SEDGWICK COUNTY UNIFIED SCHOOL DISTRICT NO. 261
HAYSVILLE, KANSAS

AS DISTRICT

AND

SECURITY BANK OF KANSAS CITY
KANSAS CITY, KANSAS

AS TRUSTEE

BASE LEASE

$1,900,000
LEASE PURCHASE AGREEMENT
CERTIFICATES OF PARTICIPATION
(TAX CREDIT TO PURCHASER)
SERIES 2012

DATED JANUARY __, 2012

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BASE LEASE

THIS BASE LEASE dated January __, 2012 (the "Base Lease"), between the Sedgwick County Unified School District No. 261, Haysville, Kansas, a unified school district duly created, organized and existing under the laws of the State of Kansas (the "District"), and Security Bank of Kansas City, Kansas City, Kansas, a banking corporation organized under the laws of the United States, not individually, but in its fiduciary capacity as trustee under a certain Declaration of Trust, as lessee (the "Trustee");

W I T N E S S E T H :

WHEREAS, the District has an immediate need for improvements to existing educational buildings owned by the District (the "Improvements") to further its governmental and public purposes as established by law, but does not have sufficient funds available for the Improvements; and

WHEREAS, the District is the owner of the real estate described in ***Schedule 1*** hereto (the "Real Property") on which it desires to make the Improvements; and

WHEREAS, the Trustee proposes to lease the Real Property from the District and to provide up to $1,900,000 to acquire, construct and equip improvements to Haysville Middle School South Addition, Grandlane Building, Oatville Elementary and Haysville Middle School Original Addition, including heating and cooling upgrades, and has offered to lease the Real Property and the Improvements (collectively, the Real Property and Improvements are referred to as the "Project") to the District pursuant to a Lease Purchase Agreement dated as of the date hereof (the "Lease") between the Trustee and the District; and

WHEREAS, the execution and delivery of Certificates of Participation (the "Certificates") has been proposed pursuant to the Declaration of Trust (herein defined) for the purpose of providing funds for construction of the Improvements on the terms and conditions set forth therein;

NOW, THEREFORE, in consideration of the covenants and agreements by the Trustee herein set forth, the District hereby leases the Real Property to the Trustee, to have and to hold, with all appurtenances, for a term commencing on January __, 2012, and ending on January 15, 2022 (the "Termination Date"), subject to renewal terms as described in ***Section 3*** herein.

FURTHER, the District and the Trustee hereby covenant and agree as follows:

SECTION 1. **Representations by the District**. The District represents, covenants and agrees as follows:

(a) The lease of the Real Property to the Trustee and the lease of the Project by the Trustee to the District, as provided in the Lease, are necessary and desirable, and the District hereby declares its current need for the Project;

(b) The District, pursuant to K.S.A. 72-8225, K.S.A. 10-1116b and K.S.A. 10-1116c and a Resolution adopted by the Board of the District on January 23, 2012, has full power and authority to enter into the transactions contemplated by this Base Lease and the Lease and to carry out its obligations

hereunder and thereunder, and by proper action has authorized the execution and delivery of this Base Lease and the Lease;

(c) Neither the execution and delivery of this Base Lease or the Lease, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District is bound;

(d) The District has marketable record fee simple title to the Real Property;

(e) The Real Property is not subject to any dedication, easement, right-of-way, reservation, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the construction of the Improvements on the Real Property, as contemplated by the Lease;

(f) All taxes, assessments or impositions of any kind with respect to the Real Property, except current taxes, have been paid in full;

(g) The Real Property is properly zoned for the purpose of attendance centers for the District; and

(h) The District has not made, done, executed or suffered, and warrants that it will not make, do, execute or suffer, any act or thing whereby the District's interests in any property now or hereafter included in the Project shall be or may be impaired, changed or encumbered in any manner, except as permitted by this Base Lease and the Lease.

SECTION 2. **Rental by the Trustee**. The Trustee represents, covenants and agrees as follows:

(a) To enter into the Lease simultaneously with the delivery of this Base Lease;

(b) To provide funds exclusively from the proceeds of the Certificates in an aggregate amount not to exceed $1,900,000 to pay the costs of the renovation and remodeling, and to construct or cause to be constructed on the Real Property the Improvements described in the Lease and in the Declaration of Trust dated January __, 2012 between the District and the Trustee (the "Declaration of Trust"); and

(c) To surrender and deliver the Real Property to the District upon the expiration of this Base Lease.

SECTION 3. **Term of Base Lease**. The original term of this Base Lease shall commence on January __, 2012 and end on the Termination Date, provided, however, the term of this Base Lease may be extended by written agreement of the District and the Trustee; and further provided, this Base Lease may terminate upon such earlier date on the conditions hereinafter provided.

SECTION 4. **Assignments and Subleases**.

(a) The Trustee may assign its rights under this Base Lease without the consent of the District (i) in connection with any assignment of its rights under the Lease, (ii) if the Lease is terminated for any reason or (iii) if an "Event of Default" as defined in the Lease has occurred.

