee or the Issuer.

“Credit Agreement” means that Credit Agreement dated the Effective Date between the Lessee and the Original Purchaser.

[“Credit Spread” means such Credit Spread as determined by the Original Purchaser for a similarly situated borrower as the Lessee based on the Original Purchaser’s then-current underwriting standards, and with credit committee oversight, including, without limitation, factors such as the current credit profile, market conditions and current and historical operating performance and which Credit Spread in the opinion of Bond Counsel will not adversely affect any exemption from federal income taxation to which the Bonds would otherwise be entitled.]

“Default” means an Event of Default or an event which with the giving of notice or the passage of time or both would constitute an Event of Default.

“Default Rate” means the then applicable interest rate on the Bonds, plus 5% per annum.

“Defeasance Obligations” means any of the following which are not subject to prepayment in whole or in part or to redemption by the Issuer thereof prior to maturity: (i) Government Obligations; (ii) Evidences of ownership of proportionate interests in future interest and principal payments on Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the Government Obligations, and which underlying Government Obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated; and (iii) Obligations described in Section 103(a) of the Code, which obligations have been assigned the highest rating assigned to legally defeased debt by Standard & Poor’s Ratings and Moody’s Investors Service and provision for the payment of the principal of, premium, if any, and interest on which shall have been made by the irrevocable deposit with a bank or trust company acting as a trustee or escrow agent for holders of such obligations of securities described in clauses (i) or (ii), the maturing principal of and interest on which, when due and payable, will provide sufficient moneys to pay when due the principal of, premium, if any, and interest on such obligations, and which securities described in clauses (i) or (ii) are not available to satisfy any other claim, including any claim of the trustee or escrow agent or of any person claiming through the trustee or escrow agent or proceedings arising out of such insolvency.

“Determination of Taxability” means the issuance of a statutory notice of deficiency by the Internal Revenue Service, or a ruling of the National Office or any District Office of the Internal Revenue Service, or a final decision of a court of competent jurisdiction, or a regulation or revenue ruling issued by the Internal Revenue Service, after the period, if any, for contest or appeal by the taxpayer of such action, ruling or decision has expired without any such contest or appeal having

been properly instituted by the taxpayer, or delivery to the Issuer, the Trustee, or the Original Purchaser by Bond Counsel of an opinion, which holds or declares in effect that the interest payable on any of the Bonds is includable for federal income tax purposes in the gross income of the Bondowners of such Bonds (other than a Bondowner who is a substantial user of the Project or a related person, as such terms are defined in the Code).

“Effective Date” means [January 25, 2017].

“Environmental Law” means any local, state or federal law or other Act, law, ordinance, rule, code, regulation, decree or order governing, regulating or imposing liability or standards of conduct concerning the use, treatment, generation, storage, disposal or other handling or release of any Hazardous Substance.

“Environmental Liability” means all liability arising under, resulting from or imposed by any Environmental Law.

“Equipment” means all items of equipment, furniture, and furnishings of every kind and description (whether or not classified as fixtures) now or hereafter to be located on the Project Site.

“Event of Default” means any of the events described as such in Section 7.1 of the Lease or in Section 10.1 herein.

“Event of Taxability” means the date specified in a Determination of Taxability as the date interest paid or payable on the Bonds became or becomes taxable for federal income tax purposes.

“GAAP” means those generally accepted accounting principles and practices which are recognized as such by the American Institute of Certified Public Accountants acting through appropriate boards or committees thereof and which are consistently applied for all periods so as to properly reflect the financial condition, results of operations and cash flows of the Lessee.

“Government Authority” means any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled through stock or capital ownership or otherwise, by any of the foregoing.

“Government Obligations” means securities which are direct full faith and credit obligations of the United States or securities as to which the payment of both principal and interest are unconditionally guaranteed by the United States of America.

“Hazardous Substance” means any pollutant, contaminant, waste or toxic or hazardous chemicals, wastes or substances, including, without limitation, asbestos, urea formaldehyde insulation, petroleum, PCB’s, air pollutants, water pollutants, and other substances defined as hazardous substances or toxic substances in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9061 et seq., Hazardous Materials Transportation Act, 49 U.S.C. §1802, the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq., the Toxic Substance Control Act of 1976, as amended, 15 U.S.C. §2601 et seq., the Solid Waste Disposal Act, 42 U.S.C. §3251 et seq., the Clean Air Act, 42 U.S.C. §1857 et seq., the Clean Water Act, 33 U.S.C. §1251 et seq., or any other Act, rule, regulation or order of any Government Authority having jurisdiction over the control of such wastes or substances, including without

limitation the United States Environmental Protection Agency, the United States Nuclear Regulatory Agency, the State of Kansas and the County Department of Health in the county where the Project Site is located.

“Holder” or “Holder of a Bond” or “Bondholder” means a person in whose name a Bond is registered on the Bond Register, initially BMO Harris Bank N.A., the Original Purchaser.

“Indenture” means this Indenture of Trust between the Issuer and the Trustee, dated as of January 1, 2017, as amended or supplemented from time to time.

“Independent Counsel” means any attorney or firm of attorneys who or which shall be acceptable to the Trustee and who or which is not an employee of the Lessee or the Issuer.

“Insurance and Condemnation Proceeds Fund” means the Trust Fund described in Section 7.5.

“Issuer” means the City of Pittsburg, Kansas, its successors and assigns.

“Issuer’s Address” means the address which the Issuer designates for the delivery of notices hereunder. Until changed by notice from the Issuer to the Lessee, and the Trustee, the Issuer’s Address shall be:

City of Pittsburg, Kansas
Attn: City Clerk
201 West 4th Street
P.O. Box 688
Pittsburg, KS 66762-0688

Phone: (620) 231-4100
Fax: (620) 231-0964

“Lease” means the Lease Financing Agreement in the principal sum of \$8,640,000 (or such lesser sum as is actually advanced under the Lease) between the Issuer and the Lessee of even date herewith, including all amendments and supplements to and renewals and extensions of such Lease, pursuant to which the Lessee promised to pay rents and other payments which will be sufficient to pay the Bond Service Charges.

“Lease Documents” means the Lease, the Credit Agreement, and the Mortgage.

“Lease Payments” means the payments required to be made by the Lessee, payment of rents and other charges pursuant to the provisions of Section 4.1 of the Lease.

“Lessee” means Kendall Packaging Corporation, a Delaware corporation, and its successors and assigns.

“Lessee’s Address” means the address which the Lessee designates for the delivery of notices under the Lease Documents. Until changed by a Lessee’s Certificate delivered to the Issuer and the Trustee, the Lessee’s Address shall be:

Kendall Packaging Corporation
Attn: Michael Sallmann, Chief Financial Officer
10335 North Port Washington Road
Mequon, WI 53092

Phone: (262) 404-1206
Fax: (262) 404-1221

“Lessee’s Certificate” means a certificate signed on behalf of the Lessee (by an Authorized Lessee Representative).

“Lessee’s Requisition” means a request for disbursement pursuant to Section 3.4 of the Lease.

“LIBOR” means the one-month London Interbank Offered Rate (LIBOR) as reported on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Original Purchaser from time to time) as reported two London Business Days prior to the first day of such month, unless such rate is no longer available or published, in which case such rate shall be at a comparable index rate selected by the Original Purchaser with notice to the Lessee, provided that in no event shall the “LIBOR Rate” be less than 0.00%. The Original Purchaser shall determine the interest rate applicable to the Bonds based on the foregoing, and its determination thereof shall be conclusive and binding except in the case of manifest error. The interest rate payable under this Indenture shall be subject, however, to the limitation that such interest rate shall never exceed the highest rate which the Lessee may contract to pay under applicable law.

“London Business Days” means a Business Day on which dealings in United States dollars are carried on in the London interbank market.

“Maximum Interest Rate” means the maximum interest rate which may be charged on the Bonds, which rate is 20% per annum. The Maximum Interest Rate may be increased at any time by the Lessee by filing with the Issuer and the Trustee (i) a certificate of an Authorized Lessee Representative stating the new Maximum Interest Rate; (ii) a certified copy of a Bond Ordinance adopted by the Issuer establishing the new Maximum Interest Rate; and (iii) an opinion of Bond Counsel to the effect that such increase is permitted under the Act and will not adversely affect the exclusion of interest on the Bonds from gross income of the Bondowners for federal income tax purposes.

“Mayor” means the Mayor of the Issuer.

“Mortgage” means the Leasehold Mortgage between the Lessee and the Original Purchaser.

“Mortgaged Property” means all of the Property described in the Mortgage.

“Original Issue Date” means [January 25, 2017].

“Original Purchaser” or “Bank” means BMO Harris Bank N.A., as the purchaser of the Bonds and as lender.

“Original Purchaser’s Address” means the address which the Original Purchaser designates for the delivery of notices hereunder. Until changed by notice from the Original Purchaser to the Issuer, the Trustee and the Lessee, the Original Purchaser’s Address shall be:

BMO Harris Bank N.A.
Attn: Glenn D. Schroeder, Vice President
W156 N11150 Pilgrim Road
Germantown, WI 53022

Phone: (262) 253-6161
Fax: (262) 253-6158

“Outstanding” (when used with reference to the Bonds) means all Bonds which have been authenticated and delivered by the Trustee hereunder, except: (i) Bonds or portions thereof canceled by the Trustee or delivered to the Trustee for cancellation; (ii) Bonds which evidence ownership of Defeasance Obligations or which have been defeased in accordance with Article 9; (iii) Bonds in lieu of which other Bonds have been authenticated and delivered in accordance with Sections 2.5, 2.7 and 2.10; (iv) Bonds which are not deemed to be Outstanding in accordance with the provisions of Sections 2.13 and Article 9; and (v) subject to the limitation as to the aggregate amount of Bonds Outstanding contained in Section 4.2.

“Owners” (when used with reference to Bonds) means Bondowners.

“Paying Agent” means any bank or banks designated pursuant hereto as the agent of the Issuer to receive and disburse the principal of and interest on the Bonds; initially, the Trustee.

“Payment Date” means the tenth day of each calendar month, commencing on [_____ 10, 2017] with respect to payments of interest and commencing [January 10, 2018] with respect to payments of principal.

“Person” means an individual, partnership, corporation, firm, enterprise, association, business trust, joint stock company, joint venture, trust, unincorporated organization, governmental authority or any agency or political subdivision thereof, or other entity of whatever nature.

“Pledged Revenues” means all revenues and income derived by or for the account of the Issuer from or for the account of the Lessee pursuant to the terms of the Lease and this Indenture, including, without limitation (i) all Lease Payments; (ii) all cash and securities held from time to time in the Trust Funds (with the exception of the Rebate Credit Account) and the investment earnings thereon; and (iii) all proceeds of any casualty insurance or condemnation awards payable with respect to the Project.

“Primary Offering” has the meaning set forth in Rule 15c2-12 under the Securities Exchange Act of 1934.

“Project” means collectively, the Series A Project and the Series B Project.

“Project Costs” means the items identified in Article III of the Lease.

“Project Fund” means the Trust Fund described in Section 6.2.

“Project Site” means the land located at 1901 East 27th Street Terrace in the City of Pittsburg, Kansas, which is legally described in Exhibit A to the Mortgage, together with all improvements thereon (including the Buildings).

“Property” means any interest of the Lessee of any kind in property or assets, whether real, personal, mixed, tangible or intangible, wherever located, and whether now owned or subsequently acquired or arising and in the products, proceeds, additions and accessions thereof or thereto.

“Qualified Investments” includes any of the following securities, in and to the extent the same are at the time legal for the investment of the Issuer’s moneys: (i) Government Obligations; (ii) the obligations, including discount notes, of the Federal National Mortgage Association, the Federal Intermediate Credit Banks, the Federal Banks for Cooperatives, the Federal Land Banks, the Federal Home Loan Banks, the Federal Financing Bank, the Federal Farm Credit System, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration; *provided, however*, that obligations listed in this subpart (iii) shall be guaranteed by the United States of America; (iv) certificates of deposit or time deposits of any bank (including the Trustee) or institution, which deposits are insured by the FDIC, *provided, however*, that the maturity of such certificates of deposit may not extend beyond one year from the date of their issuance; (v) certificates of deposit or time deposits fully collateralized by Government Obligations; (vi) any repurchase agreement by the Trustee that is with a bank or institution, which bank, institution or holding company thereof is rated “BAA1” or better by Moody’s Investors Service, Inc. or “B+” or better by S&P Global Ratings *provided, however*, that such repurchase agreement may not extend more than 30 days beyond its issuance and such repurchase obligation will be for Government Obligations; and notwithstanding any of the foregoing, to the extent that any obligations described in this definition are repurchase agreements then (A) the Trustee must have perfected a first security interest in such obligations, (B) the Trustee or a third party acting solely as agent for the Trustee must have possession of such obligations, (C) such obligations must be free and clear of third party claims, and (D) any investment in a repurchase agreement will be considered to mature on the date the bank or trust company providing the repurchase agreement is obligated to repurchase the Government Obligations; (vii) commercial paper or finance company paper rated at the time of purchase not less than A-1 or prime-one or their equivalents by S&P Global Ratings and Moody’s Investors Service, Inc.; (viii) state and local government obligations, the interest on which is excludable from the gross income of the holder thereof for federal income tax purposes pursuant to Section 103(a) of the Code, *provided, however*, that such obligations at the time of purchase have a rating of “A-” or better from S&P Global Ratings or Moody’s Investors Service, Inc.; (viii) money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, including any such fund for which the Trustee or any of its affiliates provides any service, including any service for which fee may be paid; (ix) the “Short Term Investment Fund” of the Trustee; and (x) so long as the Original Purchaser is the Owner of all of the Bonds Outstanding, investment agreements or certificates of deposit as may be approved by the Lessee and the Original Purchaser.

“Rebate Credit Account” means the account described in Section 7.7, which account shall not be pledged for the benefit of the Bondowners hereunder.

“Record Date” means, for the interest payable on any Payment Date, the 15th day (whether or not a Business Day) of the calendar month of such Payment Date.

“Redemption Date” means the date upon which any Bond is to be redeemed prior to maturity.

“Redemption Fund” means the Trust Fund described in Section 7.4.

“Registrar” means the Bond Registrar and the Paying Agent for and in respect of all Bonds. The Registrar for the Bonds shall be the Trustee, except that payments to the Original Purchaser shall be made directly by the Lessee and not through the Trustee, as provided in Section 2.11.

“Renewal Date” means, with respect to the Series 2017A Bonds, the seventh anniversary of the day on which Borrower elects a fixed interest rate for the Series 2017A Bonds and on each subsequent Reset Date. The Original Purchaser’s initial commitment for the Series 2017B Bonds expires on January 1, 2028, and the Series 2017B Bonds are not subject to renewal by the Original Purchaser.

“Requisite Consent” means (unless all Bonds are then owned by the Lessee) the affirmative written consent of Bondowners owning in aggregate not less than a majority in principal amount of the Bonds (other than Bonds owned by the Lessee or any “related person” as defined in Section 147 of the Code) at the time Outstanding. When used with reference to either the Bonds the term “Requisite Consent” shall be determined by applying the foregoing sentence to the Bonds Outstanding.

“Reset Date” means, with respect to the Series 2017A Bonds, the Renewal Date and each seventh anniversary of such date.

“Reset Period” means, with respect to the Series 2017A Bonds, each period of seven (7) years from each Reset Date through the last day of the Reset Period preceding the subsequent Reset Date or the maturity date of the Series 2017A Bonds (as applicable).

“Series 2017A Bonds” means the Issuer’s Industrial Development Revenue Bonds, Series 2017A (Kendall Packaging Corporation Project), issued hereunder in the principal amount not to exceed \$3,000,000 to finance the Series A Project and costs of issuance.

“Series 2017B Bonds” means the Issuer’s Industrial Development Revenue Bonds, Series 2017B (Kendall Packaging Corporation Project), issued hereunder in the principal amount not to exceed \$5,640,000 to finance the Series B Project and costs of issuance.

“Series A Project” means the construction of an addition to the Lessee’s facility located at the Project Site.

“Series B Project” the acquisition and installation of equipment at the Lessee’s facility located at the Project Site.

“Supplemental Indenture” means any supplement to or amendment hereof entered into in accordance with Article 12.

“Tax-Exempt Multiplier” means initially 74%, and thereafter shall mean the tax-exempt multiplier established periodically by the Original Purchaser as shown on the Original Purchaser’s daily pricing sheets available to all borrowers of the Original Purchaser, or if no such daily pricing

sheets are available, the multiplier established for similarly situated borrower of the Original Purchaser, as determined two Business Days prior the commencement date of a new Reset Period.

“Taxable Rate” means the then applicable conventional interest rate on the Bonds, plus [_____] % per annum.

“Treasury Regulations” means the regulations issued by the Department of the Treasury under the Code, as amended from time to time.

“Trust Funds” means the trust funds and accounts administered by the Trustee hereunder.

“Trustee” means BMO Harris Bank N.A., and any successor banking corporation, banking association or trust company at the time serving as corporate trustee hereunder.

“Trustee’s Address” and “Trustee’s Designated Office” means the address or office which the Trustee designates for the delivery of notices or payments hereunder or under the Lease. Until changed by notice from the Trustee to the Lessee and the Issuer, the Trustee’s Address and Principal Office is:

BMO Harris Bank N.A.
Attn: Glenn D. Schroeder, Vice President
W156 N11150 Pilgrim Road
Germantown, WI 53022

Phone: (262) 253-6161

Fax: (262) 253-6158

“Unassigned Issuer’s Rights” means the Unassigned Issuer’s Rights as defined in the Lease.

Section 1.2 Use of Phrases; Rules of Interpretation and Construction. The following provisions shall be applied wherever appropriate herein:

(a) “Herein,” “hereby,” “hereunder,” “hereof” and other equivalent words refer to this Indenture as an entirety and not solely to the particular portion of this Indenture in which any such word is used.

(b) Unless otherwise stated, references herein to “Articles,” “Sections” and other subsections are to the corresponding Articles, Sections or subsections of this Indenture.

(c) Unless the context clearly requires otherwise, the singular shall include the plural and vice versa and the masculine shall include the feminine and vice versa.

(d) The titles of Articles and Sections herein are for convenience only and are not a part of this Indenture.

(e) Unless otherwise provided, any computations, determinations, or reports hereunder which require the application of accounting concepts or principles shall be made, and any accounting terms not otherwise defined herein shall be defined, in accordance with GAAP.

ARTICLE 2.

GENERAL PROVISIONS RELATING TO THE BONDS

Section 2.1 Creation of Bonds for Issuance; Designation and Series. The Issuer has, pursuant to the Bond Ordinance, authorized the issuance of two series of Bonds to be designated:

City of Pittsburg, Kansas
Industrial Development Revenue Bonds, Series 2017A and 2017B
(Kendall Packaging Corporation Project)

The Bonds shall be issued in the maximum aggregate principal amount of EIGHT MILLION SIX HUNDRED FORTY THOUSAND DOLLARS (\$8,640,000).

(a) Pursuant to the Bond Ordinance, the Issuer has divided the Bonds into two series, designated as "Series 2017A" and "Series 2017B" based upon the nature of the use of the proceeds of the Bonds. The Series 2017A Bonds shall be issued to finance the Series A Project, and the Series 2017B Bonds shall be issued to finance the Series B Project. The Bonds of each and all series shall have parity with all Bonds of every other series as set forth in Section 2.2.

(b) The Bonds designated as the "Series 2017A Bonds" shall be issued in the maximum aggregate principal amount of THREE MILLION DOLLARS (\$3,000,000).

(c) The Bonds designated as the "Series 2017B Bonds" shall be issued in the maximum aggregate principal amount of FIVE MILLION SIX HUNDRED FORTY THOUSAND DOLLARS (\$5,640,000).

The Bonds shall be numbered in such manner as the Trustee shall deem appropriate, *provided, however*, that each particular Bond shall have a different identifying number. The Bonds shall be issuable in the form of typewritten or printed fully registered Bonds. The Bonds shall specify the Original Issue Date as their original issue date, and each particular Bond shall be dated, as its registration date, the date of its authentication.

Section 2.2 Parity. This Indenture is for the equal and ratable benefit and security of all Bonds issued and to be issued hereunder. Notwithstanding the provisions of Section 2.1 and 4.2, all Bonds of all series shall be of equal rank, and no Bondowner shall be accorded a preference or priority over any other Bondowner except as expressly authorized or provided herein.

Section 2.3 Bonds to be Limited Obligations of the Issuer. THE BONDS SHALL BE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE BY IT SOLELY FROM THE PLEDGED REVENUES. THE BONDS SHALL NOT CONSTITUTE A DEBT OR OBLIGATION OF THE ISSUER, THE COUNTY IN WHICH IT IS LOCATED, THE STATE OF KANSAS OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE OF KANSAS CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NOT BE A CHARGE AGAINST THEIR GENERAL CREDIT OR TAXING POWERS.

Section 2.4 Execution of Bonds. The Bonds shall be executed on behalf of the Issuer by its Mayor under the official seal of the Issuer attested by its Clerk. The signatures of the Mayor

and the Clerk on the Bonds may be manual or facsimile. The official seal of the Issuer on the Bonds may be actually impressed or imprinted or may be reproduced thereon by facsimile. Bonds bearing the manual or facsimile signatures of the persons who were the Mayor and the Clerk at the time of the execution thereof shall be valid and sufficient for all purposes notwithstanding that such persons or either of them have ceased to hold such offices prior to the authentication and delivery of the Bonds or did not hold such offices at the date of the Bonds. For this purpose a Bond executed by facsimile signature shall be deemed to have been executed on the date of the printing thereof.

Section 2.5 Form of Bonds. The Bonds shall be issuable only as fully registered Bonds substantially in the forms set forth as Exhibit A-1 and Exhibit A-2 hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted hereby and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon, as may be required to comply with the rules of any securities exchange, or as may, consistently herewith, be determined by the officers executing such Bonds as evidenced by their execution of the Bonds. There may be printed or otherwise reproduced on any Bond form (i) the legal opinion of Bond Counsel; (ii) customary “back file panel” summary information; (iii) restrictions on transfer in form approved by the Trustee as required in particular instances; and (iv) any other information deemed necessary or appropriate by the Issuer or the Trustee with the approval of Bond Counsel to give notice of information to Bondowners. Pending the preparation of definitive Bonds the Issuer may execute and the Trustee shall authenticate and deliver temporary Bonds which are printed, typewritten, or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are issued, in fully registered form, with such appropriate insertions, omissions, substitutions and other variations as the Mayor and Clerk may determine, as evidenced by their manual signing of such Bonds. If temporary Bonds are issued, the Trustee will cause definitive Bonds to be prepared without unreasonable delay. After the preparation of definitive Bonds, the temporary Bonds shall be exchangeable for definitive Bonds upon surrender of the temporary Bonds at the Trustee’s Designated Office without charge to the Bondowner. Upon surrender for cancellation of any one or more temporary Bonds, the Issuer shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Bonds of authorized denominations. Until so exchanged the temporary Bonds shall in all respects be entitled to the same benefits under this Indenture as definitive Bonds, and the principal of, premium, if any, and interest thereon, when and as payable, shall be paid to the Owners of the temporary Bonds.

Section 2.6 Authentication. No Bond shall be entitled to any benefit under this Indenture or be valid for any purpose unless there appears on such Bond a certificate of authentication substantially in the forms set forth in Exhibit A-1 and Exhibit A-2 hereto executed on behalf of the Trustee with the manual signature of an authorized signatory of the Trustee. Such certificate of authentication executed as aforesaid on a Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture.

Section 2.7 Provision for Registration, Transfer and Exchange of Bonds. The Trustee shall cause a register (herein sometimes referred to as the “Bond Register”) to be kept at the Trustee’s Designated Office for the purpose of providing for the registration and transfer of Bonds in accordance with the provisions of this Section and such reasonable additional regulations as the Trustee may prescribe. Subject to such regulations, any Bondowner may cause its address on the Bond Register to be changed by giving written notice to the Trustee. At reasonable times and under reasonable regulations established by the Trustee, the Bond Register may be inspected and copied by

the Lessee, the Issuer or by owners (or a designated representative thereof) of 10 percent (10%) in aggregate principal amount of Bonds then Outstanding, the authority of such designated representative to be evidenced to the satisfaction of the Trustee. Each Bond shall be fully negotiable. Any Bond may be transferred but only by a written assignment duly executed by the Bondowner or by such owner's duly authorized legal representative. Upon presentation and surrender of the Bond together with said executed Form of Assignment at the Trustee's Designated Office, the Trustee shall register the transfer in the Bond Register; *provided, however*, that the Trustee shall have no obligation to register the transfer unless the executed Assignment shall be satisfactory to it in form and substance. Upon registration of the transfer of a Bond, the Trustee shall cancel the surrendered Bond and the Issuer shall issue, and the Trustee shall authenticate, one or more new Bonds of authorized denominations of the same maturity and interest rate and in the same aggregate outstanding principal amount as the surrendered Bond, *provided, however*, that no individual Bond may be issued in a principal amount of less than \$100,000 unless such Bond is issued in connection with a Primary Offering or otherwise in compliance with applicable federal and state securities laws. The Bondowner requesting any registration of transfer or exchange of Bonds shall pay with respect thereto any resulting tax or governmental charge. All such payments shall be conditions precedent to the exercise of the Bondowner's rights of registration of transfer or exchange. The Trustee shall not be required to register the transfer or to exchange any particular Bond after such Bond has been selected for redemption or has been tendered for redemption pursuant to Article 4. Except as provided in Article 4, all registrations of transfer and exchanges of Bonds shall be accomplished in such manner that no increase or decrease in interest payable on the Bonds results therefrom.

Section 2.8 Persons Treated as Owners. The Issuer, the Trustee, and any Alternate Paying Agent may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of receiving payment of the principal of, premium, if any, and interest thereon and for all other purposes whatsoever, whether or not such Bond is overdue and irrespective of any actual, implied or imputed notice to the contrary.

Section 2.9 Manner of Payment of Bonds. All payments made by the Lessee under the Lease shall be made directly to the Original Purchaser. The installments of principal, premium, if any, and interest on the Bonds issued to the Original Purchaser shall be payable in monthly installments directly to the Original Purchaser without presentation or surrender of the Bonds by the Original Purchaser, and may be delivered by mail, by wire transfer or by action of the Original Purchaser directly debiting Lessee's designated account. At any time that the Bonds are not owned by the Original Purchaser, the interest on any Bond and the principal which is payable and is punctually paid or duly provided for, on any Payment Date shall be paid by check drawn by the Trustee payable to the order of the person in whose name that Bond is registered as of the close of business on the Record Date for such interest and mailed to such person at the address shown on the Bond Register, or by wire transfer from the Trustee to such person. Any interest on any Bond which is payable, but is not punctually paid or duly provided for, may be paid in any lawful manner, at the discretion of the Original Purchaser so long as it owns the Bonds or at the discretion of the Trustee. At any time that the Bonds are not owned by the Original Purchaser, the interest on any Bond which is payable, and is punctually paid or duly provided for, on any Redemption Date that is not a regularly scheduled Payment Date, shall be paid by check drawn by the Trustee, payable to the order of the person in whose name the Bond is registered at the close of business on the day next preceding such Redemption Date, or by wire transfer from the Trustee to such person. The principal of, premium, if any, and interest on all Bonds shall be paid in lawful money of the United States of America.

Section 2.10 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate a new Bond of like date, maturity and denomination as the Bond mutilated, lost, stolen or destroyed. In the case of any lost, stolen or destroyed Bond, there shall first be furnished to the Issuer and the Trustee evidence of such loss, theft or destruction satisfactory to the Issuer and the Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured, the Trustee instead of issuing a substitute Bond may pay the same without surrender thereof. The Issuer and the Trustee may charge the Owner of such Bond with their reasonable fees and expenses in this connection.

Section 2.11 Trustee Designated as Bond Registrar and Paying Agent. The Trustee shall be the Bond Registrar and the Paying Agent for and in respect of all Bonds, except that payments to the Original Purchaser shall be made directly by the Lessee and not through the Trustee.

Section 2.12 Disposition of Bonds Upon Payment; Safekeeping of Bonds Surrendered for Exchange. All Bonds fully paid, fully redeemed or purchased by the Trustee or any Alternate Paying Agent for cancellation under the provisions of this Indenture shall be canceled when such final payment, redemption or purchase is made, and such canceled Bonds shall be delivered to the Trustee. All canceled Bonds shall be destroyed by the Trustee by shredding or other suitable means, and the Trustee shall execute a certificate of destruction in duplicate describing the Bonds so destroyed and one executed certificate shall be filed with the Issuer and the other executed certificate shall be retained by the Trustee. Upon final payment, redemption, or purchase of all Bonds Outstanding, the Trustee will destroy any inventory of unused certificates.

Section 2.13 Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at stated maturity or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall be held by the Trustee for the benefit of the Owner thereof, all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such cash in a segregated trust account without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such account for any claim of whatever nature on such person's part under this Indenture on or with respect to said Bond. Such cash in such segregated trust account shall thereafter no longer be considered Pledged Revenues and any such Bond shall no longer be deemed Outstanding under this Indenture. After any such cash has been held in such segregated trust account for five (5) years, the Trustee shall certify the amount thereof and the identifying numbers of the particular Bonds whose Owners have a claim there against (which Owners shall also be identified, if known) and deliver such certificate and such cash to the Lessee. Thereafter such Owners shall have an unsecured claim against the Lessee in respect of payment of such unrepresented Bonds, and shall have no further claim whatever against the Issuer or the Trustee in respect thereof.

Section 2.14 Delivery of Bonds. Upon the execution and delivery hereof, the Issuer shall issue and execute and deliver the Bonds to the Trustee, and the Trustee shall authenticate such Bonds and deliver them to the purchaser(s) as may be directed by the Issuer. Prior to the delivery of the Bonds by the Trustee there shall be filed with the Trustee:

- (a) A certified copy of the Bond Ordinance of the Issuer authorizing the issuance of the Bonds and the execution and delivery of the Lease and this Indenture;
- (b) Original executed counterparts of the Lease;
- (c) An original executed counterpart of this Indenture; and
- (d) A request and authorization to the Trustee, executed on behalf of the Issuer by its Mayor or Clerk, to deliver the Bonds to the purchasers therein identified, in the form and amount requested upon payment to the Trustee, for the account of the Issuer, of a specified sum plus accrued interest on the Bonds to date of delivery thereof.

Section 2.15 Additional Bonds. So long as no Event of Default exists, to finance completion of the Project or any addition, expansion, enlargement or modification of the Project, including installation of items of personal property to be located permanently or used exclusively on the Project Site and in the Building, after the delivery of the Bonds, the Issuer, the Lessee, and the Trustee may, with the prior written consent of the Original Purchaser, from time to time, upon the conditions stated in this Section 2.15, agree upon and approve the issuance and delivery of Additional Bonds secured by this Indenture and equally and ratably payable from the revenues pledged and appropriated hereunder with the Bonds, but bearing such date or dates and interest rate or rates and with such Redemption Dates and premiums as may be agreed upon. Every series of such Additional Bonds shall be authorized and issued by a supplement to this Indenture establishing the terms thereof, and an amendment to the Lease providing for additional payments sufficient to pay the principal, premium, if any, and interest due on the Additional Bonds and on all then Outstanding Bonds and to pay and discharge all such Bonds at maturity or when required by the provisions hereof and such Supplemental Indenture. Each series of such Additional Bonds shall be executed and authenticated as provided in Section 2.4 and Section 2.5 upon filing with the Trustee of original executed counterparts of the Supplemental Indenture and the amendment to the Lease, together with such additional certificates, opinions and other documents as deemed necessary by Counsel, and a written opinion of Bond Counsel stating that the issuance of the Additional Bonds will not cause the interest payable on any Bonds to become subject to federal income taxation. No Additional Bonds may be issued without prior unanimous consent of the Bondowners.

ARTICLE 3.

GENERAL PROVISIONS RELATING TO REDEMPTION OF BONDS PRIOR TO MATURITY

Section 3.1 Limitation of Redemptions Prior to Maturity. No Bond may be called for redemption prior to its stated maturity except as provided in Article 4; *provided, however*, that nothing herein shall be deemed to limit the right of acceleration of Bond maturities upon the occurrence of an Event of Default.

Section 3.2 Notice and Effect of Redemption. Except for optional redemption of the Bonds permitted by the Credit Agreement, notice of the call for any redemption of Bonds prior to maturity shall be given by mailing a copy of the redemption notice by first-class mail not less than 30 nor more than 60 days prior to the Redemption Date to the Owner of each Bond to be redeemed at the address shown on the Bond Register; *provided, however*, that failure to give any such notice as

aforesaid or any defect therein with respect to any particular Bond shall not affect the validity of any proceedings for the redemption of any other Bond. Each redemption notice shall (i) identify the particular Bonds or portions thereof to be redeemed (including, at a minimum, certificate numbers and called amount for each certificate (for partial calls), publication date, Redemption Date, redemption agent name and address, date of issue, interest rate, maturity date, and other descriptive information, if any, that accurately identifies the particular Bonds called for redemption); (ii) identify the provisions hereof or any Supplemental Indenture pursuant to which the Bonds are being redeemed; (iii) identify the place of payment; (iv) state the applicable redemption price, including the premium, if any; and (v) state that interest on the Bonds or portions thereof thus called for redemption will cease to accrue from and after the Redemption Date specified therein. If pursuant to this Indenture the Trustee shall hold funds in the form of cash or Government Obligations which are available and will be sufficient in amount to pay the principal of and premium, if any, on the Bonds or portions thereof thus called for redemption and to pay the interest thereon to the Redemption Date, such Bonds or portions thereof shall cease to bear interest from and after the Redemption Date in question.

Section 3.3 Purchase and Cancellation of Bonds. The Lessee shall have the right to purchase any Outstanding Bond and deliver it to the Trustee for cancellation. Also, the Trustee may purchase any Outstanding Bond for cancellation in accordance herewith. Any such purchase and cancellation of a Bond shall *ipso facto* reduce the Lessee's obligation to pay Lease Payments under the Lease, provided, however, that in no event shall the Lessee's obligation to make Lease Payments be reduced in such a manner that the Trustee shall not have on deposit in the Bond Fund sufficient funds to pay principal of and interest on the Bonds when due.

ARTICLE 4.

TERMS OF THE BONDS

Section 4.1 Maturity. The Series 2017A Bonds shall mature on [January 1, _____] or on such earlier date as is otherwise provided herein. The Series 2017B Bonds shall mature on [January 1, _____] or on such earlier date as is otherwise provided herein.

Section 4.2 Repayment of Principal. The Series 2017A Bonds will be issued in the aggregate amount of up to \$3,000,000. The Series 2017B Bonds will be issued in the aggregate amount of up to \$5,640,000.

The Bonds shall be optionally redeemed by the Issuer (from payments to be made by the Lessee) as set forth herein and in the Credit Agreement. Payment of principal on the Bonds shall commence on [January 10, 2018] and continue on the first day of each month thereafter.

Notwithstanding anything else herein to the contrary, the principal amount of the Bonds outstanding shall never exceed the aggregate amounts transferred from the Original Purchaser for deposit into the Project Fund Accounts pursuant to the Indenture; less repayments of principal made by the Issuer; provided, however, that nothing in the Indenture shall be construed to obligate the Lessee to proceed with the Project, and in the event Lessee does not proceed with the Project, Lessee shall have no obligation under the Indenture or the Lease, other than the repayment, together with interest for amounts advanced by the Original Purchaser.

Section 4.3 Payment of Interest; Interest Rate. Interest on the principal amount disbursed from the Project Fund Accounts and outstanding from time to time shall be payable on the first day of each calendar month commencing [_____ 10, 2017], and shall be computed on a 360-day year, actual days lapsed basis.

All interest on the Bonds shall be computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under the Bonds is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in this Indenture. Interest shall accrue on the Bonds from the Original Issue Date for the respective series of Bonds as provided herein.

1. Interest on the Series 2017A Bonds.

(a) Series 2017A Bonds - Initial Interest Rate During Draw Down Period. From the Original Issue Date through December 31, 2017, draws of Series 2017A Bond proceeds shall bear interest at a variable rate calculated pursuant to the following formula:

LIBOR + 2.00%

(b) Series 2017A Bonds – Interest Rate Adjustment at Completion of Draw Down Period. Commencing on January 1, 2018 through December 31, 2024, the Series 2017A Bonds shall bear interest at a variable or a fixed rate, as selected by Lessee in writing and delivered to the Trustee not less than 30 days nor more than 60 days prior to the next succeeding Reset Date (provided that if no election is made by the Lessee during such notice period, then Lessee shall be deemed to have made an election at the variable rate for such period), equal to either:

$[(\text{LIBOR} + 2.20\%) \times \text{Tax-Exempt Multiplier}]$

-OR-

$[(7\text{-year LIBOR Swap Rate} + 2.50\%) \times \text{Tax-Exempt Multiplier}]$

(c) Series 2017A Bonds – Interest Rate Resets. Commencing on January 1, 2025, and as reset on each Reset Date thereafter, the Series 2017A Bonds shall bear interest at a variable rate or fixed rate for the duration of such Reset Period as selected by Lessee in writing and delivered to the Trustee not less than 30 days nor more than 60 days prior to the next succeeding Reset Date (provided that if no election is made by the Lessee during such notice period, then Lessee shall be deemed to have made an election at the variable rate for such Reset Period), equal to either:

$[(\text{LIBOR} + 2.20\%) \times \text{Tax-Exempt Multiplier}]$

-OR-

$[(7\text{-year LIBOR Swap Rate} + 2.50\%) \times \text{Tax-Exempt Multiplier}]$

(d) Notwithstanding the foregoing, the interest rate on the Series 2017A Bonds shall never exceed the Maximum Rate.

(e) Overdue principal and interest on the Series 2017A Bonds shall (to the extent legally enforceable) bear interest at the Default Rate. Any interest on any Series 2017A Bond which is payable, but is not punctually paid or duly provided for, may be paid in any lawful manner, at the discretion of the Original Purchaser so long as it owns the Series 2017A Bonds or at the discretion of the Trustee.

2. Interest on the Series 2017B Bonds.

(a) Series 2017B Bonds - Initial Interest Rate During Draw Down Period. From the Original Issue Date through December 31, 2017, draws of Series 2017B Bond proceeds shall bear interest at a variable rate calculated pursuant to the following formula:

$$\text{LIBOR} + 2.00\%$$

(b) Series 2017B Bonds – Interest Rate Adjustment at Completion of Draw Down Period. Commencing on January 1, 2018 through December 31, 2027, the Series 2017B Bonds shall bear interest at a fixed rate calculated pursuant to the following formula:

$$[(10\text{-year LIBOR Swap Rate} + 2.65\%) \times \text{Tax-Exempt Multiplier}]$$

(c) Notwithstanding the foregoing, the interest rate on the Series 2017B Bonds shall never exceed the Maximum Rate.

(d) Overdue principal and interest on the Series 2017B Bonds shall (to the extent legally enforceable) bear interest at the Default Rate. Any interest on any Series 2017B Bond which is payable, but is not punctually paid or duly provided for, may be paid in any lawful manner, at the discretion of the Original Purchaser so long as it owns the Series 2017B Bonds or at the discretion of the Trustee.

Section 4.4 Occurrence of a Determination of Taxability.

(a) In the event of a Determination of Taxability, the Bonds shall bear interest from the date of the Event of Taxability at the Taxable Rate (computed on a 360-day year, actual day elapsed basis on the Outstanding principal amount of the Bonds (as reduced from time to time)). On the first Payment Date after the occurrence of a Determination of Taxability, the Lessee shall pay, in addition to all other principal and interest otherwise due on such date, a sum equal to the difference between (i) interest computed at the Taxable Rate from the date of the Event of Taxability to the day next preceding such Payment Date and (ii) interest actually paid from the date of the Event of Taxability to such Payment Date. Thereafter interest at the Taxable Rate shall be payable with respect to the same period, at the same time and in the same manner as interest payments regularly paid pursuant to this Indenture.

(b) The Lessee shall also pay to the Bondowners (and any former Bondowners holding Bonds) during any period subsequent to an Event of Taxability as additional interest, the amount of penalties, additions to tax (exclusive of any taxes imposed under Section 11 or any

successor provision of the Code) or interest assessed against the Bondowners (and former Bondowners) on account of a Determination of Taxability.

(c) Interest at the Taxable Rate to be paid pursuant to Section 4.4(a) for the period between the Event of Taxability and the Payment Date immediately following the Determination of Taxability shall be paid immediately following the Determination of Taxability in the same manner as interest is paid to Bondowners in accordance with this Indenture.

(d) Any Bondowner shall have the right, but not the obligation, to arrange for the contest of an allegation that an Event of Taxability has occurred, by appropriate legal proceedings. In the event no Bondowner shall contest the Event of Taxability, the Lessee shall have the option but not the obligation to do so. If (i) the Lessee shall have made any additional payments to a Bondowner or former Bondowner by reason of an Event of Taxability pursuant to Sections 4.4(a) or (c), and (ii) it shall be successfully claimed for the taxable year in question that the interest on the Bonds for such taxable year is excluded from the Bondowner's or former Bondowner's taxable income for federal income tax purposes (for this purpose a claim shall be deemed successful only upon the occurrence of a "determination," as defined in Section 1313(a) or any successor provision of the Code) or, if the Bondowner or former Bondowner shall not have included such interest in the Bondowner's or former Bondowner's taxable income for federal income tax purposes upon expiration of the statute of limitations provided by Section 6501 or any successor provision of the Code with respect to such taxable year, then the Bondowner or former Bondowner (as the case may be) shall pay to the Lessee the amount of any such additional payments which had been made by the Lessee to the Bondowner or former Bondowner, less any actual expenses incurred by such Bondowner or former Bondowner as a result of the Event of Taxability. Upon successful challenge of an Event of Taxability, the interest rate on the Bonds shall return to the interest rate ordinarily payable hereunder as if no Event of Taxability had ever been alleged.

(e) All interest on the Bonds shall be computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under the Bonds is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in this Indenture.

Section 4.5 Optional Prepayment and Redemption. The Bonds are subject to prepayment (at the election of the Lessee) in whole or in part at any time, with any applicable prepayment penalty as set forth in Section 2.4 of the Credit Agreement. Any prepayments of principal shall be applied in inverse order of the amortization schedule with respect to the Bonds. The Bonds are subject to redemption, at par (100 percent of the principal amount of the Bonds so redeemed) plus accrued interest to the date of such redemption prior to maturity upon receipt by the Trustee of the written request from the Lessee stating that it intends to prepay the Lease Payments upon notice, provided by the Trustee not less than 30 days prior to the redemption date, and thereby effect redemption of the Bonds being redeemed.

Notwithstanding the foregoing, the Lessee is not required to provide notice of redemption pursuant to this Section to effect optional redemptions of Bonds.

Section 4.6 Optional Redemption of Bonds Upon Occurrence of Certain Extraordinary Events. The Bonds shall be subject to redemption, at par (100 percent of the

principal amount of the Bonds so redeemed) plus accrued interest to the Redemption Date, in whole but not in part, at the option of the Lessee or the Bondowners, with the consent of the Original Purchaser, upon the occurrence of certain extraordinary events set forth in Section 6.2 of the Lease, relating to damage, destruction or condemnation of the Project, or unenforceability of the Lease.

Section 4.7 Mandatory Redemption Upon the Occurrence of Certain Events Related to the Original Purchaser. The Bonds shall be subject to immediate redemption, at par (100 percent of the principal amount of the Bonds so redeemed) plus accrued interest to the Redemption Date, at the option of the Original Purchaser, while it owns 50% or more of the Bonds, if an Event of Default (as defined in the Lease or Credit Agreement) shall have occurred and shall continue beyond any applicable notice or cure periods.

Section 4.8 Mandatory Redemption at the Option of the Bondowners. The Series 2017A Bonds shall be subject to mandatory redemption, in whole but not in part, so long as the Original Purchaser owns all of the Outstanding Series 2017A Bonds on the Renewal Date, [January 1, 2025], and on each Renewal Date thereafter (if still Outstanding on any such date), at par (100 percent of the principal amount of the Series 2017A Bonds so redeemed) plus accrued interest to such Renewal Date, unless the Original Purchaser provides the Lessee and the Trustee with written notice that the Original Purchaser agrees to continue to own the Series 2017A Bonds after such Renewal Date provided that the Lessee may, at its option, agree to accept a notice given during the thirty (30) days prior to such Renewal Date. The Original Purchaser shall give such written notice of intent to retain to the Lessee and the Trustee not less than thirty (30) days prior to any such Renewal Date, provided, however, that during such thirty (30) day period prior to the Renewal Date, such written notice may be rescinded by the Original Purchaser if the Lessee and the Original Purchase do not agree to the terms and conditions applicable to the Series 2017A Bonds for the applicable renewal period. The purchase price to be paid on upon mandatory redemption pursuant to this Section 4.8 shall be an amount equal to 100% of the principal amount of the Series 2017A Bonds being tendered for purchase plus the full amount of the unpaid interest which as accrued on the Series 2017A Bonds and will accrue to the Renewal Date.

The Original Purchaser's initial commitment for the Series 2017B Bonds expires on January 1, 2028, and the Series 2017B Bonds are not subject to renewal by the Original Purchaser.

ARTICLE 5.

REPRESENTATIONS AND COVENANTS OF THE ISSUER

Section 5.1 Payment of Principal and Interest. The Issuer covenants that it will promptly pay or cause to be paid, but only from the revenues derived from or provided for in the Lease, the principal of, premium (if any), and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in the Bonds, according to the terms thereof. The principal, premium (if any), and interest on the Bonds is payable solely from revenues derived from or provided for in the Lease, which revenues are hereby specifically assigned and pledged to the payment thereof in the manner and to the extent herein specified and from funds provided by the Issuer as provided herein.

Section 5.2 Performance of and Authority for Covenants. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions

contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings of its governing body pertaining thereto.

Section 5.3 Issuer Representations. The Issuer represents and warrants, to the best of its knowledge and belief, based upon advice to it of Bond Counsel, that:

(a) The Issuer is duly authorized under the Constitution and laws of the State of Kansas, including particularly, and without limitation, the Act, to issue the Bonds authorized hereby for the purpose of financing Project Costs, to execute this Indenture, and to assign and pledge the revenues to be derived from the Lease in the manner and to the extent herein set forth;

(b) All action on its part for the issuance of the Bonds and the execution and delivery hereof has been duly and effectively taken;

(c) The Bonds in the hands of the Bondowners hereof are and will be valid and enforceable limited obligations of the Issuer according to the import and tenor thereof; and

(d) The adoption of the Bond Ordinance, the execution and delivery by the Issuer of the Bonds, the Lease and this Indenture and compliance with the provisions of the Bond Ordinance and of each of such instruments will not conflict with or constitute a breach of, or default under, any indenture, commitment, agreement, or other instrument to which the Issuer is a party or by which it is bound.

Section 5.4 Right to Payments under the Lease; Instruments of Further Assurance. At the request of the Trustee and upon the payment of all Issuer's costs and provision for reasonable indemnification to the Issuer by any Bondowner, the Issuer covenants that it will:

(a) Defend, against the claims and demands of all persons whomsoever, its right to the payment of amounts due from the Lessee under the Lease, for the benefit of Bondowners;

(b) Do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular the rights assigned hereby and the amounts pledged hereby to the payment of principal of, premium, if any, and interest on the Bonds;

(c) In its name commence legal action or take such other actions as the Trustee shall reasonably request to enforce the rights of the Issuer or the Trustee under or arising from the Bonds, or the Lease; and

(d) Cooperate in any effort of the Trustee on behalf of the Issuer to enforce the Lease Documents.

The Issuer covenants and agrees that, except as provided herein and in the Lease, it will not sell, convey, mortgage, encumber, or otherwise dispose of any part of the revenues derived from or provided for in the Lease, or its rights under the Lease.

Section 5.5 Rights Under the Lease. No procedure related to the enforcement of the provisions hereof shall of itself terminate or otherwise affect or impair the rights or obligations of the Lessee under the Lease. The Lease, a duly executed counterpart of which has been filed with the Trustee, sets forth the covenants and obligations of the Issuer and the Lessee, including provisions that subsequent to the issuance of the Bonds and prior to their payment in full or provision for payment thereof in accordance with the provisions hereof, the Lease may not be effectively amended, changed, modified, altered or terminated except as provided in Article 12 hereof, and reference is hereby made to the Lease for a detailed statement of the covenants and obligations of the Lessee thereunder. The Issuer agrees that the Trustee in its name or in the name of the Issuer may enforce all rights of the Issuer and all obligations of the Lessee under and pursuant to the Lease for and on behalf of the Bondowners, whether or not the Issuer is in default hereunder.

Section 5.6 Indemnification. Before taking any action under this Indenture, the Issuer may require that satisfactory indemnity be furnished to it for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct, by reason of any action so taken.

ARTICLE 6.

CUSTODY AND APPLICATION OF PROCEEDS OF BONDS

Section 6.1 Application of Proceeds of Bonds. The Trustee shall deposit the amount received by it for the account of the Issuer from the original sale of the Bonds into the applicable Project Fund Accounts established pursuant to Section 6.2 herein (provided that accrued interest, if any, paid by the Original Purchaser at closing shall be paid into the Bond Fund), in the manner set forth in the last sentence of this Section 6.1. It is the intention of the Issuer, the Trustee, the Original Purchaser and the Lessee that the entire \$8,640,000 principal amount of the Bonds will not be funded on the Effective Date. Rather, the Lessee will submit one or more Lessee's Requisitions to the Trustee in accordance with Section 3.4 of the Lease. As the amount of each such Lessee's Requisition is forwarded to the Lessee directly by the Original Purchaser, the Trustee shall be deemed to have received such amount in payment of the original purchase price of the Bonds and to have deposited such amount into the applicable Project Fund Accounts. The Trustee shall provide to the Issuer the outstanding principal amount of the Series 2017A Bonds and the Series 2017B Bonds upon request.

Section 6.2 Project Fund. There is hereby created by the Issuer and ordered established with the Trustee a Trust Fund to be designated with the names of the Issuer and the Lessee and the label "The City of Pittsburg, Kansas – Kendall Packaging Corporation Project Fund." There is hereby created within the Project Fund two accounts to be designated "Project Fund – Series 2017A Account," and "Project Fund – Series 2017B Account" (said accounts being hereinafter referred to as the "Project Fund Accounts"). The Trustee shall deposit into the Project Fund, from time to time when and as received, the amounts specified in Section 6.1 and any additional moneys which the Lessee may deliver to the Trustee from time to time with the instruction that such moneys be deposited into the Project Fund. On the Effective Date, and if the total principal amount of the Bonds is not funded on the Effective Date, on such dates as determined by the Lessee and Original Purchaser thereafter, the Lessee shall submit Lessee's Requisitions meeting the requirements of and submitted in accordance with this Section 6.2. The Original Purchaser shall review such Lessee's Requisitions and if, in the Original Purchaser's absolute discretion the Original Purchaser shall

approve a Lessee's Requisition, the Original Purchaser shall forward the amount of such Lessee's Requisition to the Trustee for deposit into the applicable Project Fund Account and payment to the Lessee by check, wire or by crediting the Lessee's designated depository account.

If the aggregate principal amount of the Bonds up to \$8,640,000 has not been funded by December 31, 2017, the Lessee shall submit a Lessee's Requisition requesting that any remaining available amounts desired to be drawn in a cumulative amount up to \$8,640,000 be deposited in the applicable Project Fund Account or Project Fund Accounts on or before December 31, 2017.

(a) The Trustee is hereby authorized and directed to disburse moneys from the Project Fund to pay (or reimburse the Lessee for) Project Costs. Except as otherwise provided below, such disbursements shall be made only upon a Lessee's Requisition meeting the requirements of and submitted in accordance with Section 3.4 of the Lease.

(b) In the event the Lessee and the Trustee shall have entered into an agreement with a title insurance company for the disbursement of the Bond proceeds, disbursements from the Project Fund shall be subject to such further terms and conditions as may be contained in such agreement and the Credit Agreement (as may be defined in the Credit Agreement from time to time).

(c) If an Event of Default shall have happened and be continuing, the Trustee (without any authorization from the Lessee) may, if the Trustee has accelerated any Lease Payments under Section 7.2, of the Lease, or under the Bonds, apply moneys in the Project Fund in accordance with Section 10.6.

(d) Upon the closing of the Project Fund in accordance with Section 3.4 of the Lease, any remaining balance in the Project Fund shall be transferred to the Bond Fund.

(e) In addition, disbursements from the Project Fund shall be subject to such further terms and conditions as may be contained in the Credit Agreement.

ARTICLE 7.

REVENUES AND FUNDS

Section 7.1 Source of Payment. The principal of, premium, if any, and interest on the Bonds shall be payable by the Issuer solely from the Pledged Revenues.

Section 7.2 Pledged Revenues. The Pledged Revenues are hereby specifically, irrevocably and exclusively pledged to the punctual payment of the principal of, premium, if any, and interest on the Bonds, and shall be used for no other purpose except as otherwise expressly authorized in this Indenture.

Section 7.3 Bond Fund. There is hereby created by the Issuer and ordered established with the Trustee a Trust Fund to be designated "The City of Pittsburg, Kansas – Kendall Packaging Corporation Bond Fund." There is hereby created within the Bond Fund two accounts to be designated "Bond Fund – Series A Account" and "Bond Fund – Series B Account" (said accounts being hereinafter referred to as the "Bond Fund Accounts"). The Trustee shall deposit into the Bond Fund Accounts, from time to time when and as received:

(a) To the Bond Fund – Series A Account, all Lease Payments received with respect to the Series 2017A Bonds (except prepayments of principal and the premium, if any, thereon required to be deposited into the Redemption Fund);

(b) To the Bond Fund – Series B Account, all Lease Payments received with respect to the Series 2017B Bonds (except prepayments of principal and the premium, if any, thereon required to be deposited into the Redemption Fund);

(c) Moneys required to be transferred to the Bond Fund from other Trust Funds or from Pledged Revenues in accordance with this Indenture;

(d) Moneys required to be deposited into the Bond Fund pursuant to the terms of a Supplemental Indenture; and

(e) The Issuer covenants that it will deposit or cause to be deposited into the Bond Fund, but solely from Pledged Revenues, amounts sufficient to pay when due the principal of and interest on the Bonds. Except as otherwise expressly provided herein, moneys in the Bond Fund shall be used solely for the payment of principal of and interest on the Bonds on the first day of each month as provided in Sections 2.9, 4.2 and 4.3 hereof, when due at stated maturity, upon redemption prior to maturity, upon acceleration of maturity or otherwise in accordance with the terms thereof and hereof. The Issuer hereby authorizes and directs the Trustee to withdraw sufficient moneys from the Bond Fund to pay the Bonds and the interest thereon as the same become due and payable.

Section 7.4 Redemption Fund. There is hereby created by the Issuer and ordered established with the Trustee a Trust Fund to be designated “The City of Pittsburg, Kansas – Kendall Packaging Corporation Redemption Fund.” There is hereby created within the Redemption Fund two accounts to be designated “Redemption Fund – Series A Account” and “Redemption Fund – Series B Account” (said accounts being hereinafter referred to the “Redemption Fund Accounts”). The Trustee shall deposit into the Redemption Fund Accounts, from time to time when and as received:

(a) To the Redemption Fund – Series A Account, all prepayments of principal on the Series 2017A Bonds pursuant to Article 6 of the Lease, together with the premium, if any, thereon;

(b) To the Redemption Fund – Series B Account, all prepayments of principal on the Series 2017B Bonds pursuant to Article 6 of the Lease, together with the premium, if any, thereon;

(c) Moneys required to be transferred to the Redemption Fund from other Trust Funds in accordance with this Indenture; and

(d) Moneys required to be deposited into the Redemption Fund pursuant to the terms of a Supplemental Indenture.

The Issuer hereby authorizes and directs the Trustee to (a) transfer funds from the Redemption Fund to the Bond Fund when and as required to pay the principal of any Bonds called for redemption in accordance with this Indenture; (b) withdraw funds from the Redemption Fund

to pay any premiums payable on Bonds called for redemption in accordance with this Indenture; and (c) transfer funds from the Redemption Fund to the Bond Fund to pay the final payment of principal on the Bonds at the last maturity thereof. Except to the extent moneys in the Redemption Fund are needed for the purposes described in the foregoing clauses (a) through (c), the Trustee is authorized to use funds in the Redemption Fund for the purchase of Bonds for cancellation (*provided, however*, that such purchases shall be made only to the extent authorized by the Lessee as evidenced by Lessee's Certificate), and *provided, further* that the purchase price for any Bond so purchased shall not exceed the principal amount thereof plus any accrued and unpaid interest thereon.

Section 7.5 Insurance and Condemnation Proceeds Fund. There is hereby created by the Issuer and ordered established with the Trustee a Trust Fund to be designated with the names of the Issuer and the Lessee and the label "Insurance and Condemnation Proceeds Fund." The Trustee shall deposit into the Insurance and Condemnation Proceeds Fund, when and as received, the net proceeds of casualty insurance claims and eminent domain awards in accordance with and to the extent provided in the Lease. So long as no Event of Default exists, the Trustee is hereby authorized and directed to use moneys in the Insurance and Condemnation Proceeds Fund in accordance with directions from the Lessee as evidenced by a Lessee's Certificate executed on behalf of the Lessee and the Original Purchaser (subject, however, to the rights of the Owners of Bonds to require prepayment of the Bonds pursuant to Section 6.3 of the Lease) for any of a combination of the following purposes:

(a) To pay or reimburse the Lessee for the costs of repairing, restoring, replacing or rebuilding any Mortgaged Property damaged or destroyed by fire or other casualty or taken by eminent domain, *provided, however*, that (i) such disbursements shall be made only upon a Lessee's Requisition (executed on behalf of the Lessee and the Original Purchaser) substantially in the same form and manner as provided for disbursements from the Project Fund; (ii) moneys in the Insurance and Condemnation Proceeds Fund which represent the net proceeds of casualty insurance claims and eminent domain awards received with respect to Mortgaged Property which is Bond-Financed Property shall be disbursed exclusively to pay or reimburse the Lessee for the costs of repairing, restoring, replacing, or rebuilding such Bond-Financed Property and not for the purpose of repairing, restoring, replacing, or rebuilding Mortgaged Property which is not Bond-Financed Property; and (iii) the property in respect of which a disbursement is made subject to no other liens or encumbrances;

(b) To pay or reimburse the Lessee for the costs of repairing, restoring, replacing or rebuilding any Equipment or other Collateral damaged or destroyed by fire or other casualty or taken by eminent domain, *provided, however*, that (i) such disbursements shall be made only upon a Lessee's Requisition (executed on behalf of the Lessee and the Original Purchaser) substantially in the same form and manner as provided for disbursements from the Project Fund; (ii) moneys in the Insurance and Condemnation Proceeds Fund which represent the net proceeds of casualty insurance claims and eminent domain awards received with respect to Equipment or other Collateral which is Bond-Financed Property shall be disbursed exclusively to pay or reimburse the Lessee for the costs of repairing, restoring, replacing, or rebuilding such Bond-Financed Property and not for the purpose of repairing, restoring, replacing, or rebuilding Collateral which is not Bond-Financed Property; and (iii) the property in respect of which a disbursement is made subject to the lien of the Credit Agreement and subject to no other liens or encumbrances; or

(c) To transfer to the Redemption Fund if (i) the Lessee is required to effect a partial redemption of the Bonds pursuant to Section 6.2 of the Lease; or (ii) the Lessee elects to prepay the Bonds pursuant to Section 6.1 of the Lease, or (iii) the Owners of the Bonds elect to require prepayment of, all of the Lease Payments pursuant to Section 6.3 of the Lease; or (iv) an Event of Default exists hereunder unless otherwise directed by Requisite Consent of the Bondowners.

Section 7.6 Trust Funds Held in Trust. All Trust Funds shall be held in trust in the custody of the Trustee, subject to the provisions hereof whereby it disburses the Trust Funds. All moneys and securities held in Trust Funds, except the Rebate Credit Account, shall be subject to the first lien of this Indenture thereon and shall not be subject to lien, attachment, garnishment or other claims or proceedings by other creditors of the Lessee or the Issuer.

Section 7.7 Rebate Funds. There is hereby created and established a “Rebate Credit Account” which shall be held by the Trustee and which shall be used solely for the purpose of making payments in accordance with the requirements of Section 148 of the Code, and applicable Treasury Regulations thereunder (including Treasury Regulations §§1.148-1 through 1.148-11).

(a) On each Computation Date as defined in subsection (e) below, either the Lessee or, upon Lessee’s request, Trustee shall compute or cause to be computed the amount of rebatable arbitrage earned during the previous Computation Period.

(b) On each Computation Date, either the Lessee or, upon Lessee’s request, Trustee shall calculate the amount earned on all nonpurpose investments during the previous Computation Period, and subtract therefrom the amount that would have been earned on such nonpurpose investments, had such nonpurpose investments been made at the yield on the Bonds.

(c) The amount computed to be rebatable arbitrage as of each Computation Date (the “Rebate Credit Amount”) shall be paid by the Lessee to the Trustee for deposit to the Rebate Credit Account as of such Computation Date. If the amounts on deposit in the funds and accounts created hereby are less than the Rebate Credit Amount, the Lessee has agreed in Section 3.8 of the Lease to fund the deficiency. The Trustee is authorized to hire such experts as it deems necessary to make this calculation, which shall be an expense of the Trustee paid by the Lessee under Section 3.8 of the Lease. All earnings from the reinvestment of any amounts in the Rebate Credit Account shall remain in the Rebate Credit Account.

(d) The Trustee shall cause to be paid to the United States, at such times and in such amounts as are required by applicable provisions of the Code or of any proposed, temporary or final Treasury Regulations issued thereunder, any rebatable arbitrage with respect to the Bonds and any income attributable to such rebatable arbitrage, by check or draft to the United States or in such other manner as may be required or permitted by law; and file a copy of any required form and/or statement summarizing the determination of the amount required to be paid with the United States Internal Revenue Service at the address designated thereby for such purpose.

(e) For the purposes of this Section 7.7, Computation Dates shall be [January 25, 2022], and each fifth anniversary of such date thereafter so long as any of the Bonds are Outstanding after such Computation Date. The final Computation Date shall be the date the last

Bond is paid for and redeemed. The Computation Period shall be, as of each Computation Date, the period from the next previous Computation Date.

(f) Notwithstanding anything to the contrary in this Section 7.7, rebatable arbitrage shall be calculated and paid as provided in Section 148(f) of the Code and applicable Treasury Regulations thereunder.

ARTICLE 8.

INVESTMENTS

Section 8.1 Permitted Investment of Trust Funds. Moneys held in the Trust Funds, upon the direction of the Lessee, shall be separately invested and reinvested by the Trustee in accordance with this Article 8. Each investment shall be held by or under the control of the Trustee and shall be deemed at all times to be part of the particular Trust Fund in which such moneys were held. Income, profit and loss from any such investment shall be credited or charged to the particular Trust Fund for whose account the investment was made.

All such investments and reinvestments shall be made in Qualified Investments having a maturity not later than the estimated time when the moneys so invested will be needed for the purposes of the Trust Fund of which they are a part.

The Trustee may make and execute any such investment through its own bond department, money center or other investment operation or through the bond department, money center or investment operation of any affiliated bank.

Section 8.2 Arbitrage. The Issuer covenants that it will take no action to cause any investment or other use of the proceeds of the Bonds which would cause any Bond to be classified as an “arbitrage bond” within the meaning of Section 148 of the Code or any proposed, temporary or final Treasury Regulations issued thereunder.

In the event either the Issuer or the Lessee is of the opinion (supported by an opinion of Bond Counsel) that it is necessary or advisable to restrict or limit the yield on the investment of any moneys held in any Trust Fund in order to avoid the Bonds being considered “arbitrage bonds” within the meaning aforesaid, the Issuer may (and shall if so requested by the Lessee) issue to the Trustee a written certificate to such effect together with appropriate written instructions, in which event the Trustee shall take such action as is necessary so to restrict or limit the yield on such investment in accordance with such certificate and instructions, irrespective of whether the Trustee shares such opinion.

ARTICLE 9.

DISCHARGE

If the Issuer shall pay or cause to be paid from the Pledged Revenues the principal, premium, if any, and interest due or to become due on the Bonds at the times and in the manner stipulated therein, and if the Issuer shall not then be in default in any of the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it or on its part, and shall pay or cause to be paid to the Trustee all sums of money due or to become due

according to the provisions hereof, then these presents and the estate and rights hereby granted shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the Issuer such instruments in writing as shall be requisite to cancel and discharge the lien hereof, and reconvey, release, assign and deliver unto the Issuer any and all the estate, right, title and interest in and to any and all property conveyed, assigned or pledged to the Trustee or otherwise subject to the lien of this Indenture, except moneys or securities held by the Trustee in separate segregated trust accounts pursuant to this Indenture for the payment of the principal of, premium, if any, and interest on unrepresented Bonds.

Any Bonds shall be deemed to be paid within the meaning of this Article when payment of the principal of and premium, if any, on such Bonds, plus interest (at the then current fixed rate or, if the Bonds are in a variable rate at the Maximum Interest Rate) thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture, or otherwise) either (a) shall have been made or caused to be made in accordance with the terms hereof, or (b) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably setting aside exclusively for such payment, (i) cash, without regard to any investment or reinvestment thereof, sufficient to make such payment; or (ii) Defeasance Obligations maturing as to principal and interest in such amounts and at such times, without regard to any investment or reinvestment thereof, as will provide sufficient moneys, together with any uninvested cash, to make such payment, and all necessary and proper fees and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made. At such time as a Bond shall be deemed to be paid hereunder as aforesaid, it shall no longer be deemed to be Outstanding hereunder and shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of any such payment from such moneys or Defeasance Obligations.

Notwithstanding the foregoing, no deposit under clause (b) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until:

(a) The deposit shall have been made under the terms of an escrow trust agreement in form and substance satisfactory to the Trustee consistent herewith;

(b) In the case of an escrow trust deposit with respect to Bonds subject to redemption prior to maturity at the option of the Lessee, the Lessee shall have delivered an irrevocable Lessee's Certificate designating when such Bonds are to be paid or redeemed under terms of such escrow trust agreement;

(c) In case of Bonds which are to be redeemed prior to maturity from such escrow trust deposit, a redemption notice meeting the requirements of Section 3.2 and stating that such Bonds are being redeemed from a deposit made pursuant to this Article shall either (i) have been given, or (ii) shall have been provided for by delivery to the Trustee of irrevocable instructions for the giving of such notice;

(d) The Trustee shall have been furnished with an opinion of Bond Counsel to the effect that the payment of the Bonds in accordance with said escrow trust agreement will not adversely affect the excludability from gross income of the Bondowners for federal income tax purposes and will not cause the Bonds to be classified as "arbitrage bonds" under Section 148 of the Code; and

(e) The Trustee shall have covenanted to give notice of such deposit to the Owner of each Bond Outstanding at the address shown on the Bond Register.

(f) Notwithstanding any provision of any other Article hereof which may be contrary to the provisions of this Article, all moneys or Defeasance Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including interest and premium thereon, if any) with respect to which such moneys and Defeasance Obligations have been so set aside in trust.

(g) Article 12 notwithstanding, if moneys or Defeasance Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of Bonds and the interest and premium if any, thereon and such Bonds and the interest and premium, if any, thereon shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Owner of each of the Bonds affected thereby.

ARTICLE 10.

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDOWNERS

Section 10.1 Defaults; Events of Default. If any of the following events occur, it is hereby defined as and declared to be and to constitute an “Event of Default”:

(a) Payment of any interest on any Bond shall not be made when and as that interest shall become due and payable, whether upon demand, at maturity, by acceleration or otherwise;

(b) Payment of the principal of or any premium on any Bond shall not be made when and as that principal or premium shall become due and payable, whether at stated maturity, by redemption, by acceleration or otherwise;

(c) An Event of Default shall occur under the Lease;

(d) There shall be a default in the performance or observance of any of the covenants or agreements contained in the Credit Agreement or the Mortgage beyond any applicable notice and cure periods; or

(e) There shall occur a Default under any provision hereof and such Default shall not have been cured within 30 days after notice of such default has been given by the Trustee to the Issuer and the Lessee.

Section 10.2 Acceleration. Upon the occurrence of an Event of Default set forth in Section 10.1 while the Original Purchaser holds all of the Bonds (unless waived in writing by the Original Purchaser such waiver not to constitute a waiver of any prior or subsequent Event of Default), the Trustee shall, by notice in writing delivered to the Issuer and the Lessee, declare the principal of all Bonds then Outstanding and the accrued interest thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. Upon the occurrence of an Event of Default set forth in Section 10.1 when the Original Purchaser no longer holds all of the Bonds, the Trustee may, and upon the written request of the

Owners of not less than twenty-five percent (25%) in the aggregate principal amount of Bonds then Outstanding shall, by notice in writing delivered to the Issuer and the Lessee, declare the principal of all Bonds then Outstanding and the accrued interest thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

Section 10.3 Remedies. Upon the occurrence of an Event of Default, the Trustee, may, in addition to acceleration as provided in Section 10.2, pursue any available remedy by action at law or suit in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds. In exercising the rights given the Trustee under this Article 10, the Trustee shall take such action as, in the judgment of the Trustee applying the standards described in Section 11.1, would best serve the interests of the Bondowners.

If any Event of Default shall have occurred, and if requested so to do by the Owners of at least 25% in aggregate principal amount of Bonds then Outstanding and if indemnified as provided in Section 11.1, the Trustee shall be obliged to exercise such one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Bondowners.

No remedy by the terms hereof conferred upon or reserved to the Trustee (or to the Bondowners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondowners hereunder or now or hereafter existing at law or in equity or by Act.

No delay or omission to exercise any right or power accruing upon any Default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Default or Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed reasonable or prudent.

No waiver of any Default or Event of Default hereunder, whether by the Trustee pursuant to the provisions of Section 10.10 or by the Bondowners, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Section 10.4 Right of Bondowners to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions hereof, or for the appointment of a receiver or any other proceedings hereunder, *provided, however*, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 10.5 Waiver of Certain Rights. Upon the occurrence of an Event of Default, to the extent that such rights may then lawfully be waived, neither the Issuer nor anyone claiming through it or under it, shall set up, claim or seek to take advantage of any moratorium, stay, extension or redemption laws now or hereafter in force to prevent or hinder the enforcement of this Indenture, but the Issuer, for itself and all who may claim through or under it hereby waives, to the extent that it lawfully may do so, the benefit of all such laws to which it may be entitled by law.

Section 10.6 Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be deposited into the Bond Fund and all moneys held or deposited in the Bond Fund during the continuance of an Event of Default shall be applied as follows:

(a) Unless the principal of all the Bonds has become or shall have been declared due and payable, all such moneys shall be applied:

First: To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest including interest at the Default Rate (to the extent permitted by law) on overdue installments of interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto without any discrimination or privilege;

Second: To the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions hereof), in the order of their due dates, with interest at the Default Rate (to the extent permitted by law) on such Bonds from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal, with interest (to the extent permitted by law) on such premiums from the respective dates on which such premiums became due, on such date, to the persons entitled thereto without any discrimination or privilege; and

Third: To the payment to the persons entitled thereto of the unpaid premium, if any, on any of the Bonds which have been called for redemption, in the order of the redemption dates, with interest (to the extent permitted by law) on such premiums from the respective dates on which such premiums became due, and, if the amount available shall not be sufficient to pay in full the premiums due on any particular redemption date, together with such interest, then to the payment ratably, according to the premium due on such date, to the persons entitled thereto without any discrimination or privilege.

(b) Notwithstanding the foregoing, no moneys in the Bond Fund shall be applied to pay principal, interest, or to redeem or otherwise to make a payment to any Person on account of such Person's ownership of Bonds or to redeem or otherwise to make a payment to any Person on account of such Person's ownership of Bonds, except that if the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied first to the payment of the principal and interest then due and unpaid upon all of the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or

privilege, and secondly to the payment of the premium, if any, then due, ratably to the persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times from time to time as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be a Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit and shall not be required to make payment to the Owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 10.7 Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds appertaining thereto, and any recovery of judgment shall, subject to the provisions of Section 10.6, be for the equal and ratable benefit of the Owners of the Outstanding Bonds.

Section 10.8 Rights and Remedies of Bondowners. No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder, unless each of the following has occurred or is true:

(a) A default has occurred of which the Trustee has been notified as provided in subsection (h) of Section 11.1, or of which by said subsection it is deemed to have notice;

(b) Such default shall have become an Event of Default and the Owners of at least a majority in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name;

(c) They have offered to the Trustee indemnity as provided in Section 11.1; and

(d) The Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name.

And such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust

hereof, and to any action or cause of action for the enforcement hereof, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security hereof by its, his or their action or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Owner of Bonds to enforce the payment of the principal of and interest on any Bond at and after the stated maturity thereof, or the obligation of the Issuer to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder to the respective Owners of the Bonds at the time, place, from the source and in the manner herein and in said Bonds expressed.

Section 10.9 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Lessee and the Trustee shall be restored to their former positions and rights hereunder and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 10.10 Waivers of Events of Default. The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds upon the written request of the Owners of a majority in aggregate principal amount of all of the Bonds then Outstanding, *provided, however*, that there shall not be waived without the consent of the Owners of all the Bonds Outstanding (i) any Event of Default in the payment of the principal of any Outstanding Bonds at (A) the due date of the principal installment, (B) the date of maturity specified therein, or (C) the date fixed for the redemption thereof, or (ii) any Event of Default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission, all arrears of interest, with interest at the Default Rate (to the extent permitted by law) on overdue installments of interest, or all arrears of payments of principal, with interest at the Default Rate (to the extent permitted by law) on overdue principal, as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for; and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee and the Bondowners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 10.11 Opportunity of Lessee to Cure Defaults by Issuer. With regard to any alleged default by the Issuer hereunder, the Issuer hereby names and appoints the Lessee, jointly and severally, as its attorney-in-fact and agent with full authority to perform any covenant or obligation alleged to constitute a default by the Issuer, in the name and stead of the Issuer with full power to do any and all things and acts with power of substitution.

Section 10.12 Certain Notices to Lessee. In the event that the Trustee fails to receive Lease Payments under the Lease sufficient to pay when due any payment of principal or interest on the Bonds, the Trustee shall immediately give written notice thereof by facsimile and by registered or certified mail, postage prepaid, or by messenger to the Lessee and the Original Purchaser specifying such failure. Such notice, however, shall not be a condition precedent to the exercise of any remedy

hereunder, and failure to give such notice shall not preclude such default from being an Event of Default.

ARTICLE 11.

THE TRUSTEE

Section 11.1 Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of any Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it hereby, and use the same degree of care and skill in their exercise, as a reasonable and prudent person would exercise or use under the circumstances in the conduct of personal affairs;

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents and employees as may reasonably be employed in connection with the trust hereof. The Trustee may act upon an opinion of Independent Counsel and shall not be responsible for any loss or damage resulting from any action or inaction by it taken or omitted to be taken in good faith in reliance upon such opinion of Independent Counsel;

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds) or for the validity of the execution by the Issuer of this Indenture or of any supplements hereto or for the sufficiency of the security for the Bonds issued hereunder, or intended to be secured hereby, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer or on the part of the Lessee in connection with the Lease Documents, except as hereinafter set forth; and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Article 8;

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the owner of Bonds secured hereby with the same rights which it would have if not Trustee. The Trustee may in good faith buy, sell, own and deal in any of the Bonds and may join in any action which any Bondowner may be entitled to take with like effect as if the Trustee were not a party hereto;

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant hereto 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 of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof;

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Issuer by the Mayor or Clerk or such other person as may be designated for such purpose by Bond Ordinance of the Issuer and attested by the Clerk or such other person as may be designated for such purpose by Bond Ordinance of the Issuer as sufficient evidence of the facts therein contained; and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept and rely upon 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. The Trustee may accept a certificate of the Clerk under the Issuer's seal, if any, to the effect that a Bond Ordinance in the form therein set forth has been adopted by the Issuer as conclusive evidence that such Bond Ordinance has been duly adopted, and is in full force and effect. The Bond Ordinances, orders, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the withdrawal of cash and the taking or omitting of any other action hereunder;

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful default;

(h) The Trustee shall not be presumed to have knowledge of any default or Event of Default hereunder, unless the Trustee shall be specifically notified in writing of such default by the Lessee, the Issuer, or the Owners of at least twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding;

(i) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right, but shall not be required, to inspect all books, papers and records of the Issuer pertaining to the Bonds and to take such memoranda from and in regard thereto as may be desired;

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of said trusts and powers or otherwise in respect of the premises;

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee 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 Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right, of the Issuer to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee;

(l) Before taking any action under this Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default, by reason of any action so taken; and

(m) All moneys received by the Trustee or any Alternate Paying Agent shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required hereby or law. Neither the Trustee nor any Alternate Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

Section 11.2 Recording and Filing. The Trustee covenants that it will cause the Lessee to do all things reasonably required of the Lessee, at the expense of the Lessee, to cause this Indenture and all supplements hereto, the Lease and the Mortgage and all supplements and amendments thereto and all related financing statements and continuation statements to be kept, recorded and filed in such manner and in such places as may be required by law in order to preserve and protect fully the security of the Bondowners and the rights of the Trustee hereunder and thereunder.

Section 11.3 Specific Duty of Trustee to File Continuation Statements. The Lessee shall cause the Trustee to periodically file Uniform Commercial Code continuation statements as required to maintain and continue the perfection of any security interests granted by the Issuer (as debtor) to the Trustee (as secured party) hereunder. The Lessee will reimburse the Trustee for any and all expenses incurred for such filings.

Section 11.4 Notice to Bondowners if Default Occurs. If a default occurs of which the Trustee is by subsection (h) of Section 11.1 presumed to have knowledge, then the Trustee shall give written notice thereof by first-class mail to the Owners of all Outstanding Bonds and the Issuer.

Section 11.5 Intervention by Trustee. In any judicial proceedings to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Owners of the Bonds, the Trustee may intervene on behalf of Bondowners and shall do so if requested in writing by the Owners of at least 25% in aggregate principal amount of all Outstanding Bonds, *provided, however*, that the Trustee shall first have been offered such reasonable indemnity against such liability as it may incur in or by reason of such proceedings. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 11.6 Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, *ipso facto*, shall be and become a successor Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 11.7 Resignation by Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving thirty (30) days prior written notice to the Issuer and the Lessee, and by first-class mail to each Owner of Bonds. Such resignation shall take effect, however, only upon the appointment of a successor Trustee (or a temporary Trustee as provided in Section 11.9) by the Bondowners or by the Issuer and the acceptance of such appointment. If a successor Trustee has not been appointed by the end of the 30 day period, the Trustee may appoint a successor or may apply to a court of competent jurisdiction for the appointment of a successor Trustee, and the costs, expenses and reasonable Counsel fees which are incurred in connection with such a proceeding shall be paid by the Lessee.

Section 11.8 Removal of Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee and to the Issuer, and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding.

Section 11.9 Appointment of Successor Trustee by Bondowners; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding by an instrument of concurrent instruments in writing signed by such owners, or by their attorneys-in-fact, duly authorized; *provided, however*, that in case of such vacancy the Issuer by an instrument executed and signed by the Mayor and attested by the Clerk under its seal may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondowners in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Bondowners. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank organized and in good standing under the laws of the United States of America or any state of the United States of America having the power and any authority to assume the duties and trusts hereby created and having a reported capital, surplus and undivided profits of not less than \$5,000,000 or assets under administration of not less than \$100,000,000 if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

Section 11.10 Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer and the Lessee an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all of the properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of the Issuer, or of its successor, execute and deliver an instrument transferring to such successor Trustee all the properties, rights, powers, and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the properties, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing, shall, on request, be executed, acknowledged and delivered by the Issuer.

Section 11.11 Appointment of Co-Trustee. At any time or times, for the purposes of conforming to any legal requirements, restrictions or conditions in any State, or if the Trustee shall be advised by counsel that it is necessary or advisable in the interest of the Bondowners so to do, the Issuer and the Trustee shall have the power to appoint (and upon the request of the Trustee, the Issuer shall for such purpose join with the Trustee in the execution, delivery and recording of all instruments and agreements necessary or proper to appoint) another corporation or one or more persons, approved by the Trustee, either to act as separate Trustee or Trustees or Co-Trustees of all or any of the trust estate jointly with the Trustee hereunder.

Every separate Trustee or Co-Trustee (other than the Trustee initially acting as Trustee hereunder, hereinafter in this Section called the "Initial Trustee," and any Trustee which may be appointed as successor to it) shall, to the extent permitted by law, be appointed subject to the following provisions and conditions, namely:

(a) The Bonds secured hereby shall be authenticated and delivered, and all powers, duties, obligations and rights, conferred upon the Trustee in respect of the custody of all funds and any securities pledged hereunder, shall be exercised solely by the Initial Trustee or its successors in trust hereunder;

(b) No power shall be exercised hereunder by such separate Trustee or Co-Trustee except with the consent in writing of the Initial Trustee or its successors in the trust hereunder;

(c) The Issuer and the Initial Trustee or its successors in the trust hereunder, at any time by an instrument in writing executed by them jointly, may accept the resignation or remove any separate Trustee or Co-Trustee appointed under this Section, and may likewise and in like manner appoint a successor to such separate Trustee or Co-Trustee who shall be so removed or who shall have resigned as provided in Section 11.6, anything herein contained to the contrary notwithstanding; and

(d) No Trustee or Co-Trustee hereunder shall be personally liable by reason of any act or omission of any other Trustee or Co-Trustee hereunder.

Any notice, request or other writing, by or on behalf of the Owners of the Bonds issued hereunder, delivered solely to the Initial Trustee, or its successors in trust, shall be deemed to have been delivered to all of the then Trustees and Co-Trustees as effectually as if delivered to each of them. Every instrument appointing any Trustee or Co-Trustee other than a successor to the Initial Trustee shall refer to this Indenture and the conditions in this Section expressed, and upon the acceptance in writing by such Trustee or Co-Trustee, he, she, they or it shall be vested with the rights, powers, estate and/or property specified in such instrument either jointly with the Initial Trustee, or its successor, or separately, as may be provided therein, subject to all the trusts, conditions and provisions hereof; and every such instrument shall be filed with the Initial Trustee or its successors in the trust. Any separate Trustee or Co-Trustee may at any time by an instrument in writing constitute the Initial Trustee or its successors in the trusts hereunder, his, her, their or its agent or attorney-in-fact, with full power and authority, to the extent which may be authorized by law, to do all acts and things and exercise all discretion authorized or permitted by him, her, them or it, for and on behalf of him, her, them or it, and in his, her, their or its name. Any Co-Trustee may, as to any action hereunder, whether discretionary or otherwise, act by attorney-in-fact. In case any

separate Trustee or Co-Trustee, or a successor to any of them, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of said separate Trustee or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Initial Trustee or its successors in trust until the appointment of a successor to such separate Trustee or Co-Trustee.

Section 11.12 Acquisition of Conflicting Interests by Trustee. If the Trustee has or shall acquire any conflicting interest, the Trustee shall, within 90 days after ascertaining that it has such conflicting interest, either eliminate the same or resign by giving notice in accordance with Section 11.7 to the Issuer, the Lessee and Bondowners within such period, provided that such resignation shall become effective upon the appointment of a successor Trustee and such successor's acceptance of such appointment, and the Issuer and the Trustee agree to take prompt steps to have a successor appointed in the manner herein provided.

(a) The Trustee shall be deemed to have a conflicting interest hereunder if it has a "conflicting interest" within the meaning of Section 3.10(b)(1) to (9), inclusive, of the Trust Indenture Act of 1939, as amended, except that the Trustee shall not be deemed to have a conflicting interest solely by reason of its having for itself or as a banker become a purchaser, seller or pledgee of the Bonds, it being understood that the Trustee may so deal with Bonds with the same rights that it would have if it were not Trustee and without liability or accountability to the Issuer or Owners of Bonds on account thereof. Also, it may act as depositary for any purpose for any committee formed to protect the rights of Bondowners or effect or aid in any reorganization growing out of or involving the enforcement of the Bonds or this Indenture whether or not any such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds Outstanding hereunder.

(b) In the event that the Trustee shall fail to comply with the provisions of this Section, the Trustee shall within 10 days after the expiration of such 90-day period, transmit notice of such failure to the Bondowners.

(c) Any Bondowner who has been a bona fide Owner of a Bond or Bonds for at least six months may, on behalf of himself, herself or itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor, if the Trustee fails, after written request therefor by such Owner, to comply with the provisions of this Section.

Section 11.13 Requirement of a Corporate Trustee. There shall at all times be one or more Trustees hereunder. One of the Trustees hereunder shall at all times be a corporate Trustee, and the corporate Trustee and any successor to the corporate Trustee, appointed as hereinbefore provided, shall be a corporation and doing business under the laws of the United States of America or any state or territory thereof, or of the District of Columbia, and shall be authorized under such laws to exercise corporate trust powers and be subject to supervision or examination by federal, state, territorial or District of Columbia authority and have a combined capital, surplus and undivided profits of not less than \$5,000,000 or assets under administration of not less than \$100,000,000; *provided, however,* that the preceding combined capital, surplus and undivided profits test or assets under administration test shall not apply to the Initial Trustee under this Indenture. If such corporate Trustees publish reports of its condition at least annually, pursuant to law or to the requirements of any supervising or examining authority hereinbefore referred to, then for the

purposes of this Section, the combined capital, surplus and undivided profits of the corporate Trustee shall be deemed its combined capital, surplus and undivided profits as the same is set forth in such corporate Trustee's most recent report of condition so published.

Section 11.14 Trustee's Fees. The Lessee have agreed in the Lease to pay certain fees and expenses of the Trustee for acting as Trustee hereunder. The Trustee shall not be entitled to any payment from the Issuer for fees or expenses of the Trustee, except to the extent payable from Pledged Revenues. During the continuance of an Event of Default, the Trustee shall have a first lien on proceeds arising from foreclosure of the Mortgage or the Security Agreement and a first lien on Pledged Revenues for payment of its fees and expenses in accordance with the Lease, with a right of payment therefrom prior to payment of any principal, premium, or interest on the Bonds. The Trustee shall not be entitled to any payments of fees or reimbursements of expenses which result from the negligence or willful default of the Trustee.

Section 11.15 Concerning the Mortgage. The Trustee may take such actions with respect to the Mortgage and the Mortgaged Property as it deems necessary or advisable in the interests of the Bondowners to maintain the priority of the Mortgage and to preserve and protect the value of the Mortgage and the Mortgaged Property.

If during the continuance of an Event of Default the Trustee deems it advisable in the interests of the Bondowners to pay delinquent taxes on the Mortgaged Property, or to pay insurance premiums with respect to insurance on the Mortgaged Property, the Trustee may advance the funds necessary therefor and, to such extent, shall be reimbursed with interest at the Default Rate from the first Pledged Revenues collected thereafter.

ARTICLE 12.

SUPPLEMENTAL INDENTURES

Section 12.1 Amendments and Supplements Without Bondowners' Consent. This Indenture may be amended or supplemented from time to time, without the consent of the Bondowners, by a supplemental Indenture authorized by a Bond Ordinance of the Issuer filed with the Trustee, for one or more of the following purposes:

(a) To add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer; and

(b) For any purpose not inconsistent with the terms hereof or to cure any ambiguity or to correct or supplement any provision contained herein or in any Supplemental Indenture which may be defective or inconsistent with any other provision contained herein or in any Supplemental Indenture, or to make such other provisions in regard to matters or questions arising under this Indenture which shall not be inconsistent with the provisions hereof and which, in the judgment of the Trustee, shall not materially adversely affect the interests of the Owners of the Bonds.

Section 12.2 Amendments with Bondowners' Consent. Except as provided above, no amendment may be entered into except when consented to by the Lessee and approved by Requisite Consent of the Bondowners, *provided, however,* that no amendment shall be made which materially

adversely affects the rights of some but less than all the Outstanding Bonds without the Requisite Consent of Bondowners so affected; and provided further, that unanimous written consent of the Bondowners shall be required for any amendment with respect to (i) the amount or due date of any principal or interest payment upon any Bonds, (ii) the mandatory redemption provisions of any Bonds, and (iii) this Article 12 and Article 13.

If at any time the Issuer shall request the Trustee to enter into any Supplemental Indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, mail a copy of the notice by first-class mail to each Owner of the Bonds thirty (30) days prior to entering into any Supplemental Indenture. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Trustee's Designated Office for inspection by all Bondowners. If thereafter any such Supplemental Indenture shall have been consented to and approved as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 12.3 Consent of Lessee. Anything herein to the contrary notwithstanding, no Supplemental Indenture under this Article 12 shall become effective if the Lessee shall be in default under the Lease unless waived by the Bondowners as evidenced by Requisite Consent. Any Supplemental Indenture under this Article 12 which affects any rights of the Lessee shall not become effective unless and until the Lessee shall have consented in writing to the execution and delivery of such Supplemental Indenture.

ARTICLE 13.

AMENDMENT OF LEASE

Section 13.1 Amendments Requiring Consent of Bondowners. Neither the Issuer, the Lessee nor the Trustee shall consent to any amendment of the Lease without the giving of notice and the Requisite Consent of Bondowners; *provided, however*, that no amendment shall be consented to which materially adversely affects the rights of some but less than all the Outstanding Bonds without the Requisite Consent of Bondowners so affected; and provided further, that the Trustee shall not without the unanimous written consent of the Bondowners consent to any amendment which would change the date of payment of principal of or interest on the Bonds pursuant to Section 4.1 of the Lease.

If at any time the Trustee shall be requested to consent to any such proposed amendment, change or modification, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, notify the Issuer, the Bondowners and the Lessee and cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 12.2 with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Trustee's Designated Office for inspection by all Bondowners.

Section 13.2 Consent of Lessee. Anything herein to the contrary notwithstanding, no amendment, change or modification under this Article XIII affecting the rights or obligations of the Lessee shall be effective unless the Original Purchaser and the Lessee shall have consented in writing thereto.

ARTICLE 14.

MISCELLANEOUS

Section 14.1 Consent of Bondowners. Any consent, request, direction, approval, objection or other instrument required hereby to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes hereof, and shall be conclusive in favor of the Trustee with regard to any action taken under such request for other instrument, namely: The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law had power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

Section 14.2 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Lessee and the Owners of the Bonds any legal or equitable right, remedy or claim under or in respect to this Indenture, or any covenants, conditions and provisions hereof, which are and are intended to be for the sole and exclusive benefit of the parties hereto, the Lessee and the Owners of the Bonds as herein provided.

Section 14.3 Severability. If any provision hereof shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or Act or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever.

The invalidity of any one or more phrases, sentences, clauses or sections in this Indenture contained shall not affect the remaining portions hereof, or any part thereof.

Section 14.4 Notices. Unless otherwise expressly provided herein, all notices, certificates or other communication hereunder shall be sufficiently given and shall be deemed given when hand delivered, sent via facsimile transmission with evidence of receipt or when mailed by first-class mail, postage prepaid, or by prepaid telegram addressed as follows: (i) if to the Issuer, at the Issuer's Address; (ii) if to the Trustee, at the Trustee's Address; (iii) if to the Original Purchaser, at the Original Purchaser's Address; and (iv) if to the Lessee, at the Lessee's Address.

A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Trustee shall also be concurrently given to the Lessee at the Lessee's Address.

Whenever the Trustee is required hereunder to give notice to Bondowners, it shall give such notice by first-class mail to each person on the Bond Register whose Bond is affected thereby.

Section 14.5 Payments Due on Saturdays, Sundays and Holidays. In any case where the due date of any installment of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be in the city in which the Trustee's Designated Office is located or any city in which any Alternate Paying Agent is located, a Saturday, Sunday or a legal holiday, the payment of principal, premium, if any, and interest need not be made on such date in such city but may be made on the next succeeding Business Day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption, and interest shall accrue for the period after such date and prior to the date of payment as aforesaid.

Section 14.6 Captions. The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions hereof.

Section 14.7 Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

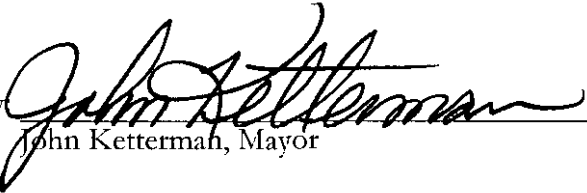
Section 14.8 Governing Law. The laws of the State of Kansas shall govern this Indenture.

Notwithstanding anything herein contained to the contrary by implication or otherwise, any obligations of the Issuer created by or arising out of this Indenture do not constitute the debt or obligation of the Issuer or the State of Kansas or any political subdivision thereof, do not constitute or give rise to a pecuniary liability of the Issuer or charges against the general credit or taxing powers of any of them, are not payable in any manner from revenues raised by taxation, do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction applicable to the Issuer.

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IN WITNESS WHEREOF, the Issuer has caused this Indenture to be executed in its name and on its behalf by its Mayor and its Clerk thereunto duly authorized and its seal to be hereunto affixed, all as of the date first above written.

CITY OF PITTSBURG, KANSAS

By 
John Kettermann, Mayor

ATTEST:


Tammy Nagel, City Clerk



[Signature Page of Indenture of Trust]

City of Pittsburg, Kansas
Industrial Development Revenue Bonds, Series 2017A and 2017B
(Kendall Packaging Corporation Project)

IN WITNESS WHEREOF, the Trustee has caused this Indenture to be executed in its name and behalf by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the date first above written.

BMO HARRIS BANK N.A., as Trustee

(SEAL)

By: _____
Name: _____
Title: _____

EXHIBIT A-1

FORM OF SERIES 2017A BOND

THIS SERIES 2017A BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR UNDER ANY STATE SECURITIES LAW AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS IT HAS FIRST BEEN REGISTERED UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAW, OR UNLESS THE TRUSTEE SHALL HAVE RECEIVED AN OPINION, SATISFACTORY TO THE TRUSTEE, FROM COUNSEL THAT REGISTRATION UNDER SAID ACT AND LAWS IS NOT REQUIRED.

REGISTERED
NO. R- 1

REGISTERED
\$3,000,000

**UNITED STATES OF AMERICA
STATE OF KANSAS**

**CITY OF PITTSBURG, KANSAS
INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 2017A
(KENDALL PACKAGING CORPORATION PROJECT)**

Maturity
Date

Original Issue
Date

[January, 1, 2047]

[January 25, 2017]

REGISTERED OWNER: BMO HARRIS BANK N.A.

PRINCIPAL AMOUNT: THREE MILLION DOLLARS (\$3,000,000)

KNOW ALL MEN BY THESE PRESENTS that the City of Pittsburg, Kansas, a municipal corporation organized under the laws of the State of Kansas (the "Issuer"), for value received, promises to pay, but solely from the source and as hereinafter provided and not otherwise, to the above named Registered Owner, or registered assigns principal and interest hereon as provided below. Capitalized terms used but not defined herein shall have the same definitions as provided under the Indenture (hereinafter defined).

Section 1. Bonds, Indenture, Lease, and Mortgage. This Series 2017A Bond is one of a duly authorized issue of Bonds of the Issuer, which together with the Series 2017B Bonds is limited in aggregate principal amount to \$8,640,000 (the "Bonds"), and more particularly, this Series 2017A Bond constitutes a "Bond" as defined in the Indenture. The principal amount of this Series 2017A Bond shall never exceed \$3,000,000, or such lesser amount as is actually advanced under and pursuant to Section 6.2 of the Indenture (hereinafter defined) and the Lease (hereinafter defined) in respect of the original purchase of the Series 2017A Bonds. The Bonds of each and all series shall have parity with all Bonds of every other series as set forth in Section 2.2 of the Indenture.

The Series 2017A Bonds are authorized and issued for the purpose of providing financing for the Series A Project to Kendall Packaging Corporation, a Delaware corporation, and its

successors and assigns (collectively referred to as the "Lessee"). The financing is accomplished under the terms of a Lease Financing Agreement dated as of January 1, 2017 (the "Lease"), between the Issuer and the Lessee in order to assist the Lessee in financing costs of the Project (as defined in the Lease), which Lease provides for principal and interest payments sufficient to provide the Issuer with revenues to pay when due the principal of and interest on the Series 2017A Bonds.

The Series 2017A Bonds are all issued under and are equally and ratably secured and entitled to the protection and benefits given by an Indenture of Trust dated as of January 1, 2017 (the "Indenture"), duly executed and delivered by the Issuer to the Trustee. Reference is hereby made to the Indenture and to all indentures supplemental thereto for a description of rights, duties and obligations of the Issuer, the Trustee and the owners of the Series 2017A Bonds.

The payment and performance of the Lessee's obligations under the Lease is secured by a Leasehold Mortgage (the "Leasehold Mortgage") from the Lessee to the Original Purchaser. All of the Issuer's right, title and interest in and to the Lease (except for its right to enforce certain limited provisions contained in the Lease) has been pledged and assigned to the Trustee under the Indenture as security for the payment of the Series 2017A Bonds.

Section 2. Limited Obligation of Issuer. THIS SERIES 2017A BOND HAS BEEN ISSUED PURSUANT TO AND IN FULL COMPLIANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF KANSAS, PARTICULARLY THE KANSAS ECONOMIC DEVELOPMENT REVENUE BOND ACT, AS AMENDED AND CODIFIED IN K.S.A. 12-1740 ET SEQ. (THE "ACT"), AND BY AUTHORITY OF BOND ORDINANCES ADOPTED BY THE ISSUER'S GOVERNING BODY IN CONNECTION WITH A PROJECT AND ACTIVITY UNDERTAKEN PURSUANT TO SAID SECTION OF THE ACT. THE SERIES 2017A BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION. THE SERIES 2017A BONDS DO NOT CONSTITUTE OR GIVE RISE TO A CHARGE AGAINST THE ISSUER'S GENERAL CREDIT OR TAXING POWERS OR A PECUNIARY LIABILITY OF THE ISSUER. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS SERIES 2017A BOND IS PAYABLE BY THE ISSUER SOLELY FROM "PLEDGED REVENUES" AS DEFINED IN THE INDENTURE, INCLUDING ALL PAYMENTS BY THE LESSEE UNDER THE LEASE AND ALL NET PROCEEDS DERIVED BY RECOURSE TO THE LEASEHOLD MORTGAGE HEREIN REFERRED TO. THIS SERIES 2017A BOND IS A LIMITED OBLIGATION OF THE ISSUER.

Section 3. Payment of Interest and Principal; Redemption Prior to Stated Maturity. Article 4 of the Indenture sets forth provisions relating to the payment of interest and principal on the Series 2017A Bonds, and the redemption of the Series 2017A Bonds prior to maturity and is reproduced below:

TERMS OF THE SERIES 2017A BONDS

1. Maturity. The Series 2017A Bonds shall mature on [January 1, _____] or on such earlier date as is otherwise provided herein.

2. Repayment of Principal. The Series 2017A Bonds will be issued in the aggregate amount of up to \$3,000,000.

The Series 2017A Bonds shall be optionally redeemed by the Issuer (from payments to be made by the Lessee) as set forth herein and in the Credit Agreement. Payment of principal on the Series 2017A Bonds shall commence on [January 10, 2018] and continue on the first day of each month thereafter.

Notwithstanding anything else herein to the contrary, the principal amount of the Series 2017A Bonds outstanding shall never exceed the aggregate amounts transferred from the Original Purchaser for deposit into the Project Fund – Series A Account pursuant to the Indenture; less repayments of principal made by the Issuer; provided, however, that nothing in the Indenture shall be construed to obligate the Lessee to proceed with the Project, and in the event Lessee does not proceed with the Project, Lessee shall have no obligation under the Indenture or the Lease, other than the repayment, together with interest for amounts advanced by the Original Purchaser.

3. Payment of Interest; Interest Rate. Interest on the principal amount disbursed from the Project Fund Account – Series A Account and outstanding from time to time shall be payable on the first day of each calendar month commencing [_____ 10, 2017], and shall be computed on a 360-day year, actual days lapsed basis.

All interest on the Series 2017A Bonds shall be computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under the Series 2017A Bonds is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in the Indenture. Interest shall accrue on the Series 2017A Bonds from the Original Issue Date.

(a) Series 2017A Bonds - Initial Interest Rate During Draw Down Period. From the Original Issue Date through December 31, 2017, draws of Series 2017A Bond proceeds shall bear interest at a variable rate calculated pursuant to the following formula:

LIBOR + 2.00%

(b) Series 2017A Bonds – Interest Rate Adjustment at Completion of Draw Down Period. Commencing on January 1, 2018 through December 31, 2024, the Series 2017A Bonds shall bear interest at a variable or a fixed rate, as selected by Lessee in writing and delivered to the Trustee not less than 30 days nor more than 60 days prior to the next succeeding Reset Date (provided that if no election is made by the Lessee during such notice period, then Lessee shall be deemed to have made an election at the variable rate for such period), equal to either:

[(LIBOR + 2.20%) x Tax-Exempt Multiplier]

-OR-

[(7-year LIBOR Swap Rate + 2.50%) x Tax-Exempt Multiplier]

(c) Series 2017A Bonds – Interest Rate Resets. Commencing on January 1, 2025, and as reset on each Reset Date thereafter, the Series 2017A Bonds shall bear interest at a variable rate or fixed rate for the duration of such Reset Period as selected by Lessee in writing and delivered to the Trustee not less than 30 days nor more than 60 days prior to the next succeeding Reset Date (provided that if no election is made by the Lessee during such notice period, then Lessee shall be deemed to have made an election at the variable rate for such Reset Period), equal to either:

$[(\text{LIBOR} + 2.20\%) \times \text{Tax-Exempt Multiplier}]$

-OR-

$[(7\text{-year LIBOR Swap Rate} + 2.50\%) \times \text{Tax-Exempt Multiplier}]$

(d) Notwithstanding the foregoing, the interest rate on the Series 2017A Bonds shall never exceed the Maximum Rate.

(e) Overdue principal and interest on the Series 2017A Bonds shall (to the extent legally enforceable) bear interest at the Default Rate. Any interest on any Series 2017A Bond which is payable, but is not punctually paid or duly provided for, may be paid in any lawful manner, at the discretion of the Original Purchaser so long as it owns the Series 2017A Bonds or at the discretion of the Trustee.

4. Occurrence of a Determination of Taxability.

(a) In the event of a Determination of Taxability, the Series 2017A Bonds shall bear interest from the date of the Event of Taxability at the Taxable Rate (computed on a 360-day year, actual day elapsed basis on the Outstanding principal amount of the Series 2017A Bonds (as reduced from time to time)). On the first Payment Date after the occurrence of a Determination of Taxability, the Lessee shall pay, in addition to all other principal and interest otherwise due on such date, a sum equal to the difference between (i) interest computed at the Taxable Rate from the date of the Event of Taxability to the day next preceding such Payment Date and (ii) interest actually paid from the date of the Event of Taxability to such Payment Date. Thereafter interest at the Taxable Rate shall be payable with respect to the same period, at the same time and in the same manner as interest payments regularly paid pursuant to the Indenture.

(b) The Lessee shall also pay to the Bondowners (and any former Bondowners holding Series 2017A Bonds) during any period subsequent to an Event of Taxability as additional interest, the amount of penalties, additions to tax (exclusive of any taxes imposed under Section 11 or any successor provision of the Code) or interest assessed against the Bondowners (and former Bondowners) on account of a Determination of Taxability.

(c) Interest at the Taxable Rate to be paid pursuant to Section 4.4(a) for the period between the Event of Taxability and the Payment Date immediately following the Determination of Taxability shall be paid immediately following the Determination of Taxability in the same manner as interest is paid to Bondowners in accordance with the Indenture.

(d) Any Bondowner shall have the right, but not the obligation, to arrange for the contest of an allegation that an Event of Taxability has occurred, by appropriate legal

proceedings. In the event no Bondowner shall contest the Event of Taxability, the Lessee shall have the option but not the obligation to do so. If (i) the Lessee shall have made any additional payments to a Bondowner or former Bondowner by reason of an Event of Taxability pursuant to Sections 4.4(a) or (c), and (ii) it shall be successfully claimed for the taxable year in question that the interest on the Series 2017A Bonds for such taxable year is excluded from the Bondowner's or former Bondowner's taxable income for federal income tax purposes (for this purpose a claim shall be deemed successful only upon the occurrence of a "determination," as defined in Section 1313(a) or any successor provision of the Code) or, if the Bondowner or former Bondowner shall not have included such interest in the Bondowner's or former Bondowner's taxable income for federal income tax purposes upon expiration of the statute of limitations provided by Section 6501 or any successor provision of the Code with respect to such taxable year, then the Bondowner or former Bondowner (as the case may be) shall pay to the Lessee the amount of any such additional payments which had been made by the Lessee to the Bondowner or former Bondowner, less any actual expenses incurred by such Bondowner or former Bondowner as a result of the Event of Taxability. Upon successful challenge of an Event of Taxability, the interest rate on the Series 2017A Bonds shall return to the interest rate ordinarily payable hereunder as if no Event of Taxability had ever been alleged.

(e) All interest on the Series 2017A Bonds shall be computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under the Series 2017A Bonds is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in the Indenture.

5. Optional Prepayment. The Series 2017A Bonds are subject to prepayment (at the election of the Lessee) in whole or in part at any time, with any applicable prepayment penalty as set forth in Section 2.4 of the Credit Agreement. Any prepayments of principal shall be applied in inverse order of the amortization schedule with respect to the Series 2017A Bonds. The Series 2017A Bonds are subject to redemption, at par (100 percent of the principal amount of the Series 2017A Bonds so redeemed) plus accrued interest to the date of such redemption prior to maturity upon receipt by the Trustee of the written request from the Lessee stating that it intends to prepay the Lease Payments upon notice, provided by the Trustee not less than 30 days prior to the redemption date, and thereby effect redemption of the Series 2017A Bonds being redeemed.

Notwithstanding the foregoing, the Lessee is not required to provide notice of redemption pursuant to this Section to effect optional redemptions of Series 2017A Bonds.

6. Optional Redemption of Series 2017A Bonds Upon Occurrence of Certain Extraordinary Events. The Series 2017A Bonds shall be subject to redemption, at par (100 percent of the principal amount of the Series 2017A Bonds so redeemed) plus accrued interest to the Redemption Date, in whole but not in part, at the option of the Lessee or the Bondowners, with the consent of the Original Purchaser, upon the occurrence of certain extraordinary events set forth in Section 6.2 of the Lease, relating to damage, destruction or condemnation of the Project, or unenforceability of the Lease.

7. Mandatory Redemption Upon the Occurrence of Certain Events Related to the Original Purchaser. The Series 2017A Bonds shall be subject to immediate redemption, at par (100

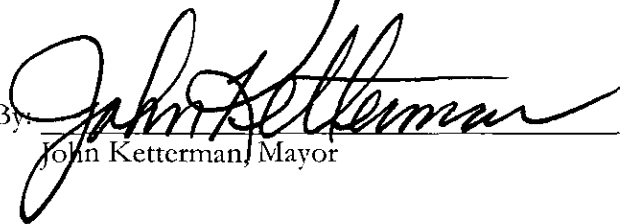
percent of the principal amount of the Series 2017A Bonds so redeemed) plus accrued interest to the Redemption Date, at the option of the Original Purchaser, while it owns 50% or more of the Series 2017A Bonds, if an Event of Default (as defined in the Lease or Credit Agreement) shall have occurred and continues beyond any applicable notice or cure period.

8. Mandatory Redemption at the Option of the Bondowners. The Series 2017A Bonds shall be subject to mandatory redemption, in whole but not in part, so long as the Original Purchaser owns all of the Outstanding Series 2017A Bonds on the Renewal Date, [January 1, 2025], and on each Renewal Date thereafter (if still Outstanding on any such date), at par (100 percent of the principal amount of the Series 2017A Bonds so redeemed) plus accrued interest to such Renewal Date, unless the Original Purchaser provides the Lessee and the Trustee with written notice that the Original Purchaser agrees to continue to own the Series 2017A Bonds after such Renewal Date provided that the Lessee may, at its option, agree to accept a notice given during the thirty (30) days prior to such Renewal Date. The Original Purchaser shall give such written notice of intent to retain to the Lessee and the Trustee not less than thirty (30) days prior to any such Renewal Date, provided, however, that during such thirty (30) day period prior to the Renewal Date, such written notice may be rescinded by the Original Purchaser if the Lessee and the Original Purchase do not agree to the terms and conditions applicable to the Series 2017A Bonds for the applicable renewal period. The purchase price to be paid on upon mandatory redemption pursuant to this Section 8 shall be an amount equal to 100% of the principal amount of the Series 2017A Bonds being tendered for purchase plus the full amount of the unpaid interest which as accrued on the Series 2017A Bonds and will accrue to the Renewal Date.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2017A Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Series 2017A Bond and the issue of which it forms a part has been duly authorized by the Issuer and does not exceed or violate any constitutional or statutory limitation. This Series 2017A Bond is issued with the intent that the laws of the State of Kansas will govern its construction. This Series 2017A Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this Series 2017A Bond to be executed in its name by the signatures of its Mayor and Clerk, and its corporate seal to be hereunto impressed.

CITY OF PITTSBURG, KANSAS

By: 
John Ketterman, Mayor

ATTEST:

(SEAL)

Tammy Nagel, City Clerk

CERTIFICATE OF AUTHENTICATION

This Series 2017A Bond is one of the Bonds described in the within-mentioned Indenture of Trust.

BMO HARRIS BANK, NA., as Trustee

By: _____
Authorized Signatory

Date of Authentication:

[January 25, 2017]

ASSIGNMENT

Social Security or Federal Employer Identification Number: _____

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please Print or Typewrite Name and Address of Transferee)

the within Series 2017A Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

(Please Print or Typewrite Name and Address of Attorney)

Attorney to transfer the within Series 2017A Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Signature of Bondowner:

NOTICE: Signature(s) must be guaranteed by a commercial bank, broker, dealer, or government securities broker or dealer, credit union, national securities exchange, registered securities association, clearing agency or savings association.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Series 2017A Bond in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT A-2

FORM OF SERIES 2017B BOND

THIS SERIES 2017B BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR UNDER ANY STATE SECURITIES LAW AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS IT HAS FIRST BEEN REGISTERED UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAW, OR UNLESS THE TRUSTEE SHALL HAVE RECEIVED AN OPINION, SATISFACTORY TO THE TRUSTEE, FROM COUNSEL THAT REGISTRATION UNDER SAID ACT AND LAWS IS NOT REQUIRED.

REGISTERED
NO. R- 2

REGISTERED
\$5,640,000

**UNITED STATES OF AMERICA
STATE OF KANSAS**

**CITY OF PITTSBURG, KANSAS
INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 2017B
(KENDALL PACKAGING CORPORATION PROJECT)**

Maturity
Date

Original Issue
Date

[January, 1, _____]

[January 25, 2017]

REGISTERED OWNER: BMO HARRIS BANK N.A.

PRINCIPAL AMOUNT: FIVE MILLION SIX HUNDRED FORTY THOUSAND DOLLARS (\$5,640,000)

KNOW ALL MEN BY THESE PRESENTS that the City of Pittsburg, Kansas, a municipal corporation organized under the laws of the State of Kansas (the "Issuer"), for value received, promises to pay, but solely from the source and as hereinafter provided and not otherwise, to the above named Registered Owner, or registered assigns principal and interest hereon as provided below. Capitalized terms used but not defined herein shall have the same definitions as provided under the Indenture (hereinafter defined).

Section 1. Bonds, Indenture, and Lease. This Series 2017B Bond is one of a duly authorized issue of Bonds of the Issuer, which together with the Series 2017A Bonds is limited in aggregate principal amount to \$8,640,000 (the "Bonds"), and more particularly, this Series 2017B Bond constitutes a "Bond" as defined in the Indenture. The principal amount of this Series 2017B Bond shall never exceed \$5,640,000, or such lesser amount as is actually advanced under and pursuant to Section 6.2 of the Indenture (hereinafter defined) and the Lease (hereinafter defined) in respect of the original purchase of the Series 2017B Bonds. The Bonds of each and all series shall have parity with all Bonds of every other series as set forth in Section 2.2 of the Indenture.

The Series 2017B Bonds are authorized and issued for the purpose of providing financing for the Series B Project to Kendall Packaging Corporation, a Delaware corporation, and its successors and assigns (collectively referred to as the "Lessee"). The financing is accomplished under the terms of a Lease Financing Agreement dated as of January 1, 2017 (the "Lease"), between the Issuer and the Lessee in order to assist the Lessee in financing costs of the Project (as defined in the Lease), which Lease provides for principal and interest payments sufficient to provide the Issuer with revenues to pay when due the principal of and interest on the Series 2017B Bonds.

The Series 2017B Bonds are all issued under and are equally and ratably secured and entitled to the protection and benefits given by an Indenture of Trust dated as of January 1, 2017 (the "Indenture"), duly executed and delivered by the Issuer to the Trustee. Reference is hereby made to the Indenture and to all indentures supplemental thereto for a description of rights, duties and obligations of the Issuer, the Trustee and the owners of the Series 2017B Bonds.

Section 2. Limited Obligation of Issuer. THIS SERIES 2017B BOND HAS BEEN ISSUED PURSUANT TO AND IN FULL COMPLIANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF KANSAS, PARTICULARLY THE KANSAS ECONOMIC DEVELOPMENT REVENUE BOND ACT, AS AMENDED AND CODIFIED IN K.S.A. 12-1740 ET SEQ. (THE "ACT"), AND BY AUTHORITY OF BOND ORDINANCES ADOPTED BY THE ISSUER'S GOVERNING BODY IN CONNECTION WITH A PROJECT AND ACTIVITY UNDERTAKEN PURSUANT TO SAID SECTION OF THE ACT. THE SERIES 2017B BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION. THE SERIES 2017B BONDS DO NOT CONSTITUTE OR GIVE RISE TO A CHARGE AGAINST THE ISSUER'S GENERAL CREDIT OR TAXING POWERS OR A PECUNIARY LIABILITY OF THE ISSUER. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS SERIES 2017B BOND IS PAYABLE BY THE ISSUER SOLELY FROM "PLEDGED REVENUES" AS DEFINED IN THE INDENTURE, INCLUDING ALL PAYMENTS BY THE LESSEE UNDER THE LEASE AND ALL NET PROCEEDS DERIVED BY RECOURSE TO THE LEASEHOLD MORTGAGE HEREIN REFERRED TO. THIS SERIES 2017B BOND IS A LIMITED OBLIGATION OF THE ISSUER.

Section 3. Payment of Interest and Principal; Redemption Prior to Stated Maturity. Article 4 of the Indenture sets forth provisions relating to the payment of interest and principal on the Series 2017B Bonds, and the redemption of the Series 2017B Bonds prior to maturity and is reproduced below:

TERMS OF THE SERIES 2017B BONDS

1. Maturity. The Series 2017B Bonds shall mature on [January 1, _____] or on such earlier date as is otherwise provided herein.

2. Repayment of Principal. The Series 2017B Bonds will be issued in the aggregate amount of up to \$5,640,000.

The Series 2017B Bonds shall be optionally redeemed by the Issuer (from payments to be made by the Lessee) as set forth herein and in the Credit Agreement. Payment of principal on the

Series 2017B Bonds shall commence on [January 10, 2018] and continue on the first day of each month thereafter.

Notwithstanding anything else herein to the contrary, the principal amount of the Series 2017B Bonds outstanding shall never exceed the aggregate amounts transferred from the Original Purchaser for deposit into the Project Fund – Series B Account pursuant to the Indenture; less repayments of principal made by the Issuer; provided, however, that nothing in the Indenture shall be construed to obligate the Lessee to proceed with the Project, and in the event Lessee does not proceed with the Project, Lessee shall have no obligation under the Indenture or the Lease, other than the repayment, together with interest for amounts advanced by the Original Purchaser.

3. Payment of Interest; Interest Rate. Interest on the principal amount disbursed from the Project Fund Account – Series B Account and outstanding from time to time shall be payable on the first day of each calendar month commencing [_____ 10, 2017], and shall be computed on a 360-day year, actual days lapsed basis.

All interest on the Series 2017B Bonds shall be computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under the Series 2017B Bonds is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in the Indenture. Interest shall accrue on the Series 2017B Bonds from the Original Issue Date.

(a) Series 2017B Bonds - Initial Interest Rate During Draw Down Period. From the Original Issue Date through December 31, 2017, draws of Series 2017B Bond proceeds shall bear interest at a variable rate calculated pursuant to the following formula:

LIBOR + 2.00%

(b) Series 2017B Bonds – Interest Rate Adjustment at Completion of Draw Down Period. Commencing on January 1, 2018 through December 31, 2027, the Series 2017B Bonds shall bear interest at a fixed rate calculated pursuant to the following formula:

$[(10\text{-year LIBOR Swap Rate} + 2.65\%) \times \text{Tax-Exempt Multiplier}]$

(c) Notwithstanding the foregoing, the interest rate on the Series 2017B Bonds shall never exceed the Maximum Rate.

(d) Overdue principal and interest on the Series 2017B Bonds shall (to the extent legally enforceable) bear interest at the Default Rate. Any interest on any Series 2017B Bond which is payable, but is not punctually paid or duly provided for, may be paid in any lawful manner, at the discretion of the Original Purchaser so long as it owns the Series 2017B Bonds or at the discretion of the Trustee.

4. Occurrence of a Determination of Taxability.

(a) In the event of a Determination of Taxability, the Series 2017B Bonds shall bear interest from the date of the Event of Taxability at the Taxable Rate (computed on a 360-day year, actual day elapsed basis on the Outstanding principal amount of the Series 2017B Bonds (as

reduced from time to time)). On the first Payment Date after the occurrence of a Determination of Taxability, the Lessee shall pay, in addition to all other principal and interest otherwise due on such date, a sum equal to the difference between (i) interest computed at the Taxable Rate from the date of the Event of Taxability to the day next preceding such Payment Date and (ii) interest actually paid from the date of the Event of Taxability to such Payment Date. Thereafter interest at the Taxable Rate shall be payable with respect to the same period, at the same time and in the same manner as interest payments regularly paid pursuant to the Indenture.

(b) The Lessee shall also pay to the Bondowners (and any former Bondowners holding Series 2017B Bonds) during any period subsequent to an Event of Taxability as additional interest, the amount of penalties, additions to tax (exclusive of any taxes imposed under Section 11 or any successor provision of the Code) or interest assessed against the Bondowners (and former Bondowners) on account of a Determination of Taxability.

(c) Interest at the Taxable Rate to be paid pursuant to Section 4.4(a) for the period between the Event of Taxability and the Payment Date immediately following the Determination of Taxability shall be paid immediately following the Determination of Taxability in the same manner as interest is paid to Bondowners in accordance with the Indenture.

(d) Any Bondowner shall have the right, but not the obligation, to arrange for the contest of an allegation that an Event of Taxability has occurred, by appropriate legal proceedings. In the event no Bondowner shall contest the Event of Taxability, the Lessee shall have the option but not the obligation to do so. If (i) the Lessee shall have made any additional payments to a Bondowner or former Bondowner by reason of an Event of Taxability pursuant to Sections 4.4(a) or (c), and (ii) it shall be successfully claimed for the taxable year in question that the interest on the Series 2017B Bonds for such taxable year is excluded from the Bondowner's or former Bondowner's taxable income for federal income tax purposes (for this purpose a claim shall be deemed successful only upon the occurrence of a "determination," as defined in Section 1313(a) or any successor provision of the Code) or, if the Bondowner or former Bondowner shall not have included such interest in the Bondowner's or former Bondowner's taxable income for federal income tax purposes upon expiration of the statute of limitations provided by Section 6501 or any successor provision of the Code with respect to such taxable year, then the Bondowner or former Bondowner (as the case may be) shall pay to the Lessee the amount of any such additional payments which had been made by the Lessee to the Bondowner or former Bondowner, less any actual expenses incurred by such Bondowner or former Bondowner as a result of the Event of Taxability. Upon successful challenge of an Event of Taxability, the interest rate on the Series 2017B Bonds shall return to the interest rate ordinarily payable hereunder as if no Event of Taxability had ever been alleged.

(e) All interest on the Series 2017B Bonds shall be computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under the Series 2017B Bonds is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in the Indenture.

5. Optional Prepayment. The Series 2017B Bonds are subject to prepayment (at the election of the Lessee) in whole or in part at any time, with any applicable prepayment penalty as set

forth in Section 2.4 of the Credit Agreement. Any prepayments of principal shall be applied in inverse order of the amortization schedule with respect to the Series 2017B Bonds. The Series 2017B Bonds are subject to redemption, at par (100 percent of the principal amount of the Series 2017B Bonds so redeemed) plus accrued interest to the date of such redemption prior to maturity upon receipt by the Trustee of the written request from the Lessee stating that it intends to prepay the Lease Payments upon notice, provided by the Trustee not less than 30 days prior to the redemption date, and thereby effect redemption of the Series 2017B Bonds being redeemed.

Notwithstanding the foregoing, the Lessee is not required to provide notice of redemption pursuant to this Section to effect optional redemptions of Series 2017B Bonds.

6. Optional Redemption of Series 2017B Bonds Upon Occurrence of Certain Extraordinary Events. The Series 2017B Bonds shall be subject to redemption, at par (100 percent of the principal amount of the Series 2017B Bonds so redeemed) plus accrued interest to the Redemption Date, in whole but not in part, at the option of the Lessee or the Bondowners, with the consent of the Original Purchaser, upon the occurrence of certain extraordinary events set forth in Section 6.2 of the Lease, relating to damage, destruction or condemnation of the Project, or unenforceability of the Lease.

7. Mandatory Redemption Upon the Occurrence of Certain Events Related to the Original Purchaser. The Series 2017B Bonds shall be subject to immediate redemption, at par (100 percent of the principal amount of the Series 2017B Bonds so redeemed) plus accrued interest to the Redemption Date, at the option of the Original Purchaser, while it owns 50% or more of the Series 2017B Bonds, if an Event of Default (as defined in the Lease or Credit Agreement) shall have occurred and continues beyond any applicable notice or cure period.

8. Mandatory Redemption at the Option of the Bondowners. The Original Purchaser's initial commitment for the Series 2017B Bonds expires on January 1, 2028, and the Series 2017B Bonds are not subject to renewal by the Original Purchaser.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2017B Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Series 2017B Bond and the issue of which it forms a part has been duly authorized by the Issuer and does not exceed or violate any constitutional or statutory limitation. This Series 2017B Bond is issued with the intent that the laws of the State of Kansas will govern its construction. This Series 2017B Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this Series 2017B Bond to be executed in its name by the signatures of its Mayor and Clerk, and its corporate seal to be hereunto impressed.

CITY OF PITTSBURG, KANSAS

By: John Ketterman
John Ketterman, Mayor



ATTEST:

Tammy Nagel
Tammy Nagel, City Clerk

CERTIFICATE OF AUTHENTICATION

This Series 2017B Bond is one of the Bonds described in the within-mentioned Indenture of Trust.

BMO HARRIS BANK, NA., as Trustee

By: _____
Authorized Signatory

Date of Authentication:

[January 25, 2017]

ASSIGNMENT

Social Security or Federal Employer Identification Number: _____

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please Print or Typewrite Name and Address of Transferee)

the within Series 2017B Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

(Please Print or Typewrite Name and Address of Attorney)

Attorney to transfer the within Series 2017B Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Signature of Bondowner:

NOTICE: Signature(s) must be guaranteed by a commercial bank, broker, dealer, or government securities broker or dealer, credit union, national securities exchange, registered securities association, clearing agency or savings association.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Series 2017B Bond in every particular, without alteration or enlargement or any change whatsoever.

16462723.3

\$8,640,000
City of Pittsburg, Kansas
Industrial Development Revenue Bonds, Series 2017A and 2017B
(Kendall Packaging Corporation Project)

BOND PURCHASE AGREEMENT

THIS BOND PURCHASE AGREEMENT (the “Agreement”) is dated as of January 1, 2017, by and among the CITY OF PITTSBURG, KANSAS (the “Issuer”), a municipal corporation of the State of Kansas, KENDALL PACKAGING CORPORATION, a Delaware corporation (the “Lessee”), and BMO HARRIS BANK N.A. (the “Purchaser”).

Section 1. Definitions.

As used in this Agreement, the following terms shall have meanings given in this section:

“Bonds” means the City of Pittsburg, Kansas Industrial Development Revenue Bonds, Series 2017A and 2017B (Kendall Packaging Corporation Project) to be issued under the Indenture in the aggregate principal amount of \$8,640,000.

“Closing Date” means [January 25, 2017].

“Indenture” means that certain Indenture of Trust dated as of January 1, 2017, between the Issuer and the Trustee.

“Lease Financing Agreement” means that certain Lease Financing Agreement dated as of January 1, 2017, between the Issuer and the Lessee.

“Lessee’s Documents” means the Lease Financing Agreement, the Credit Agreement and the Mortgage.

“Parties and Participants” means the Issuer, the Lessee, the Trustee, the Purchaser, their respective attorneys, and the law firm of Husch Blackwell LLP, Milwaukee, Wisconsin, and Gilmore & Bell, P.C., Wichita, Kansas, as co-bond counsel.

“Purchase Price” means 100% of the principal amount of the Bonds.

“Trustee” means BMO Harris Bank N.A., a national banking association, as trustee under the Indenture.

Any terms used herein but not defined herein shall have the meaning for such terms as are set forth in the Indenture.

Section 2. Recitals.

The Purchaser has offered to purchase the Bonds from the Issuer in exchange for the Purchase Price, and the Issuer has been authorized to sell the Bonds to the Purchaser in exchange for the Purchase Price. This Agreement memorializes the terms and conditions imposed by the Issuer and the Purchaser upon the sale of the Bonds. Any terms and conditions imposed by the Purchaser upon the sale of the Bonds shall be regarded as satisfied in full upon the Purchaser's acceptance of the Bonds and payment of the Purchase Price.

Section 3. Representations of Purchaser.

As an inducement for the issuance and sale of the Bonds, the Purchaser makes the following representations and covenants, which shall survive the issuance and sale of the Bonds, for the benefit of the other Parties and Participants:

(a) It is a national banking association bank organized under the banking laws of the United States of America, and it is duly and legally authorized to purchase the Bonds.

(b) In entering into this Agreement it has relied upon the representations, warranties, and covenants made by the Lessee for the benefit of the Purchaser, including, without limitation, those in the Lease Financing Agreement and the other Lessee's Documents, as defined in the Closing Certificate of Lessee, and credit investigations and due diligence reviews conducted by the Purchaser or its own advisors.

(c) It has been offered copies of or full access to all Bond documents and records, reports, financial statements and other information concerning the Lessee and pertinent to the source of payment for the Bonds to which a reasonable investor would attach significance in making investment decisions (including any information concerning any collateral pledged to secure the Lessee's payments).

(d) It is sufficiently knowledgeable and experienced in financial and business matters, including the purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the aforementioned principal amount of the Bonds, and it is aware of the intended use of the proceeds of the Bonds and the risks involved therein.

(e) IT UNDERSTANDS THAT THE BONDS ARE NOT SECURED BY ANY OBLIGATION OR PLEDGE OF ANY MONEYS RECEIVED OR TO BE RECEIVED FROM TAXATION OR FROM THE ISSUER, THE STATE OF KANSAS OR ANY OTHER POLITICAL SUBDIVISION OR TAXING DISTRICT THEREOF, THAT THE BONDS WILL NEVER REPRESENT OR CONSTITUTE GENERAL OBLIGATIONS, DEBT OR BONDED INDEBTEDNESS OF THE ISSUER, THE STATE OF KANSAS OR ANY OTHER POLITICAL SUBDIVISION THEREOF, AND THAT NO RIGHT WILL EXIST TO HAVE TAXES LEVIED BY THE ISSUER, THE STATE OF KANSAS OR ANY OTHER POLITICAL SUBDIVISION THEREOF FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE BONDS.

(f) It is purchasing the Bonds solely for its own account and not on behalf of others, and solely for investment and not with a present intent to resell or otherwise distribute all or any part of or interest in the Bonds; provided that it may nevertheless resell the Bonds or sell a participation in the Bonds in compliance with the representations and covenants set forth in this section.

(g) It has been informed and agrees that the Bonds (i) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any State, (ii) will not be listed on any stock or other securities exchange, (iii) will carry no rating from any rating service, and (iv) are not likely to be readily marketable.

(h) It will not offer, sell, or otherwise dispose of all or any part of or interest in the Bonds (other than to affiliated banks), except (i) in full good faith compliance with all securities registration, broker-dealer, antifraud, and other provisions of the applicable State and Federal laws, and (ii) with full and accurate disclosure of all material facts to the prospective purchaser(s) or transferee(s), and (iii) either under effective Federal and State registration statements or upon delivery of an opinion of recognized counsel satisfactory to the Issuer and the Lessee to the effect that the Bonds are being offered, sold, or otherwise disposed of pursuant to exemptions from such registrations.

(i) The Purchaser will indemnify and hold harmless the Issuer and its officials, and each person, if any, who controls the Issuer within the meaning of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, against any losses, claims, damages, or liabilities to which the Issuer may become subject under the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, as amended, the blue sky or securities laws of any state, or otherwise, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon the sale, redistribution or other disposition of the Bonds in a transaction which amounts to a public offering and is in violation of the Purchaser's covenants in subsection (h) above, and it will reimburse the Issuer for any legal or other expenses reasonably incurred by it in connection with investigating, defending, or preparing to defend any such action or claim.

To assure compliance with the requirements of Section 149 of the Internal Revenue Code so that the interest on the Bonds will be exempt from federal income taxation, the Purchaser hereby covenants that if the purchaser transfers an interest in the Bonds without recording the transfer in the registration book maintained pursuant to the Indenture by the Trustee, whether by means of participation agreement or otherwise, the Purchaser will maintain records of such transfers in the names of the transferees. Further, the Purchaser will distribute monies representing payments of principal of or interest on the Bonds only to persons whose ownership is shown in such records in the proportion to the ownership interests shown on those records.

Section 4. Purchase and Sale of Bonds.

(a) The Purchaser agrees to purchase from the Issuer and Issuer agrees to sell to the Purchaser all (but not less than all) the Bonds in exchange for the Purchase Price on the Closing Date on the terms and conditions set forth in this Bond Purchase Agreement. Payment of the Purchase Price shall be made by the Purchaser to the order of the Trustee (for the account of the Issuer) on the Closing Date in federal or other immediately available

funds at the principal office of the Trustee. The Bonds shall be delivered to the Purchaser on the Closing Date in definitive form and duly executed and authenticated in accordance with the Indenture. The Bonds shall be delivered in the form of one typewritten, fully registered bond payable as provided in the Indenture.

(b) The following are additional conditions of the purchase of the Bonds by the Purchaser:

(i) The Lessee shall provide evidence to the Purchaser that the Project, as defined in the Indenture, complies with all applicable zoning laws, regulations and ordinances;

(ii) The Lessee shall provide to the Purchaser a detailed cost breakdown of the Project budget, evidencing Lessee's good faith estimate of all hard and soft costs;

(iii) All representations and warranties contained in this Bond Purchase Agreement and the Lease Financing Agreement and the other Lessee's Documents shall be true and accurate on and as of the Closing Date;

(iv) No Default or Event of Default, as defined in the Indenture, shall exist on the Closing Date;

(v) The Purchaser shall have received copies of each of the following (each to be properly executed, dated and completed), in form and substance satisfactory to Purchaser:

(1) this Agreement and the Lease Financing Agreement;

(2) a Lessee's Certificate, containing information as of the Closing Date and certifying (A) the incumbency and signature of the officers of the Lessee who have signed or will sign the Lease Financing Agreement, and the Lessee's Documents and any other documents or materials to be delivered by Lessee to the Purchaser in connection with the issuance of the Bonds; (B) the adoption and continued effect of resolutions of the directors of Lessee authorizing the execution, delivery and performance of the Lease Financing Agreement and the Lessee's Documents together with copies of those resolutions; and (C) the accuracy and completeness of copies of the articles of incorporation and bylaws of Lessee, as amended to date, attached thereto;

(vi) The Purchaser shall have received certificates of the Delaware Secretary of State and the Kansas Secretary of State as to the existence and current status of Lessee, dated as of a recent date;

(vii) All conditions subsequent to the purchase of the Bonds contained in the Credit Agreement, as amended as of the date hereof, shall have been complied with to the reasonable satisfaction of the Purchaser;

(viii) The Purchaser shall have received a favorable opinion of Lessee's counsel and an opinion of bond counsel, in form and substance satisfactory to the Purchaser and its counsel; and

(ix) The Purchaser shall have received such other agreements, instruments, documents, certificates and opinions as the Purchaser or its counsel may reasonably request.

Section 5. Payment of Expenses.

The Issuer shall be under no obligation to pay any out-of-pocket expenses incident to the performance of the obligations of the Issuer under this Agreement. All out-of-pocket expenses and costs to effect the authorization, preparation, issuance, delivery, and sale of the Bonds shall be paid out of the proceeds of the Bonds or by the Lessee. The Lessee also agrees to pay the fees and expenses of the Purchaser, bond counsel, Issuer's counsel and Purchaser's counsel relating to the issuance and purchase of the Bonds.

Section 6. Benefited Parties.

This Agreement is made solely for the benefit of the Parties and Participants, and no other person or entity shall acquire or have any rights under or by virtue of this Agreement. All representations and agreements in this Agreement shall survive the delivery of any payment for the Bonds.

Section 7. Governing Law.

The laws of the State of Kansas shall govern this Agreement.

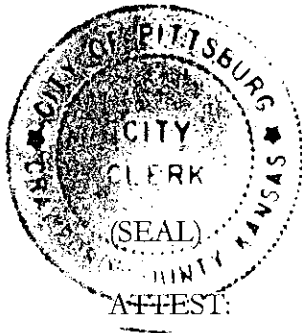
Section 8. Counterparts.

This 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.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Issuer, the Lessee and the Purchaser have caused this Agreement to be executed as of the date first above written.

CITY OF PITTSBURG, KANSAS



By: _____

John Ketterman
John Ketterman, Mayor

Tammy Nagel
Tammy Nagel, City Clerk

KENDALL PACKAGING CORPORATION

By: _____
Eric G. Erickson III, President and CEO

BMO HARRIS BANK N.A.

By: _____
Name: _____
Title: _____

16462716.3

\$8,640,000
City of Pittsburg, Kansas
Industrial Development Revenue Bonds, Series 2017A and 2017B
(Kendall Packaging Corporation Project)

LEASE FINANCING AGREEMENT

between

CITY OF PITTSBURG, KANSAS

and

KENDALL PACKAGING CORPORATION

Dated as of January 1, 2017

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LEASE FINANCING AGREEMENT

THIS LEASE FINANCING AGREEMENT is made and entered into as of January 1, 2017 between the City of Pittsburg, Kansas (the "Issuer"), a municipal corporation of the State of Kansas (the "State"), and Kendall Packaging Corporation, a Delaware corporation (the "Lessee"), under the circumstances summarized in the following recitals (the capitalized terms not defined above or in the recitals being used therein as defined in or pursuant to Article 1 hereof):

WITNESSETH:

WHEREAS, pursuant to the provisions of the Kansas Economic Development Revenue Bond Act, as amended and codified in K.S.A. 12-1740 *et seq.* (the "Act"), the Issuer is authorized and empowered to issue its revenue bonds and to enter into lease agreements for the purpose of facilitating the acquisition, construction, improving, equipping and financing of industrial buildings within the meaning of the Act; and

WHEREAS, the Lessee and the Issuer each has the full right and lawful authority to enter into this Agreement and perform and observe the provisions hereof on their respective parts to be performed and observed; and

WHEREAS, in furtherance of the purposes of the Act and in order to promote the general economic welfare and prosperity of the citizens of the State, the Issuer proposes to issue \$8,640,000 aggregate principal amount of its "City of Pittsburg, Kansas Industrial Development Revenue Bonds, Series 2017A and 2017B (Kendall Packaging Corporation Project)" (the "Bonds") to provide funds to pay the costs to construct and equip the expansion of an existing manufacturing facility located at 1901 East 27th Street Terrace, City of Pittsburg, Kansas, which facility will be leased to the Lessee and used to manufacture flexible packaging solutions (the "Project"); and

WHEREAS, the Lessee is desirous of financing the costs of the proposed Project and costs of issuance through this Agreement with the Issuer pursuant to the Act; and

WHEREAS, the Bonds are to be issued pursuant to and secured by an Indenture of Trust, dated as of the date hereof (the "Indenture"), by and between the Issuer and BMO Harris Bank N.A., a national banking association, as trustee (the "Trustee"); and

WHEREAS, the Issuer has caused all notices required by law to have been sent; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto covenant, agree and bind themselves as follows (provided that any obligation of the Issuer created by or arising out of this Agreement shall not be a general debt on its part but shall be payable solely out of the proceeds from the issuance and sale of the Bonds):

ARTICLE I DEFINITIONS

Section 1.1 Use of Defined Terms. Words and terms defined in the Indenture shall have the same meanings when used herein, unless the context or use clearly indicates another meaning or

intent. In addition, the words and terms set forth in Section 1.2 hereof shall have the meanings set forth therein unless the context or use clearly indicates another meaning or intent.

Section 1.2 Definitions. As used herein:

“Additional Payments” means the amounts required to be paid by the Lessee pursuant to the provisions of Section 4.3 hereof.

“Agreement” means this Lease Financing Agreement, dated as of January 1, 2017, by and between the Issuer and the Lessee, as amended or supplemented from time to time.

“Bond Counsel” means a law firm whose legal and tax opinion on municipal bond issues is nationally recognized, initially, Husch Blackwell LLP, Milwaukee, Wisconsin and Gilmore & Bell, P.C., Wichita, Kansas, as co-Bond Counsel.

“Bond Service Charges” means, for any series of Bonds, the principal of, premium, if any, and interest on such Bonds for any period or payable at any time, whether due on a Payment Date, at maturity or upon acceleration or redemption.

“Bonds” means the City of Pittsburg, Kansas Industrial Development Revenue Bonds, Series 2017A and 2017B (Kendall Packaging Corporation Project) authorized in the Indenture in the aggregate principal amount of \$8,640,000.

“Completion Date” means the date of the substantial completion of construction of the addition and installation of the Project evidenced in accordance with the requirements of Section 3.6 hereof.

“Construction Period” means the period between the beginning of the acquisition, construction, equipping or installation of real and personal property comprising the Project or the date on which the Bonds are initially issued, whichever is earlier, and the Completion Date.

“Credit Agreement” means the Credit Agreement dated [January 25, 2017] between the Lessee and the Original Purchaser.

“Engineer” means an individual or firm acceptable to the Trustee and qualified to practice the profession of engineering or architecture under the laws of the State.

“Event of Default” means any of the events described as an Event of Default in Section 7.1 hereof.

“Force Majeure” means any of the causes, circumstances or events described as constituting Force Majeure in Section 7.1 hereof.

“Holders” or “Bondholders” means a person in whose name a Bond is registered on the bond register, initially BMO Harris Bank N.A.

“Indenture” means the Indenture of Trust, dated as of even date herewith, between the Issuer and the Trustee, as amended or supplemented from time to time.

“Lease Payments” means the amounts required to be paid by the Lessee as lease payments pursuant to the provisions of Section 4.1 hereof.

“Mortgage” means the Leasehold Mortgage, dated as of [January 25, 2017], by and between the Lessee and the Original Purchaser.

“Notice Address” means:

- (a) As to the Issuer: City of Pittsburg
Attn: City Clerk
201 West 4th Street
P.O. Box 688
Pittsburg, KS 66762-0688
Phone: (620) 231-4100
Fax: (620) 231-0964
Email: _____
- (b) As to the Lessee: Kendall Packaging Corporation
Attn: Mike Sallmann, Chief Financial Officer
10335 North Port Washington Road
Mequon, WI 53092
Phone: (262) 404-1206
Fax: (262) 404-1221
Email: Mike.Sallmann@kendallpkg.com
- (c) As to the Trustee: BMO Harris Bank N.A., as Trustee
Attn: Glenn D. Schroeder, Vice President
W156 N11150 Pilgrim Road
Germantown, WI 53022
Phone: (262) 253-6161
Fax: (262) 253-6158
Email: _____
- (c) As to the Original Purchaser: BMO Harris Bank N.A.
Attn: Glenn D. Schroeder, Vice President
W156 N11150 Pilgrim Road
Germantown, WI 53022
Phone: (262) 253-6161
Fax: (262) 253-6158
Email: _____

or such additional or different address, notice of which is given under Section 8.3 hereof.

“Original Purchaser” means BMO Harris Bank N.A., a national banking association.

“Payment Date” means the first day of each calendar month, commencing on [_____ 1, 2017] with respect to payments of interest, and commencing on [January 1, 2018] with respect to payments of principal.

“Plans and Specifications” means the Lessee’s plans and specifications for the acquisition, construction, equipping and installation of the Project, as amended from time to time.

“Pledged Revenues” means all revenues and income derived by or for the account of the Issuer from or for the account of the Lessee pursuant to the terms of the Lease and the Indenture, including, without limitation (i) all Lease Payments; (ii) all cash and securities held from time to time in the Trust Funds (as defined in the Indenture) (with the exception of the Rebate Credit Account) and the investment earnings thereon; and (iii) all proceeds of any casualty insurance or condemnation awards payable with respect to the Project.

“Project” means the real, personal or real and personal property, including undivided interests or other interests therein, identified in Exhibit A attached hereto as a part hereof, or acquired, constructed, equipped or installed as a replacement or substitution therefor or an addition thereto, or as may result from any revision thereof in accordance with the provisions of this Agreement.

“Project Site” means the real estate and interests in real estate constituting the site of the Project, as described in Exhibit B attached hereto as a part hereof.

“Security Agreement” means the Security Agreement dated [January 25, 2017], from the Lessee to and in favor of the Original Purchaser.

“Tax Certificate” means the Lessee’s Tax Matters Closing Certificate dated [January 25, 2017] executed by the Lessee.

“Trustee” means the Trustee at the time acting as such under the Indenture, originally BMO Harris Bank N.A., and any successor Trustee as determined or designated under or pursuant to the Indenture.

“Unassigned Issuer’s Rights” means all of the rights of the Issuer to receive Additional Payments under Section 4.3 hereof, to be held harmless and indemnified under Section 5.3 hereof, to be reimbursed for attorney’s fees and expenses under Section 7.4 hereof, and to give or withhold consent to amendments, changes, modifications, alterations and termination of this Agreement under Section 8.6 hereof.

Section 1.3 Interpretation. Any reference herein to the Issuer, to the Issuing Authority or to any member or officer of either includes entities or officials succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their respective functions.

Any reference to a section or provision of the Constitution of the State or the Act, or to any statute of the United States of America, includes that section, provision, chapter or statute as amended, modified, revised, supplemented or superseded from time to time; provided, that no amendment, modification, revision, supplement or superseding section, provision, chapter or statute shall be applicable solely by reason of this provision if it constitutes in any way an impairment of the rights or obligations of the Issuer, the Holders, the Trustee, the Original Purchaser or the Lessee under this Agreement.

Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa; the terms “hereof”, “hereby”, “herein”, “hereto”, “hereunder” and similar terms refer to this Agreement; and the term “hereafter” means after, and the term “heretofore” means before, the date of delivery of the Bonds. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise.

Section 1.4 Captions and Headings. The captions and headings in this Agreement are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses hereof.

ARTICLE II REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.1 Representations, Warranties and Covenants of the Issuer. The Issuer represents and warrants, to the best of its knowledge and belief, that:

(a) It is a municipal corporation duly incorporated and existing as a city of the first class under the laws of the State.

(b) It has full legal right, power and authority pursuant to the Act to finance the Project through the issuance of the Bonds; has made the necessary findings of public purpose, has given any necessary notices and has taken all other steps and followed all procedures required by the Constitution and laws of the State (including the Act) in connection therewith; and has full legal right, power and authority to (i) enter into this Agreement, the Bond Purchase Agreement, and the Indenture, (ii) issue, sell and deliver the Bonds and (iii) carry out and consummate all other transactions contemplated by this Agreement, the Bond Purchase Agreement, and the Indenture.

(c) It has duly authorized (i) the execution, delivery and performance of this Agreement, the Bonds, the Bond Purchase Agreement, and the Indenture, and (ii) the taking of any and all such actions as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by such instruments.

(d) This Agreement, the Bond Purchase Agreement, and the Indenture constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms; this Agreement, the Bond Purchase Agreement, and the Indenture have been duly authorized and executed by the Issuer; and, when authenticated by the Trustee in accordance with the provisions of the Indenture, the Bonds will have been duly authorized, executed, issued and delivered and will constitute legal, valid and binding special obligations of the Issuer in conformity with the provisions of the Act and the Constitution of the State.

(e) 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 best of the knowledge of the Issuer, threatened against the Issuer, nor to the best of the knowledge of the Issuer is there any basis therefor, which in any manner questions the validity of the Act, the powers of the Issuer referred to in paragraph (b) above or the validity of any proceedings taken by the Issuer in connection with the issuance of the Bonds or wherein any unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by this Agreement or which, in any way, would adversely affect the validity or enforceability of the Bonds, the Indenture, the Bond

Purchase Agreement, or this Agreement (or of any other instrument required or contemplated for use in consummating the transactions contemplated thereby and hereby).

(f) The execution and delivery by the Issuer of this Agreement, the Bonds, the Bond Purchase Agreement, and the Indenture in compliance with the provisions of each of such instruments will not conflict with or constitute a breach of, or default under, any material commitment, agreement or other instrument to which the Issuer is a party or by which it is bound, or under any provision of the Act, the Constitution of the State or any existing law, rule, regulation, ordinance, judgment, order or decree to which the Issuer is subject.

Section 2.2 Representations, Warranties and Covenants of the Lessee. The Lessee represents, warrants and covenants that:

(a) The Lessee is a corporation duly organized and validly existing under the laws of the State of Delaware and duly authorized to transact business in the State. The Lessee has full power and authority to execute, deliver and perform this Agreement, the Bond Purchase Agreement, the Credit Agreement, the Tax Certificate, the In Lieu of Agreement, the Mortgage and the Security Agreement and to enter into and carry out the transactions contemplated by those documents. That execution, delivery and performance do not, and will not, violate any provision of law applicable to the Lessee or its Articles of Incorporation and do not, and will not, conflict with or result in a default under any agreement or instrument to which the Lessee is a party or by which the Lessee is bound.

(b) This Agreement, the Bond Purchase Agreement, the Tax Certificate, the In Lieu of Agreement, the Credit Agreement, the Mortgage and the Security Agreement by proper corporate action, have been duly authorized, executed and delivered by the Lessee and are valid and binding obligations of the Lessee.

(c) The Project is located entirely within the boundaries of the City of Pittsburg, Crawford County, Kansas and will create and preserve jobs and employment opportunities within the boundaries of the State and City of Pittsburg, Crawford County, Kansas.

(d) The acquisition, construction, equipping and installation of the property comprising the Project by the Lessee will comply in all material respects with all applicable zoning, planning, building, environmental and other regulations of the governmental authorities having jurisdiction over the Project, and all necessary permits, licenses, consents and permissions necessary for the Project have been or will be obtained.

(e) The undertaking of the financing of costs of the Project by the Issuer and the lease of the Project to the Lessee has constituted an inducement to the Lessee to acquire, construct, install, equip and operate the Project in the City of Pittsburg, Kansas.

(f) The Lessee is not in default in the payment of principal of, or interest on, any of the Lessee's indebtedness for borrowed money, or in default under any instrument under which, or subject to which, any indebtedness has been incurred, and no event has occurred and is continuing under the provisions of any agreement involving the Lessee that, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

(g) No litigation at law or in equity nor any proceeding before any governmental agency or other tribunal involving the Lessee is pending or, to the knowledge of the Lessee, threatened, in which any liability of the Lessee is not adequately covered by insurance and in which any judgment or order would have a material and adverse effect upon the business or assets of the Lessee or would materially and adversely affect the Project, the validity of this Agreement, the Bond Purchase Agreement, the Credit Agreement, the Tax Certificate, the In Lieu of Agreement the Mortgage and the Security Agreement or the performance of the Lessee's obligations thereunder or the transactions contemplated hereby.

(h) The Lessee shall not use or operate the Project in any way which would affect the qualification of the Project under the Act or impair the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

(i) The representations contained in the Tax Certificate (which is incorporated herein by this reference thereto) are true and correct and the Lessee will observe the covenants contained therein as fully as if set forth herein.

ARTICLE III
COMPLETION OF THE PROJECT;
ISSUANCE OF THE BONDS; AD VALOREM PROPERTY TAXES;
PAYMENT IN LIEU OF TAXES

Section 3.1 Acquisition, Construction and Installation of the Project. The acquisition, construction, equipping and installation of the property comprising the Project shall be undertaken with all reasonable dispatch, all on the Project Site and substantially in accordance with the Plans and Specifications. The Lessee shall (a) pay when due all fees, costs and expenses incurred in connection with the foregoing from funds made available therefor in accordance with this Agreement or otherwise, unless any such fees, costs or expenses are being contested by the Lessee in good faith and by appropriate proceedings, (b) ask, demand, sue for, levy, recover and receive all those sums of money, debts and other demands whatsoever which may be due, owing and payable under the terms of any contract, order, receipt, writing and instruction in connection with the acquisition, construction, equipping and installation of the Project, and (c) enforce the provisions of any contract, agreement, obligation, bond or other performance security with respect thereto.

Section 3.2 Plans and Specifications. The Lessee, with the prior written consent of the Original Purchaser, may revise the Plans and Specifications from time to time, provided that no revision shall be made which would change the purposes of the Project to other than purposes permitted by the Act. The Lessee shall promptly deliver to the Original Purchaser a copy of the final Plans and Specifications upon their completion.

Section 3.3 Issuance of the Bonds; Application of Proceeds. To provide funds for purposes of financing the Project, the Issuer will issue, sell and deliver the Bonds to the Original Purchaser as provided in the Bond Purchase Agreement. The Bonds will be issued pursuant to the Indenture in the aggregate principal amount, will bear interest, will mature and will be subject to redemption as set forth therein. The Lessee hereby approves the terms and conditions of the Indenture and the Bonds, and the terms and conditions under which the Bonds will be issued, sold and delivered.

The proceeds from the sale of the Bonds shall be paid over to the Trustee for the benefit of the Lessee and the Holders of the Bonds and deposited as provided in Sections 6.1 and 6.2 of the Indenture. Pending disbursement pursuant to Section 3.4 hereof, the proceeds deposited in the Project Fund, together with any investment earnings thereon, shall constitute a part of the Pledged Revenues assigned by the Issuer to the payment of Bond Service Charges.

At the request of the Lessee, and for the purposes and upon fulfillment of the conditions specified in the Indenture, the Issuer may provide for the issuance, sale and delivery of Additional Bonds.

Section 3.4 Disbursements from the Project Fund. Subject to the provisions below, disbursements from the Project Fund shall be made only to pay (or to reimburse the Lessee for payment of) the following Project costs:

(a) Costs incurred directly or indirectly for or in connection with the acquisition, construction, equipping or installation of the property comprising the Project, including costs incurred with respect to the Project for preliminary planning and studies; architectural, legal, engineering, accounting, consulting, supervisory and other services; labor, services and materials; and recording of documents and title work;

(b) Premiums attributable to any surety bonds and insurance required to be taken out and maintained during the Construction Period with respect to the Project;

(c) Taxes, assessments and other governmental charges in respect to the Project that may become due and payable during the Construction Period;

(d) Costs incurred directly or indirectly in seeking to enforce any remedy against any contractor or subcontractor in respect of any actual or claimed default under any contract relating to the Project;

(e) Financial, legal, accounting, printing and engraving fees, charges and expenses, and all other fees, charges and expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds, including, without limitation, the fees and expenses of the Issuer, Issuer's counsel and Bond Counsel, the fees and expenses of the Trustee and Trustee's counsel; provided, however, any fees and expenses incurred in connection with the issuance of the Bonds and paid with Bond proceeds shall not exceed 2% of the proceeds of the Bonds within the meaning of Section 147(g) of the Code;

(f) Any other costs, expenses, fees and charges properly chargeable to the cost of the acquisition, construction, equipping or installation of the property comprising the Project;

(g) Interest on the Bonds during the Construction Period to be paid into the Bond Fund; and

(h) The fees and expenses of the Original Purchaser under the Credit Agreement applicable to the Construction Period.

Any disbursements from the Project Fund described above shall be made by the Trustee only upon the written order of the Authorized Lessee Representative and shall be approved by the

Original Purchaser. Each such written order shall be in substantially the form of the disbursement request attached hereto as Exhibit C and shall be consecutively numbered. Any disbursement for any item not described in, or the cost for which item is other than as described in, the information statement filed by the Issuer in connection with the issuance of the Bonds, shall be accompanied by evidence satisfactory to the Trustee and the Original Purchaser that the average reasonably expected economic life of the facilities being financed by the Bonds is not less than 5/6ths of the average maturity of the Bonds or, if such evidence is not presented with the disbursement or at the request of the Trustee or the Original Purchaser, by an opinion of Bond Counsel to the effect that such disbursement will not result in the interest on the Bonds becoming subject to federal income taxation. In case any contract provides for the retention by the Lessee of a portion of the contract price, there shall be paid from the Project Fund only the net amount remaining after deduction of any such portion and, only when that retained amount is due and payable, may it be paid from the Project Fund.

Any moneys in the Project Fund remaining after the Completion Date and payment, or provision for payment, of the costs of financing the Project described above, at the direction of the Authorized Lessee Representative with prior written consent of the Original Purchaser, promptly shall be:

(i) used to acquire, construct, equip and install such additional real or personal property in connection with the Project as is designated by the Authorized Lessee Representative and approved by the Original Purchaser, and the acquisition, construction, equipping and installation of which will be permitted under the Act, provided that any such use shall be accompanied by evidence satisfactory to the Trustee that the average reasonably expected economic life of such additional property, together with the other property theretofore acquired with the proceeds of the Bonds, will not be less than 5/6ths of the average maturity of the Bonds or, if such evidence is not presented with the direction, an opinion of Bond Counsel to the effect that the acquisition of such additional property will not result in the interest on the Bonds becoming subject to federal income taxation;

(ii) used to accomplish a combination of the foregoing as is provided in that direction.

In the event that all of the Bonds are either redeemed or accelerated pursuant to the terms of the Indenture, any remaining funds in the Project Fund shall be transferred to the Bond Fund and used to redeem the Bonds.

Section 3.5 Lessee Required to Pay Costs in Event Project Fund Insufficient. If moneys in the Project Fund are not sufficient to pay all costs of the Project, the Lessee, nonetheless, will complete the Project in accordance with the Plans and Specifications, unless the Original Purchaser consents otherwise, and, unless Additional Bonds shall have been issued for those purposes, shall pay all such additional costs of the Project from the Lessee's own funds. The Lessee shall not be entitled to any reimbursement for any such additional costs of the Project from the Issuer, the Trustee or any Holder; nor shall it be entitled to any abatement, diminution or postponement of its obligation to make the Lease Payments.

Section 3.6 Completion Date. The Lessee shall notify the Issuer, the Original Purchaser and the Trustee of the Completion Date by a certificate signed by the Authorized Lessee Representative stating:

(a) the date on which the Project was substantially completed, which date shall be not later than three years after initial delivery of the Bonds or such later date as has been approved in writing by the Original Purchaser and as will not, in the opinion of Bond Counsel, cause interest on the Bonds to become includable in gross income for federal income tax purposes;

(b) that the acquisition, construction, equipping and installation of the real and personal property comprising the Project has been accomplished in such a manner as to conform with all applicable planning, building, environmental and other similar governmental regulations;

(c) that except as provided in subsection (d) of this Section, all costs of that acquisition, construction, equipping and installation then or theretofore due and payable have been paid; and

(d) the amounts which the Trustee shall retain in the Project Fund for the payment of costs of the Project not yet due or for liabilities which the Lessee is contesting or which otherwise should be retained and the reasons such amounts should be retained.

That certificate shall state that it is given without prejudice to any rights against third parties which then exist or subsequently may come into being. The Authorized Lessee Representative shall include with that certificate a statement specifically describing all items of personal property comprising a part of the Project. The certificate shall be delivered as promptly as practicable after the occurrence of the events and conditions referred to in subsections (a) through (c) of this Section.

Section 3.7 Investment of Fund Moneys. At the written direction (including directions received via email or facsimile) of the Authorized Lessee Representative, any moneys held as part of the Bond Fund, the Project Fund or the Rebate Fund shall be invested or reinvested by the Trustee in Qualified Investments. The Issuer and the Lessee each hereby covenants that it will restrict that investment and reinvestment and the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of delivery of and payment for the Bonds, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code.

The Lessee shall provide the Issuer with, and the Issuer may base its certifications as authorized by the Bond Legislation on, a certificate of the Lessee for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the Lessee on the date of delivery of and payment for the Bonds regarding the amount and use of the proceeds of the Bonds and the facts, estimates and circumstances on which those expectations are based.

Section 3.8 Rebate Fund. The Lessee agrees to make such payments to the Trustee as are required of it under the Indenture. The obligation of the Lessee to make such payments shall remain in effect and be binding upon the Lessee notwithstanding the release and discharge of the Indenture.

The Lessee and the Issuer each covenants to the owners of the Bonds that, notwithstanding any other provision of this Agreement or any other instrument, it shall take no action, nor shall the

Lessee direct the Trustee to take or approve the Trustee's taking any action or direct the Trustee to make or approve the Trustee's making any investment or use of proceeds of the Bonds or any other moneys which may arise out of or in connection with this Agreement, the Indenture or the Project, which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code. In addition, the Lessee covenants and agrees to comply with the requirements of Section 148(f) of the Code as it may be applicable to the Bonds or the proceeds derived from the sale of the Bonds or any other moneys which may arise out of, or in connection with, this Agreement, the Indenture or the Project throughout the term of the Bonds. No provision of this Agreement shall be construed to impose upon the Trustee any obligation or responsibility for compliance with arbitrage regulations, except as provided in the Indenture.

Section 3.9 Ad Valorem Property Taxes. The parties acknowledge that under the existing provisions of K.S.A. 79-201a, as amended, the property acquired, constructed or purchased with the proceeds of the Bonds (except such property used for certain retail uses) is eligible to receive exemption from *ad valorem* taxation for a period up to 10 calendar years after the calendar year in which the Bonds are issued, provided the Issuer has complied with certain notice, hearing and procedural requirements established by law, and proper application has been made. The Issuer represents that such notice, hearing and procedural requirements will have been complied with at the Issue Date. The Issuer will, at the Lessee's request, with information furnished by Lessee and the Trustee make all necessary filings regarding the application for 100% *ad valorem* tax exemption for the full 10-year period in the calendar year following the calendar year in which the Bonds were issued, and will renew said application from time to time and take any other action as may be necessary to maintain such *ad valorem* tax exemption in full force and effect, in accordance with K.S.A. 79-201a, 79-210 *et seq.* and the requirements of the State Board of Tax Appeals. If it becomes necessary to litigate the issue of availability or applicability of the *ad valorem* tax exemption, the Issuer will cooperate fully with Lessee in pursuing such litigation, but all litigation costs and reasonable attorney fees must be paid by Lessee, either directly or as additional rent.

Section 3.10 Payment in Lieu of Taxes. The parties acknowledge that only the portion of the Lessee's manufacturing facility financed with the proceeds of the Bonds is eligible for an *ad valorem* tax exemption. To the extent any portion of the Lessee's existing manufacturing facility, other than such Bond-financed improvements, is removed from the tax rolls by the Crawford County Appraiser, Lessee agrees to pay to the Issuer payments in lieu of taxes equal to the taxes which would have been payable on such portion of the facility. The total amount of such payments shall be determined in the same manner and according to the same statutory procedure as general *ad valorem* taxes, using the valuations determined by the Crawford County Appraiser's office. Such payments shall be distributed to all applicable taxing subdivisions in Crawford County as provided in K.S.A. 12-1742.

ARTICLE IV LEASE BY ISSUER; LEASE PAYMENTS AND ADDITIONAL PAYMENTS; SPECIAL COVENANTS

Section 4.1 Lease Payments. Upon the terms and conditions of this Agreement, the Issuer hereby leases the Project to the Lessee, and the Lessee hereby leases the Project from the Issuer. The Lessee shall make, as Lease Payments, payments in an amount equal to the aggregate principal amount of the Bonds from time to time outstanding, and the premium, if any, and interest thereon, all as more particularly provided in Exhibit D hereto and any supplement thereto. All such

Lease Payments shall be paid to the Trustee in accordance with the terms of Exhibit D for the account of the Issuer and shall be held and applied in accordance with the provisions of the Indenture and this Agreement. Any amount credited under the Indenture against any payment required to be made by the Issuer thereunder shall be credited against the corresponding payment otherwise required to be made by the Lessee hereunder.

In connection with the issuance of any Additional Bonds, the Lessee shall execute and deliver to the Trustee one or more amendments to this Agreement. All such amendments shall:

- (a) provide for payments of interest equal to the payments of interest on the corresponding Additional Bonds;
- (b) require payments of principal and redemption payments and any premium equal to the payments of principal, prepayments and sinking fund payments and any premium on the corresponding Additional Bonds;
- (c) require all payments to be made no later than the due dates for the corresponding payments to be made on the corresponding Additional Bonds; and
- (d) contain by reference or otherwise optional and mandatory redemption provisions and provisions in respect of the optional and mandatory acceleration or prepayment of principal and any premium corresponding with the redemption and acceleration provisions of the corresponding Additional Bonds.

All such amendments shall secure equally and ratably all outstanding Bonds, except that, so long as no Event of Default described in Section 10.1 of the Indenture has occurred and is subsisting, payments by the Lessee under any of the lease amendments shall be used by the Trustee to reimburse the Original Purchaser for payment of Bond Service Charges on the corresponding Bonds in connection with which such amendments were delivered and shall constitute Lease Payments made in respect of the related Bonds.

Except for such interest of the Lessee and the Original Purchaser as may hereafter arise pursuant to Section 8.2 hereof or Section 2.13 of the Indenture, and except as otherwise provided herein or in the Indenture, the Original Purchaser, by purchasing the Bonds, the Lessee and the Issuer each acknowledge that neither the Lessee, the Original Purchaser nor the Issuer has any interest in the Bond Fund and any moneys deposited therein shall be in the custody of and held by the Trustee in trust for the benefit of the Holders.

Section 4.2 Options to Purchase. The Lessee has an option to purchase the Project prior to the expiration of the term of this Lease and prior to the full payment of the Bonds or provisions for payment thereof having been made in accordance with the events which permit the Bonds to be called for redemption pursuant to Article 4 of the Indenture. To exercise its option, the Lessee must, within ninety (90) days following the event authorizing the exercise of such option, or at any time during the continuation of the commercial frustration of purpose, give written notice to the Issuer and to the Trustee if any of the Bonds shall then be unpaid, and specify the date of closing such purchase (not less than forty-five (45) nor more than ninety (90) days from the date the notice is mailed), and in case of a redemption of the Bonds in accordance with the provisions of the Indenture make arrangements satisfactory to the Trustee for the giving of the required notice of

redemption, in which arrangements the Issuer must cooperate. The purchase price payable by the Lessee shall be the sum of the following: (1) an amount of money which, when added to the moneys and investments held to the credit of the Bond Fund, will be sufficient pursuant to the provisions of Article 9 of the Indenture to pay and discharge all of the then outstanding Bonds on the first possible date for redemption, (2) an amount of money equal to the Trustee's and paying agents' fees and expenses under the Indenture accrued and to accrue until such final payment and redemption of the Bonds, plus (3) any expenses incurred by the Issuer under the Lease and not theretofore paid, plus (4) the sum of ten dollars (\$10.00). The Lessee also has an option to purchase the Project within 180 days after the expiration of the term of the Lease and following full payment of the Bonds, or provision for payment thereof having been made in accordance with the provisions of the Indenture, for a price of ten dollars (\$10.00). The Issuer shall thereupon execute a deed and bill of sale reconveying the Project and the Project Site to the Lessee.

Upon an exercise of Lessee's option to purchase, the Issuer shall convey title by special warranty deed or bill of sale, as appropriate, subject to those liens and encumbrances to which title was subject on the date of conveyance to the Issuer or to which title became subject with the Lessee's written consent, or which resulted from any failure of the Lessee to perform any of its covenants or obligations under the Lease, taxes and assessments, general and special, if any, and the rights of any party having condemned or who is attempting to condemn title to, or for the use for a limited period of, all or any part of the Project.

Section 4.3 Additional Payments. The Lessee shall pay to the Issuer, as Additional Payments hereunder, any and all costs and expenses incurred or to be paid by the Issuer in connection with the issuance and delivery of the Bonds and Additional Bonds or otherwise related to actions taken by the Issuer under this Agreement or the Indenture.

The Lessee shall pay to the Trustee, the Registrar and any Paying Agent or Authenticating Agent, their reasonable fees, charges and expenses for acting as such under the Indenture.

Any payments under this Section not paid when due shall bear interest at the Default Rate.

Section 4.4 Place of Payments. The Lessee shall make all Lease Payments directly to the Trustee at its corporate trust office. Additional Payments shall be made directly to the person or entity to whom or to which they are due.

Section 4.5 Obligations Unconditional. The obligations of the Lessee to make Lease Payments and Additional Payments shall be absolute and unconditional, and the Lessee shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Lessee may have or assert against the Issuer, the Original Purchaser, the Trustee, the or any other Person.

Section 4.6 Assignment of Agreement and Pledged Revenues. To secure the payment of Bond Service Charges, the Issuer shall assign to the Trustee, by the Indenture, its rights under and interest in this Agreement (except for the Unassigned Issuer's Rights) and the Pledged Revenues. The Lessee hereby agrees and consents to those assignments.

Section 4.7 Special Covenants.

The Lessee agrees to obtain, prior to Closing, and thereafter, with respect to the coverages required under subsections (b), (c) and (d), maintain the following insurance during the term of this Agreement at its cost and expense:

(a) A leasehold loan title insurance policy in favor of the Original Purchaser and an owner's title insurance policy in favor of the Issuer in respect of the Project without any exceptions except as are acceptable to the Issuer and the Original Purchaser, for an amount not less than the fair market value of the Project Site.

(b) Insurance against loss and/or damage to the Project, including all improvements situated upon the Project Site and equipment therein, covering such risks as are ordinarily insured against by similar business operations, including, without limiting the generality of the foregoing, fire, lightning, windstorm, hail, explosion, riots, civil commotion, and uniform standard extended coverage and vandalism and malicious mischief endorsements, limited only as may be provided in the standard form of such endorsements at the time in use in the State. Such insurance shall also cover the Project during the period of acquisition, construction, installation, equipping and improvement thereof; provided, that to the extent that any contractor shall provide a duplicate insurance policy or a builder's risk policy or certificate of insurance showing that the same coverage as herein provided for by this subparagraph (b) with respect to the Project or a part thereof is provided by such contractor, such insurance shall not be required for such construction period with respect to the Project or such part thereof while the Project or such part thereof is so covered by other insurance. Such insurance shall not be for an amount lower than the lower of: (A) the aggregate principal amount of outstanding Bonds or (B) 100 percent of the insurable replacement value of the Project. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence. The net proceeds of any recovery received by reason of such insurance shall be applied as provided therein unless the factors set forth in Section 6.2(a) hereof shall cause the Lessee to elect to undertake an extraordinary optional redemption in which event such net proceeds shall be used in connection with such redemption. The Issuer and the Trustee shall be named as additional insureds.

(c) Comprehensive general public liability insurance, including automobile insurance, protecting the Issuer, the Trustee, the Original Purchaser and the Lessee as their interests may appear against liability for injuries to persons and/or property occurring on, in or about the Project in such amounts and with such deductibles as are required in the Credit Agreement. Such insurance shall also cover the Project during the construction of any part thereof; provided that, to the extent that any contractor for such construction or acquisition shall provide a duplicate insurance policy or a builder's risk policy or certificate of insurance showing that the same coverage as is hereby required is being carried by such contractor with respect to the Project or a part thereof and adequately protects the interest of the Issuer, the Trustee, the Original Purchaser and the Lessee, the insurance provided for by this subparagraph (c) shall not be required with respect to the Project or such part thereof while the Project or such part thereof is so covered by such other insurance.

(d) If the Project is in an area which has been, or is at any time during the term of this Agreement, identified by the Secretary of Housing and Urban Development (or a like successor agency) as having special flood or mud slide hazards, and in which area the sale of flood

insurance has been made available under The National Flood Insurance Act of 1968, flood insurance shall be provided in an amount not less than the lesser of the aggregate amount of (A) the aggregate principal amount of the outstanding Bonds or (B) 100 percent of the insurable replacement value of the Project. If the Project is not in the area identified as having special flood or mud slide hazards, the Lessee shall provide evidence of same in the form of an engineer's certificate to the Issuer and, upon so doing, shall be considered to have sufficiently complied with this Section.

(e) On Closing and thereafter prior to the expiration date of each policy, any broker providing such insurance to the Lessee shall provide to the Issuer certificates as to the existence of the insurance required by this Section.

(f) In the event the Lessee shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Project in as reasonably safe condition as its operating condition will permit, or shall fail to keep the Project in good repair and good operating condition, the Issuer or the Trustee may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or, if repairs are not made by Lessee within thirty (30) days after written notice from the Issuer or Trustee, make the required repairs, renewals and replacements; and all amounts advanced therefor by the Trustee shall become an additional obligation of the Lessee to the one making the advance, which amounts the Lessee agrees to pay on demand together with interest thereon at the Default Rate.

ARTICLE V ADDITIONAL AGREEMENTS AND COVENANTS

Section 5.1 Right of Inspection. Subject to reasonable security and safety regulations and upon reasonable notice, the Issuer and the Original Purchaser, and their respective agents, shall have the right during normal business hours to inspect the Project.

Section 5.2 Sale, Lease or Grant of Use by Lessee. The Lessee shall not assign or sublease the Project without the prior written consent of the Issuer, which consent shall not be unreasonably withheld; provided, however, such assignment shall not include an assignment of the ad valorem tax abatement unless specifically approved by the Issuer and in the event the written consent of the Issuer is obtained, such assignment or subletting may be done, provided that:

(a) No such assignment or sublease shall relieve the Lessee from its obligations under this Agreement, the Bond Purchase Agreement, or the Credit Agreement;

(b) In connection with any such assignment or sublease the Lessee shall retain such rights and interests as will permit it to comply with its obligations under this Agreement, the Bond Purchase Agreement, and the Credit Agreement;

(c) No such assignment or sublease of the Project shall impair materially the purposes of the Act to be accomplished by operation of the Project as herein provided;

(d) All such assignments or subleases shall be subject to the terms and conditions of this Agreement, including, without limitation, those provisions with respect to the maintenance and operations of the Project; and

(e) No such assignment or sublease of the Project shall cause interest on the Bonds to be includible in gross income for Federal income tax purposes.

Section 5.3 Indemnification. The Lessee releases the Issuer and the Trustee from, agrees that the Issuer and the Trustee shall not be liable for, and shall indemnify the Issuer and the Trustee against, all liabilities, claims, costs and expenses, including attorneys' fees and expenses, imposed upon, incurred or asserted against the Issuer or the Trustee on account of: (a) any loss or damage to property or injury to or death of or loss by any person that may be occasioned by any cause whatsoever pertaining to the acquisition, construction, installation, equipping, maintenance, operation or use of the Project; (b) any breach or default on the part of the Lessee in the performance of any covenant or agreement of the Lessee under this Agreement, the Credit Agreement, the In Lieu of Agreement, the Bond Purchase Agreement, the Mortgage, the Security Agreement or any related document, or arising from any act or failure to act by the Lessee, or any of the Lessee's agents, contractors, servants, employees or licensees; (c) the authorization, issuance, sale, trading, redemption or servicing of the Bonds, and the provision of any information or certification furnished in connection therewith concerning the Bonds, the Project, the Lessee including, without limitation, the Official Statement (as defined in the Bond Purchase Agreement), any information furnished by the Lessee for, and included in, or used as a basis for preparation of, any certifications, information statements or reports furnished by the Issuer, and any other information or certification obtained from the Lessee to assure the exclusion of the interest on the Bonds from gross income of the Holders thereof for federal income tax purposes; (d) the Lessee's failure to comply with any requirement of this Agreement or the Code pertaining to such exclusion of that interest, including the covenants in Section 5.4 hereof; and (e) any claim, action or proceeding brought with respect to the matters set forth in (a), (b), (c), or (d) above.

The Lessee agrees to indemnify the Trustee for, and to hold it harmless against, all liabilities, claims, costs and expenses incurred without negligence or willful misconduct on the part of the Trustee on account of any action taken or omitted to be taken by the Trustee in accordance with the terms of this Agreement, the Bonds, the Credit Agreement, or the Indenture, or any action taken at the request of or with the consent of the Lessee, including the costs and expenses of the Trustee in defending itself against any such claim, action or proceeding brought in connection with the exercise or performance of any of its powers or duties under this Agreement, the Bonds, the Indenture, or the Credit Agreement.

Lessee's obligations under this Section 5.3 shall not apply to any losses, claims, damages, liabilities or related expenses arising from (a) any unexcused breach by the Issuer or the Trustee of its obligations under this Agreement, or (b) the negligence or willful misconduct of the Issuer or Trustee.

In case any action or proceeding is brought against the Issuer or the Trustee in respect of which indemnity may be sought hereunder, the party seeking indemnity promptly shall give notice of that action or proceeding to the Lessee, and the Lessee upon receipt of that notice shall have the obligation and the right to assume the defense of the action or proceeding; provided, that failure of a party to give that notice shall not relieve the Lessee from any of the Lessee's obligations under this Section unless that failure materially prejudices the defense of the action or proceeding by the Lessee. An indemnified party at its own expense may employ separate counsel and participate in the defense. The Lessee shall not be liable for any settlement made without the Lessee's consent.

The indemnification set forth above is intended to and shall include the indemnification of all affected officials, directors, officers and employees of the Issuer and the Trustee, respectively. That indemnification is intended to and shall be enforceable by the Issuer and the Trustee, respectively, to the full extent permitted by law.

Section 5.4 Lessee Not to Adversely Affect Exclusion from Gross Income of Interest on Bonds. The Lessee hereby represents that the Lessee has taken and caused to be taken, and covenants that the Lessee will take and cause to be taken, all actions that may be required of the Lessee, alone or in conjunction with the Issuer for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and represents that the Lessee has not taken or permitted to be taken on the Lessee's behalf, and covenants that the Lessee will not take or permit to be taken on the Lessee's behalf, any actions that would adversely affect such exclusion under the provisions of the Code.

Section 5.5 Assignment by Issuer. Except for the assignment of this Agreement to the Trustee, the Issuer shall not attempt to further assign, transfer or convey its interest in the Pledged Revenues or this Agreement or create any pledge or lien of any form or nature with respect to the Pledged Revenues or the payments hereunder.

Section 5.6 Lessee's Performance Under Indenture. The Lessee has examined the Indenture and approves the form and substance of, and agrees to be bound by, its terms. The Lessee, for the benefit of the Issuer and each Bondholder, shall do and perform all acts and things required or contemplated in the Indenture to be done or performed by the Lessee. The Lessee is a third party beneficiary of certain provisions of the Indenture, and Section 5.5 of the Indenture is hereby incorporated herein by reference.

Section 5.7 Compliance with Laws. The Lessee shall, throughout the term of this Agreement, promptly comply or cause compliance in all material respects with all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Project or to the repair and alteration thereof, or to the use or manner of use of the Project or to the Lessee's and any lessee's operations on the Project Site. Notwithstanding the foregoing, the Lessee shall have the right to contest or cause to be contested the legality or the applicability of any such law, ordinance, order, rule, regulation or requirement so long as, in the opinion of counsel satisfactory to the Trustee and the Original Purchaser, such contest shall not in any way materially adversely affect or impair the obligations of the Lessee hereunder or any right or interest of the Trustee or the Original Purchaser in, to and under the Indenture or this Agreement.

Section 5.8 Taxes, Permits, Utility and Other Charges. The Lessee shall pay and discharge or cause to be paid and discharged, promptly as and when the same shall become due and payable, all taxes and governmental charges of any kind whatsoever that may be lawfully assessed against the Issuer, the Trustee, the Original Purchaser or the Lessee with respect to the Project or any portion thereof. The Lessee may in good faith contest or cause to be contested any such tax or governmental charge, and in such event may permit such tax or governmental charge to remain unsatisfied during the period of such contest and may appeal therefrom unless in the opinion of counsel satisfactory to the Trustee and the Original Purchaser by such action any right or interest of the Trustee or the Original Purchaser in, to and under the Indenture or this Agreement shall be materially endangered or the Project or any part thereof, shall become subject to imminent loss or forfeiture, in which event such tax or governmental charge shall be paid prior to any such loss or

forfeiture. The Lessee shall procure or cause to be procured any and all necessary building permits, other permits, licenses and other authorizations required for the lawful and proper acquisition, construction and installation of the property comprising the Project and for the lawful and proper use and operation of the Project.

Section 5.9 Lessee to Maintain its Existence; Conditions Under Which Exceptions Permitted. The Lessee agrees that during the term of this Agreement it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it; provided that the Lessee may, without violating the Lease, consolidate with or merge into another United States corporation, or permit one or more other corporations to consolidate with or merge into it or sell or otherwise transfer to another United States corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided that (i) if the surviving, resulting, or transferee corporation or corporations, as the case may be, are other than the Lessee, such surviving, resulting, or transferee corporation or corporations shall assume in writing all of the obligations of the Lessee, and (ii) the surviving, resulting or transferee corporation or corporations have shareholders' equity (calculated in accordance with current and generally accepted accounting principles) of not less than that of the Lessee immediately prior to such dissolution, disposition, consolidation or merger, and (iii) the surviving, resulting or transferee corporation or corporations are corporations either organized under the laws of the State and duly qualified to do business therein, or duly qualified to do business in the State as foreign corporations; provided, however, that this Lease shall not be assigned to such surviving, resulting, or transferee corporation or corporations without the prior written consent of the Issuer, which consent shall not be unreasonably withheld.

If a merger, consolidation, sale or other transfer of assets of the Lessee is made as permitted by this Section, the provisions of this Section shall continue in full force and effect and no further merger, consolidation, sale or other transfer shall be made except in compliance with the provisions of this Section.

Section 5.10 Books and Records. The books of account of the Lessee have been kept and maintained in accordance with generally accepted accounting principles applied on a consistent basis. The books of account properly accrue all receivables due to and payable due from the Lessee, and all contingent liabilities have been properly accrued, if applicable, and disclosed.

Section 5.11 Litigation Notice. The Lessee shall give the Issuer, the Trustee and the Original Purchaser prompt notice of any action, suit or proceeding by it or against it at law or in equity, or before any governmental instrumentality or agency, or of any of the same which may be threatened, which if adversely determined, would materially impair the right of the Lessee to carry on the business which is contemplated in connection with the Project, or would materially and adversely affect its business, operations, properties, assets or condition.

Section 5.12 Lessee's Approval of Indenture. The Indenture has been submitted to the Lessee, and the Lessee acknowledges, by the execution of this Agreement, that it has approved the Indenture and agrees to be bound by its terms.

Section 5.13 Maintenance of Project. As further provided in the Mortgage and the Security Agreement, the Lessee shall keep and maintain or cause to be kept and maintained the

Project in good order and condition and in rentable and tenantable state of repair, and will make or cause to be made, as and when necessary, all repairs, renewals and replacements, structural and nonstructural, exterior and interior, ordinary and extraordinary, foreseen and unforeseen, provided the Lessee shall not be responsible for maintenance, repairs and replacements required due to damage caused by the Issuer, the Trustee or the Original Purchaser. The Lessee shall abstain from and shall not permit the commission of waste in, of or about the Project.

Section 5.14 Environmental Use of Project. The Lessee shall not use the Project in any manner so as to violate any applicable law, rule, regulation or ordinance of any governmental body or in such manner as to vitiate insurance upon the Project. The Lessee shall not commit or permit any waste upon the Project which would materially decrease the value of the Project. The Lessee shall comply in all material respects with all regulations concerning the environment, health and safety relating to the generation, use, handling, production, disposal, discharge and storage of Hazardous Materials, as defined herein, in, on, under or about the Project. The Lessee shall take such actions as all applicable laws, rules, regulations, or ordinances may require in response to the discharge of any Hazardous Materials in, on, under or about the Project by the Lessee or persons acting on behalf of or at the direction of the Lessee; provided, however, that the Lessee shall not, without the Issuer's prior written consent, enter into any settlement agreement, consent decree, or other compromise in respect to any claims, proceedings, lawsuits or actions, if such settlement, consent or compromise might materially impair the value of the Project. In the event the Lessee undertakes any remedial action with respect to any Hazardous Materials on, under or about the Project, the Lessee shall notify the Issuer of any such remedial action, within a reasonable time, and shall conduct and complete such remedial action in compliance with all applicable federal, state and local laws, regulations, rules and ordinances and in accordance with orders and directives of all federal, state and local governmental authorities directed to the Lessee regarding said remedial action.

The Lessee shall protect, indemnify and hold the Issuer, the Original Purchaser, and the Trustee, their respective directors, officers, members, officials, employees and agents, harmless from and against any and all claims, proceedings, lawsuits, liabilities, damages, losses, fines, penalties, judgments, settlements, awards, and reasonable out of pocket costs and expenses (including, without limitation, reasonable attorney's fees and costs and expenses of investigation and proof) which arise out of or relate in any way to any generation, use, handling, production, transportation, disposal or storage of any Hazardous Materials in, on, under or about the Project by the Lessee or any person acting on behalf of or at the direction of the Lessee, including, without limitation: (a) all foreseeable and all unforeseeable consequential damages directly or indirectly arising out of (i) the use, generation, storage, discharge or disposal of Hazardous Materials by the Lessee, or persons acting on behalf of or at the direction of the Lessee, (ii) any residual contamination arising from the Lessee's use of the Project affecting any natural resource or the environment, or (iii) the existence of Hazardous Materials on or about the Project prior to or at commencement of this Agreement, and (b) the costs of any required or necessary repair, cleanup or detoxification of the Project and the preparation of any closure or other required plans (all such costs, damages and expenses herein referred to as "Expenses"). Lessee's obligations under this Section 5.14 shall not apply to any losses, claims, damages, liabilities or related expenses arising from the negligence or misconduct of the Issuer, the Original Purchaser, or the Trustee. The indemnification of the Issuer, the Original Purchaser, and the Trustee by the Lessee shall be a continuing indemnification and shall remain in full force and effect notwithstanding the expiration or termination of this Agreement.

As used herein, the term Hazardous Materials shall mean: (a) oil, flammable substances, explosives, radioactive materials, or any other substances, materials or pollutants which are defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" or words of similar import under any applicable local, state or federal law or under the regulations, promulgated pursuant thereto, including, but not limited to: (A) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended 42 U.S.C. 9601, et seq.; (B) the Hazardous Materials Transportation Act, as amended, 49 U.S.C. 1801, et seq.; (C) the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6901, et seq.; (D) the Clean Air Act, 15 U.S.C. 2601, et seq., and amendments thereto; (E) the Clean Water Act, 33 U.S.C. 1317 and 1321(b)(2)A; (b) asbestos in any form which is friable, urea formaldehyde foam insulation, and (c) any other chemical, material or substance, the presence of which requires remediation under federal, state or local law.

The provisions of this Section shall survive the termination of this Agreement.

ARTICLE VI REDEMPTION OF BONDS

Section 6.1 Optional Redemption. Provided no Event of Default shall have occurred and be continuing at any time and from time to time, the Lessee may deliver moneys to the Trustee in addition to Lease Payments or Additional Payments required to be made and direct the Trustee to use the moneys so delivered for the purpose of purchasing Bonds or used to redeem Bonds called for optional redemption in accordance with the applicable provisions of the Indenture.

Section 6.2 Extraordinary Optional Redemption. The Lessee shall have, subject to the conditions hereinafter imposed, the option to direct the redemption, at a redemption price of 100% of principal amount and accrued interest, of the entire unpaid principal balance of the Bonds in accordance with the applicable provisions of the Indenture upon the occurrence of any of the following events:

(a) The Project shall have been damaged or destroyed to such an extent that (1) it cannot reasonably be expected to be restored, within a period of three months, to the condition thereof immediately preceding such damage or destruction or (2) its normal use and operation is reasonably expected to be prevented for a period of three consecutive months;

(b) Title to, or the temporary use of, all or a significant part of the Project shall have been taken under the exercise of the power of eminent domain (1) to such extent that the Project cannot reasonably be expected to be restored within a period of three months to a condition of usefulness comparable to that existing prior to the taking or (2) as a result of the taking, normal use and operation of the Project is reasonably expected to be prevented for a period of three consecutive months;

(c) As a result of any changes in the Constitution of the State, the Constitution of the United States of America, or state or federal laws, or as a result of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Issuer, the Trustee or the Lessee in good faith, this Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in this

Agreement, or if unreasonable burdens or excessive liabilities shall have been imposed with respect to the Project or the operation thereof, including, without limitation, federal, state or other ad valorem, property, income or other taxes not being imposed on the date of this Agreement other than ad valorem taxes presently levied upon privately owned property used for the same general purpose as the Project; or

(d) Changes in the economic availability of raw materials, operating supplies, energy sources or supplies, or facilities (including, but not limited to, facilities in connection with the disposal of industrial wastes) necessary for the operation of the Project shall have occurred or technological or other changes shall have occurred which the Lessee cannot reasonably overcome or control and which in the Lessee's reasonable judgment render the operation of the Project uneconomic.

The Lessee also shall have the option, in the event that title to or the temporary use of a portion of the Project shall be taken under the exercise of the power of eminent domain, even if the taking is not of such nature as to permit the exercise of the redemption option upon an event specified in clause (b) above, to direct the redemption, at a redemption price of 100% of the principal amount thereof prepaid, plus accrued interest to the redemption date, of that part of the outstanding principal balance of the Bonds as may be payable from the proceeds received by the Lessee (after the payment of costs and expenses incurred in the collection thereof) in the eminent domain proceeding, provided that the Lessee shall furnish to the Issuer and the Trustee a certificate of an Engineer stating that (1) the property comprising the part of the Project taken is not essential to continued operations of the Project in the manner existing prior to that taking, (2) the Project has been restored to a condition substantially equivalent to that existing prior to the taking, or (3) other improvements have been acquired or made which are suitable for the continued operation of the Project.

To exercise any option under this Section, the Lessee within 90 days following the event authorizing the exercise of that option, or at any time during the continuation of the condition referred to in clause (d) of the first paragraph of this Section, shall give notice to the Issuer and to the Trustee specifying the date of redemption, which date shall be not more than 90 days from the date that notice is mailed, and shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption.

The rights and options granted to the Lessee in this Section may be exercised whether or not the Lessee is in default hereunder; provided, that such default will not relieve the Lessee from performing those actions which are necessary to exercise any such right or option granted hereunder.

Section 6.3 Mandatory Redemption of Bonds. If, as provided in the Bonds and the Indenture, the Bonds become subject to mandatory redemption, upon the date requested by the Trustee, moneys sufficient to pay in full the Bonds in accordance with the mandatory redemption provisions relating thereto set forth in the Indenture.

Section 6.4 Actions by Issuer. At the request of the Lessee or the Trustee, the Issuer shall take all steps reasonably required of it under the applicable provisions of the Indenture or the Bonds to effect the redemption of all or a portion of the Bonds pursuant to this Article IV.

Section 6.5 Required Deposits for Optional Redemption. Except with the prior written consent of the Original Purchaser, the Trustee shall not give notice of call to the Holders pursuant to the optional redemption provisions of Section 3.2 of the Indenture and Sections 6.1 and 6.2 hereof unless, prior to the date by which the call notice is to be given there shall be on deposit with the Trustee, Eligible Funds sufficient to redeem at the redemption price thereof, including premium (if any) and interest accrued to the redemption date, all Bonds for which notice of redemption is to be given.

All amounts paid by the Lessee pursuant to this Article which are used to pay principal of, premium, if any, or interest on the Bonds, shall constitute prepaid Lease Payments.

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default. Each of the following shall be an Event of Default:

(a) The Lessee shall fail to observe and perform any agreement, term or condition contained in this Agreement, and the continuation of such failure for a period of 30 days after notice thereof shall have been given to the Lessee by the Issuer or the Trustee, or for such longer period as the Issuer and the Trustee may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, that failure shall not constitute an Event of Default so long as the Lessee institutes curative action within the applicable period and diligently pursues that action to completion; and provided further that no such failure shall constitute an Event of Default solely because it results in a Determination of Taxability;

(b) The Lessee shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for 90 days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property;

(c) There shall occur an "Event of Default" as defined in Section 10.1 of the Indenture.

Notwithstanding the foregoing, if, by reason of Force Majeure, the Lessee is unable to perform or observe any agreement, term or condition hereof which would give rise to an Event of Default under subsection (a) hereof (provided that such failure is other than the payment of money), the Lessee shall not be deemed in default during the continuance of such inability. However, the Lessee shall promptly give notice to the Trustee and the Issuer of the existence of an event of Force Majeure and shall use its best efforts to remove the effects thereof; provided that the settlement of strikes or other industrial disturbances shall be entirely within the Lessee's discretion.

The term Force Majeure shall mean, without limitation, the following:

(i) acts of God; strikes; lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; droughts; floods; arrests; restraint of government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or

(ii) any cause, circumstance or event not reasonably within the control of the Lessee.

The declaration of an Event of Default under subsection (b) above, and the exercise of remedies upon any such declaration, shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding that declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 7.2 Remedies on Default. Whenever an Event of Default shall have happened and be continuing, any one or more of the following remedial steps may be taken:

(a) If and only if acceleration of the principal amount of the Bonds has been declared pursuant to Section 10.2 of the Indenture, the Trustee shall declare all Lease Payments to be immediately due and payable, whereupon the same shall become immediately due and payable;

(b) The Original Purchaser or the Trustee may have access to, inspect, examine and make copies of the books, records, accounts and financial data of the Lessee pertaining to the Project; and

(c) The Issuer or the Trustee may pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under this Agreement, or to enforce the performance and observance of any other obligation or agreement of the Lessee under those instruments.

Notwithstanding the foregoing, the Issuer shall not be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a satisfactory indemnity bond has been furnished to the Issuer at no cost or expense to the Issuer. Any amounts collected as Lease Payments or applicable to Lease Payments and any other amounts which would be applicable to payment of Bond Service Charges collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture or, if the outstanding Bonds have been paid and discharged in accordance with the provisions of the Indenture, shall be paid as provided in Section 7.3 of the Indenture for transfers of remaining amounts in the Bond Fund.

The provisions of this section are subject to the further limitation that the rescission by the Trustee of its declaration that all of the Bonds are immediately due and payable also shall constitute an annulment of any corresponding declaration made pursuant to paragraph (a) of this Section and a waiver and rescission of the consequences of that declaration and of the Event of Default with

respect to which that declaration has been made, provided that no such waiver or rescission shall extend to or affect any subsequent or other default or impair any right consequent thereon.

Section 7.3 No Remedy Exclusive. No remedy conferred upon or reserved to the Issuer or the Trustee by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair that right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than any notice required by law or for which express provision is made herein.

Section 7.4 Agreement to Pay Attorneys' Fees and Expenses. If an Event of Default should occur and the Issuer or the Trustee should incur expenses, including attorneys' fees, in connection with the enforcement of this Agreement, or the collection of sums due thereunder, the Lessee shall reimburse the Issuer and the Trustee, as applicable, for the reasonable expenses so incurred upon demand.

Section 7.5 No Waiver. No failure by the Issuer or the Trustee to insist upon the strict performance by the Lessee of any provision hereof shall constitute a waiver of their right to strict performance and no express waiver shall be deemed to apply to any other existing or subsequent right to remedy the failure by the Lessee to observe or comply with any provision hereof.

ARTICLE VIII MISCELLANEOUS

Section 8.1 Term of Agreement. This Agreement shall be and remain in full force and effect from the date of initial delivery of the Bonds until such time as all of the Bonds shall have been fully paid (or provision made for such payment) pursuant to the Indenture and all other sums payable by the Lessee under this Agreement shall have been paid, except for obligations of the Lessee under Sections 3.8, 4.2 and 5.3 hereof, which shall survive any termination of this Agreement.

Section 8.2 Amounts Remaining in Funds. Any amounts in the Bond Fund remaining unclaimed by the Holders of Bonds for four (4) years after the due date thereof (whether at stated maturity, by redemption or pursuant to any mandatory sinking fund requirements or otherwise) shall be deemed to belong to and shall be paid, at the written request of the Lessee, to the Lessee by the Trustee as overpayment of Lease Payments, except that such amounts shall be paid first to the Original Purchaser to the extent of any amount then owing from the Lessee to the Original Purchaser under the Credit Agreement. With respect to that principal of and interest on the Bonds to be paid from moneys paid to the Lessee or the Original Purchaser pursuant to the preceding sentence, the Holders of the Bonds entitled to those moneys shall look solely to the Lessee for the payment of those moneys. Further, except as provided in the Indenture, any amounts remaining in the Bond Fund, the Project Fund and any other special funds or accounts created under this Agreement or the Indenture after all of the outstanding Bonds shall be deemed to have been paid and discharged under the provisions of the Indenture and all other amounts required to be paid under this Agreement, the Credit Agreement, and the Indenture have been paid, shall be paid to the

Lessee to the extent that those moneys are in excess of the amounts necessary to effect the payment and discharge of the outstanding Bonds.

Section 8.3 Notices. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid, and addressed to the appropriate Notice Address. A duplicate copy of each notice, certificate, request or other communication given hereunder to the Issuer, the Lessee, the Original Purchaser, or the Trustee shall also be given to the others. The Lessee, the Issuer, the Original Purchaser, and the Trustee, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 8.4 Extent of Covenants of the Issuer; No Personal Liability. All covenants, obligations and agreements of the Issuer contained in this Agreement or the Indenture shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future member, officer, agent or employee of the Issuer or the Issuing Authority in other than his official capacity, and neither the members of the Issuing Authority nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, obligations or agreements of the Issuer contained in this Agreement or in the Indenture.

Section 8.5 Binding Effect. This Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the Issuer, the Lessee and their respective successors and assigns; provided that this Agreement may not be assigned by the Lessee (except in connection with a sale or sublease pursuant to Section 5.2 hereof) and may not be assigned by the Issuer except to the Trustee pursuant to the Indenture or as otherwise may be necessary to enforce or secure payment of Bond Service Charges. This Agreement may be enforced only by the parties, their assignees and others who may, by law, stand in their respective places.

Section 8.6 Amendments and Supplements. Except as otherwise expressly provided in this Agreement or the Indenture, subsequent to the issuance of the Bonds and prior to all conditions provided for in the Indenture for release of the Indenture having been met, this Agreement may not be effectively amended, changed, modified, altered or terminated except in accordance with the applicable provisions of Article 13 of the Indenture.

Section 8.7 Execution Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

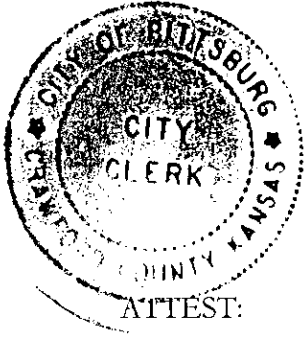
Section 8.8 Severability. If any provision of this Agreement, or any covenant, obligation or agreement contained herein, is determined by a court of competent jurisdiction to be invalid or unenforceable, that determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each such provision, covenant, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 8.9 Governing Law. This Agreement shall be deemed to be a contract made under the laws of the State and for all purposes shall be governed by and construed in accordance with the laws of the State.

Section 8.10 Effective Date. Although dated as of January 1, 2017, the effective date of this Agreement shall be [January 25, 2017].

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IN WITNESS WHEREOF, the Issuer and the Lessee have caused this Agreement to be duly executed in their respective names, all as of the date first above written.



CITY OF PITTSBURG, KANSAS

By John Kettermen
John Kettermen, Mayor

By Tammy Nagel
Tammy Nagel, City Clerk

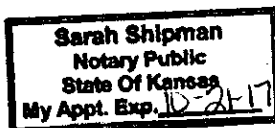
STATE OF KANSAS)
) SS:
COUNTY OF CRAWFORD)

I, the undersigned, Notary Public in and for the State and County aforesaid, do hereby certify that on the 10 day of January, 2017, the foregoing instrument (including Exhibits A, B and C attached) was produced to me in said County by John Kettermen and Tammy Nagel, personally known to me and personally known by me to be the Mayor and City Clerk of the City of Pittsburg, Kansas, respectively and acknowledged by them to be their free act and deed as Mayor and City Clerk, respectively, of said Issuer and the free act and deed of said Issuer as authorized by an ordinance of said Issuer.

Witness my hand this 10th day of January, 2017.

My Commission expires: 10-21-17.

[SEAL]



Sarah Shipman
(signature) NOTARY PUBLIC
Sarah Shipman
(print name)

KENDALL PACKAGING CORPORATION

By: _____
Eric G. Erickson III, President and CEO

STATE OF WISCONSIN)
) SS:
COUNTY OF OZAUKEE)

I, the undersigned, Notary Public in and for the State and County aforesaid, do hereby certify that on the ____ day of _____, 2017, the foregoing instrument (including Exhibits A, B and C attached) was produced to me in said State and County by Eric G. Erickson III, personally known by me to be the President and CEO of Kendall Packaging Corporation, a Delaware corporation, and acknowledged by him to be his free act and deed as President and CEO of the corporation and the free act and deed of the corporation as authorized by the Board of Directors of the corporation.

Witness my hand this ____ day of _____, 2017.

My Commission expires: _____.

[SEAL]

(signature) NOTARY PUBLIC

(print name)

THIS INSTRUMENT PREPARED BY:

Lynda R. Templen
Husch Blackwell LLP
555 East Wells Street, Suite 1900
Milwaukee, WI 53202
(414) 978-5505

EXHIBIT A

PROJECT

The Project consists of financing the costs to construct and equip the expansion of an existing manufacturing facility located at 1901 East 27th Street Terrace, City of Pittsburg, Kansas, which facility will be leased to the Lessee and used to the manufacture flexible packaging solutions.

EXHIBIT B

PROJECT SITE

Legal Description

The following described real estate situated in Crawford County, Kansas, to-wit:

Beginning at a point 200 feet South and 40 feet West of the Northeast Corner of Lot 6 in the Replat of the Pittsburg Regional Industrial Park to the City of Pittsburg, Crawford County, Kansas; thence South along the west right-of-way line of North Rotary Terrace 491.83 feet, thence Southwesterly on a curve with a radius of 75 feet 33.23 feet, more or less, to a point being 63.44 feet West and 40 feet North of the Southeast Corner of said Lot 6, thence West along the North right-of-way line of East 27th Street Terrace 371.43 feet to the point of curve or beginning of a curve toward the Southwest, thence Southwesterly on a curve with a radius of 1,190.37 feet 65.15 feet, thence North parallel to the West right-of-way line of North Rotary Terrace 520.06 feet, more or less, to a point being 200 feet South of the North line of said Lot 6, thence East parallel to the North line of said Lot 6, 460 feet to the point of beginning. Containing 5.47 net acres, more or less.

EXHIBIT C

FORM OF DISBURSEMENT REQUEST

STATEMENT NO. ____ REQUESTING DISBURSEMENT OF FUNDS FROM PROJECT FUND PURSUANT TO SECTION 3.4 OF THE LEASE FINANCING AGREEMENT DATED AS OF JANUARY 1, 2017 BETWEEN THE CITY OF PITTSBURG, KANSAS AND KENDALL PACKAGING CORPORATION

Pursuant to Section 3.4 of the Lease Financing Agreement (the "Agreement") between the City of Pittsburg, Kansas (the "Issuer") and Kendall Packaging Corporation (the "Lessee"), dated as of January 1, 2017, the undersigned Authorized Lessee Representative hereby requests and authorizes BMO Harris Bank N.A., as trustee (the "Trustee") and as depository of the Project Fund created by the Indenture and defined in the Agreement, to pay to the Lessee or to the person(s) listed on the Disbursement Schedule hereto out of the moneys deposited in the Project Fund the aggregate sum of \$_____ to pay such person(s) or to reimburse the Lessee in full, as indicated in the Disbursement Schedule, for the advances, payments and expenditures made by it in connection with the items listed in the Disbursement Schedule. Any capitalized terms not defined herein shall have the same meaning as in the Indenture.

The Lessee hereby requisitions an aggregate amount of \$_____ from the Project Fund – 2017A Account.

The Lessee hereby requisitions an aggregate amount of \$_____ from the Project Fund – 2017B Account.

In connection with the foregoing request and authorization, the undersigned hereby certifies that:

(a) Each item for which disbursement is requested hereunder is properly payable out of the Project Fund in accordance with the terms and conditions of the Agreement and none of those items has formed the basis for any disbursement heretofore made from said Project Funds.

(b) Each such item is or was necessary in connection with the acquisition, construction, installation, equipping or improvement of the Project, as defined in the Agreement.

(c) The Lessee has received, or will concurrently with payment receive and deliver to the Trustee, appropriate waivers of any mechanics' or other liens with respect to each item for which disbursement is requested hereunder.

(d) Each item for which disbursement is requested hereunder, and the cost for each such item, is as described in the Agreement and in the information statement filed by the Issuer in connection with the issuance of the Bonds (as defined in the Agreement) as required by Section 149(e) of the Internal Revenue Code of 1986, as amended.

(e) This statement and all exhibits hereto, including the Disbursement Schedule (all invoices related to such disbursement shall be attached thereto), shall be

conclusive evidence of the facts and statements set forth herein and shall constitute full warrant, protection and authority to the Trustee for its actions taken pursuant hereto.

(f) This statement constitutes the approval of the Lessee of each disbursement hereby requested and authorized.

Dated: _____.

KENDALL PACKAGING CORPORATION

By: _____
Authorized Lessee Representative

Approved and funded by the transfer of \$_____ to the Trustee, as provided in Section 3.4 Lease Financing Agreement by the undersigned on _____.

BMO HARRIS BANK N.A.,
as Original Purchaser

By: _____
Its Authorized Representative

DISBURSEMENT SCHEDULE

TO STATEMENT NO. _____ REQUESTING AND
AUTHORIZING DISBURSEMENT OF FUNDS FROM PROJECT FUND
PURSUANT TO SECTION 3.4 OF THE LEASE FINANCING AGREEMENT
DATED AS OF JANUARY 1, 2017 BETWEEN THE CITY OF PITTSBURG,
KANSAS AND KENDALL PACKAGING CORPORATION.

PAYEE

AMOUNT

PURPOSE

EXHIBIT D

SCHEDULE FOR LEASE PAYMENTS

To provide funds to pay the principal and interest on the Bonds as and when due as above specified, the Lessee hereby agrees to make Lease Payments on each Payment Date, commencing [_____, 2017], in an amount equal to the principal and interest due on the Bonds, for so long as the Bonds are outstanding. The Lessee further agrees to make such Lease Payments as are necessary to pay principal of, premium, if any, and interest on the Bonds at maturity, unless earlier due as described below.

All Lease Payments shall be payable in lawful money of the United States of America and shall be made to the Trustee at its principal corporate trust office for the account of the Issuer and deposited in the Bond Fund created by the Indenture. Except as otherwise provided in the Indenture, such Lease Payments shall be used by the Trustee for payment of the Bonds.

The obligation of the Lessee to make the payments required hereunder shall be absolute and unconditional and the Lessee shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Lessee may have or assert against the Issuer, the Original Purchaser, the Trustee or any other person.

The Lease Payments are subject to optional, extraordinary optional and mandatory prepayment upon the same terms and conditions, on the same date or dates and at the same prepayment prices, as the Bonds are subject to optional, extraordinary optional and mandatory redemption, and the Lessee hereby agrees that it will make Lease Payments hereunder in an amount equal to the principal of, premium, if any, and interest on the Bonds due and payable on each such redemption date. Any such optional redemption prior to stated maturity is subject to the obligation of the Lessee to give the Issuer and the Trustee sufficient notice of such redemption and to deposit moneys sufficient to effect such optional redemption pursuant to the terms of the Indenture as shall enable the Issuer and the Trustee to take all action necessary under the Indenture to redeem on the date specified for prepayment a like principal amount of Bonds at the same redemption price.

Whenever an Event of Default under Section 10.1 of the Indenture shall have occurred and, as a result thereof, the principal of all Bonds then outstanding, and the interest accrued thereon, shall have been declared to be immediately due and payable pursuant to Section 10.2 of the Indenture, the unpaid principal amount of, premium, if any, and accrued interest on the Bonds shall also be due and payable on the date on which the principal of, premium, if any, and interest under the Lease shall have been declared due and payable; provided that the annulment of a declaration of acceleration with respect to the Bonds shall also constitute an annulment of any corresponding declaration with respect to this Lease.

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