(b) The District may assign its rights under this Base Lease and sublet the Project on the conditions set forth in the Lease.

SECTION 5. **Termination**. This Base Lease shall terminate upon the full payment of the Certificates or the completion of the term set forth in ***Section 3***, whichever is less; provided however, in the event the District makes all of the rental payments provided for in ***Section 4*** of the Lease and exercises its option to purchase the Trustee's interest in the Project pursuant to ***Section 10*** of the Lease, then this Base Lease shall be considered assigned to the District and terminated through merger of the leasehold interest with the fee interest.

If an "Event of Default" under the Lease occurs, the Trustee shall have the right to possession of the Real Property for the remainder of the term of this Base Lease and shall have the right to sublease the Project or sell its interest in the Project and this Base Lease upon whatever terms and conditions it deems prudent and in the interest of the owners of the Certificates; provided, however, that in the event of such sublease or sale, the Trustee shall cause the District to be provided with adequate public liability insurance covering the premises for the remainder of the term and continuing evidence thereof.

SECTION 6. **Taxes and Assessments**. The District covenants and agrees to pay any and all assessments of any kind or character and all taxes levied or assessed upon the Real Property.

SECTION 7. **Leaseback to District**. Contemporaneously herewith, the Trustee and the District will execute the Lease whereby the Trustee subleases back to the District and the District subleases from the Trustee the Real Property, and the Trustee leases to the District and the District leases from the Trustee the Project in accordance therewith. Title to the Real Property shall remain in the District at all times. The leasing of the Project to the District under the lease shall be deemed the District's entire consideration for this Base Lease.

SECTION 8. **Severability**. If any one or more of the terms, provisions, covenants or conditions of this Base Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Base Lease shall be affected thereby, and each provision of this Base Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 9. **Amendments, Changes and Modifications**. This Base Lease may not be effectively amended, changed, modified, altered or supplemented except with the written consent of both the Trustee and the District. Any waiver of any provision of this Base Lease or any right or remedy hereunder must be affirmatively and expressly made in writing and shall not be implied from inaction, course of dealing or otherwise.

SECTION 10. **Applicable Law**. This Base Lease shall be governed by and construed in accordance with the laws of the state of Kansas.

SECTION 11. **Execution**. Separate counterparts of this Base Lease may be executed by the Trustee and the District with the same force and effect as though the same counterpart had been executed by both the Trustee and the District.

SECTION 12. **Successors**. This Base Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 13. **Complete Agreement**. This written agreement, together with the Lease and the Declaration of Trust, constitute a final expression of the agreements between the parties hereto and such agreements may not be contradicted by evidence of any prior or contemporaneous oral agreement. No unwritten oral agreement between the parties exists.

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IN WITNESS WHEREOF, the Trustee and the District have caused this Base Lease to be executed by their respective authorized officials and officers, all as of the day and year first above written.

SEDGWICK COUNTY UNIFIED SCHOOL DISTRICT NO. 261, HAYSVILLE, KANSAS

(SEAL)

By: _____
Susan Walston
President of the Board of Education

ATTEST:

_____
Debra M. Coleman
Clerk of the Board of Education

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF SEDGWICK)

On this ____ day of January, 2012 before me, the undersigned, a Notary Public, appeared Susan Walston, to me personally known, who, being by me duly sworn, did say that she is the President of the Board of Education of **SEDGWICK COUNTY UNIFIED SCHOOL DISTRICT NO. 261, HAYSVILLE, KANSAS,** a body politic and corporate duly authorized, incorporated and existing under and by virtue of the laws of the State of Kansas, and that the approval of the foregoing instrument was signed on behalf of said School District by authority of its Board of Education, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said School District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year last above written.

_____
Printed Name: _____
Notary Public in and for said State

My commission expires: _____

IN WITNESS WHEREOF, the Trustee and the District have caused this Base Lease to be executed by their respective authorized officials and officers, all as of the day and year first above written.

SECURITY BANK OF KANSAS CITY, as Trustee

By: _____
Pete Gardner
Assistant Vice President

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

On this ____ day of January, 2012, before me, the undersigned, a Notary Public in and for said State, appeared Pete Gardner, to me personally known, who, being by me duly sworn, did say that he is the Assistant Vice President of Security Bank of Kansas City, a state banking corporation and that the seal affixed to the foregoing instrument is the corporate seal of said association, and that said instrument was signed and sealed on behalf of said association by authority of its Board of Directors, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said association.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year last above written.

_____
Printed Name: _____
Notary Public in and for said State

My commission expires: _____

SCHEDULE 1

TO BASE LEASE DATED JANUARY __, 2012, BETWEEN THE SEDGWICK COUNTY UNIFIED SCHOOL DISTRICT NO. 261, HAYSVILLE, KANSAS AND SECURITY BANK OF KANSAS CITY, AS TRUSTEE

DESCRIPTION OF REAL PROPERTY

The land together with the buildings and improvements thereon situated in Sedgwick County, Kansas and commonly known as Campus High School, 2100 W. 55th Street South, Wichita, Kansas 67217, and more particularly bounded and described as follows: