

May __, 2011

**DEFEASANCE DOCUMENTS AND
REDEMPTION NOTICES RELATING TO:**

**SEDGWICK COUNTY, KANSAS
SHAWNEE COUNTY, KANSAS**

**SINGLE FAMILY MORTGAGE
REVENUE BONDS
2001 SERIES B-2**

- 1. Resolutions of the Issuers with excerpts of minutes and affidavits of publication:**
 - 2. Irrevocable Instructions to Sell Securities and Defease and Redeem Bonds.**
 - 3. Trustee's Acknowledgment and Acceptance of Terms of Instructions to Sell Securities and Defease and Redeem Bonds.**
 - 4. Certificate of Trustee Regarding Discharge and Satisfaction of Indenture.**
 - 5. Opinion of Bond Counsel.**
 - 6. [__Escrow Verification Report__].**
 - 7. Closing Memorandum.**
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**IRREVOCABLE INSTRUCTIONS TO SELL
SECURITIES AND DEFEASE AND REDEEM BONDS**

To: UMB Bank, N.A., as Trustee
Corporate Trust Division
1010 Grand, 4th Floor
Kansas City, Missouri 64106
Attention: Corporate Trust Department

Re: Sedgwick County, Kansas and Shawnee County, Kansas
Single Family Mortgage Revenue Bonds, 2001 Series B-2

Sedgwick County, Kansas and Shawnee County, Kansas (jointly, the "Issuers") hereby give notice to and irrevocably instruct UMB Bank, N.A., as trustee (the "Trustee"), pursuant to the Trust Indenture, dated as of August 1, 2001 (the "Indenture"), between the Issuer and the Trustee relating to the above-referenced bonds (the "Bonds"), as follows:

- (a) The Issuers direct the Trustee to (1) sell all of the Securities held under the Indenture on May __, 2011, to George K. Baum & Company at a purchase price of _____%, plus accrued interest, (2) on June 1, 2011, redeem all of the remaining outstanding principal amount of the Bonds pursuant to **Section 4.02(D)** of the Indenture, at the applicable redemptions price specified in **Section 4.02(D)** of the Indenture, (3) give notice the optional redemption specified in clause (2) to the owners of such Bonds and otherwise in accordance with the requirements of **Section 4.04** of the Indenture, (4) terminate the Investment Agreement with AIG Matched Funding Corp., and (5) take or cause to be taken all further action necessary to redeem such Bonds as provided herein.
- (b) The Issuers are providing for the defeasance, discharge and payment of the Bonds in accordance with **Article X** of the Indenture, by the deposit on this date concurrently with the delivery of these instructions with the Trustee, in trust, moneys or government securities in such amounts and with maturities that will, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, be fully sufficient to pay, redeem and discharge the indebtedness on such Bonds at or before their respective maturity or redemption dates and to pay the interest to accrue thereon.
- (c) The Issuers hereby deposit with the Trustee \$_____ from the proceeds of the sale of the Securities (the "Sale Proceeds") and \$_____ from moneys on deposit in the funds and accounts under the Indenture, and direct the Trustee to apply such amounts, as follows:
 - (1) deposit \$8,346,406.25 in a separate irrevocable escrow trust fund to be established and held in the custody of the Trustee (the "Escrow Fund"), and apply \$_____ of such deposit to purchase \$_____ principal amount of United States Treasury Bills maturing May __, 2011, which, together with \$_____ in cash, shall be held in the Escrow Fund; and
 - (2) wire transfer \$_____ to Sedgwick County, Kansas; and
 - (3) wire transfer \$_____ to Shawnee County, Kansas; and

- (4) wire transfer \$_____ to George K. Baum & Company to be applied to pay all financing costs in accordance with the Closing Memorandum prepared by George K. Baum & Company dated May ___, 2011 attached hereto.
- (d) All moneys and government securities (including the earnings thereon) set aside and held in trust pursuant to these instructions shall be used, as provided in **Article X** of the Indenture, solely for the payment of the principal, redemption premium and interest on the Bonds in accordance with these instructions in the amounts and on the dates set forth in **Schedule 1** hereto.
- (e) Upon the deposit with the Trustee, in trust, of money and government securities in the necessary amount to pay and redeem all outstanding Bonds and cancel the Custodial Receipts as aforesaid, and notice of redemption having been given as provided in the Indenture, and compliance with the other requirements of the Indenture for satisfaction and discharge of the Indenture, the holders of such Bonds shall thereafter be entitled to payment only out of the moneys and government securities deposited with the Trustee as aforesaid. The holders of the Bonds shall have an express lien on and security interest in such moneys and escrowed securities in the Escrow Fund and all earnings thereon until used and applied in accordance with these instructions.
- (f) The Issuers request and direct the Trustee to execute and deliver the instruments provided by the Issuers acknowledging the satisfaction and discharge of the lien of the Indenture with respect to the Bonds in accordance with the provisions thereof, and to deliver or cause to be delivered to the Issuers, all property, including money, then held by the Trustee other than (1) moneys deposited with the Trustee in the Escrow Fund or otherwise for the payment of the principal, redemption premium and interest on the Bonds and (2) moneys deposited in the Rebate Fund or otherwise for the payment of arbitrage rebate to the United States.
- (g) On or prior to the redemption date for the Bonds as set forth in **Schedule 1** hereto, the Trustee shall withdraw from the Escrow Fund the amount required to pay the principal, redemption premium and interest on the Bonds becoming due and payable on such date, as set forth in **Schedule 1** hereto. In order to make the payments required by this subsection, the Trustee is hereby authorized to present or redeem the escrowed securities in accordance with these irrevocable instructions. The liability of the Trustee to make the payments required by this subsection with respect to the Bonds shall be limited to the money and escrowed securities in the Escrow Fund. Upon the payment in full of the principal, redemption premium and interest on the last of the Bonds, all remaining money and escrowed securities in the Escrow Fund, together with any interest thereon shall be transferred to the Issuers.

These irrevocable instructions, upon acknowledgment of receipt and acceptance of the terms hereof by the Trustee, shall constitute a binding irrevocable agreement between the Issuers and the Trustee.

- (h) Unless otherwise defined herein, all capitalized terms used herein shall have the same meaning as set forth in the Indenture.

DATED: May ____, 2011.

SEDGWICK COUNTY, KANSAS

By: _____
Chairman, Board of County Commissioners

SHAWNEE COUNTY, KANSAS

By: _____
Chairman, Board of County Commissioners

Accepted:

UMB BANK, N.A., as Trustee

By: _____
Name: _____
Title: _____

SCHEDULE 1

**BOND PAYMENT SCHEDULE FOR DEFEASED BONDS
REDEEMED ON JUNE 1, 2011:**

<u>DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PREMIUM</u>	<u>TOTAL DEBT SERVICE</u>
December 1, 2011	\$65,000.00	\$1,543.75	\$650.00	\$67,193.75
June, 1, 2033	425,000.00	13,706.25	21,250.00	459,956.25
December 1, 2033	<u>7,225,000.00</u>	<u>233,006.25</u>	<u>361,250.00</u>	<u>7,819,256.25</u>
TOTAL	\$7,715,000.00	\$248,256.25	\$383,150.00	\$8,346,406.25

**TRUSTEE'S ACKNOWLEDGMENT AND ACCEPTANCE OF
TERMS OF INSTRUCTIONS TO SELL SECURITIES AND
DEFEASE AND REDEEM BONDS**

To: Sedgwick County, Kansas
525 North Main
Wichita, Kansas 67203

Shawnee County, Kansas
200 S.E. 7th Street
Topeka, Kansas 66603

Re: Sedgwick County, Kansas and Shawnee County, Kansas
Single Family Mortgage Revenue Bonds, 2001 Series B-2

UMB Bank, N.A., as trustee and paying agent (the "Trustee") for the above-referenced bonds (the "Bonds"), under the Trust Indenture, dated as of August 1, 2001 (the "Indenture"), between Sedgwick County, Kansas and Shawnee County, Kansas (jointly, the "Issuers") and the Trustee, acknowledges receipt of the instructions from the Issuers dated May ____, 2011 (the "Instructions"), and accepts and agrees to the terms thereof, and agrees to carry out the Instructions.

DATED: May ____, 2011.

UMB BANK, N.A., as Trustee

By: _____
Title: Authorized Officer

**CERTIFICATE OF TRUSTEE REGARDING DISCHARGE AND
SATISFACTION OF LIEN OF INDENTURE**

**Sedgwick County, Kansas
Shawnee County, Kansas
Single Family Mortgage Revenue Bonds
2001 Series B-2**

UMB Bank, N.A., as trustee (the "Trustee"), under the Trust Indenture, dated as of August 1, 2001 (the "Indenture"), between the Trustee and Sedgwick County, Kansas and Shawnee County, Kansas (jointly, the "Issuers"), and pursuant to which the above-described bonds (the "Bonds") were issued by the Issuers, does hereby certify and acknowledge as follows:

1. Provision has been made for the payment of the whole amount of the principal of, redemption price, and interest due or to become due on all of the Bonds at the times and in the manner specified in the Indenture by the irrevocable deposit in trust with the Trustee, pursuant to the terms of the Instructions and Agreement to Sell Securities and Defeasance and Redeem Bonds dated as of May ____, 2011 (the "Instructions"), from the Issuers, of cash, the deposit and receipt of which the Trustee hereby acknowledges, which will provide sufficient moneys to pay the principal and redemption premium of and interest on the Bonds in full on June 1, 2011.

2. The Trustee has received irrevocable instructions from the Issuers in accordance with the Indenture to give notice to the owners of the Bonds and otherwise in accordance with the requirements of the Indenture that all Bonds are to be called for redemption and payment prior to maturity on June 1, 2011, at the applicable redemption prices specified in the Indenture, pursuant to the provisions of the Indenture and the Instructions.

3. The Trustee has been furnished with an opinion of Gilmore & Bell, P.C. to the effect that all conditions precedent to the satisfaction and discharge of the lien of the Indenture have been complied with, and provision for the payment, discharge and satisfaction of the Bonds through the deposit in trust of cash and the escrowed securities will not cause the interest on the Bonds to become included in gross income for federal income tax purposes, notwithstanding the satisfaction and discharge of the lien of the Indenture with respect to the Bonds.

4. All conditions precedent to the satisfaction, discharge and defeasance of the lien of the Indenture with respect to the Bonds contained in the Indenture have been complied with, the Bonds are deemed to be paid and discharged in accordance with the requirements of the Indenture, and the lien of the Indenture with respect to the Bonds is hereby fully released, satisfied and discharged in accordance with its terms; provided that provisions related to the payment, registration and transfer of the Bonds and the payment of Trustee fees, costs and expenses shall survive satisfaction and discharge of such lien.

5. The Trustee waives any notice or other procedural requirements in the Indenture for the redemption of the Bonds.

This certificate is given in reliance upon the calculation of the sufficiency of funds escrowed in accordance with the Irrevocable Instruction to Sell Guaranteed Mortgage Securities and Defeasance and Redeem Bonds to pay the principal of, redemption premium, if any, and interest on the Bonds, in the form of an Escrow Report of _____.

DATED: May __, 2011.

UMB BANK & TRUST, N.A., as trustee

By: _____
Title: _____

May ____, 2011

Sedgwick County, Kansas
Wichita, Kansas

Shawnee County, Kansas
Topeka, Kansas

UMB Bank, N.A.
Kansas City, Missouri
as Trustee

Re: Sedgwick County, Kansas and Shawnee County, Kansas Single Family Mortgage
Revenue Bonds, 2001 Series B-2

Ladies and Gentlemen:

This opinion is delivered to you pursuant to the Trust Indenture, dated as of August 1, 2001, (the "Indenture"), between Sedgwick County, Kansas and Shawnee County, Kansas (jointly, the "Issuers") and UMB Bank, N.A., as Trustee (the "Trustee"), in connection with the satisfaction, discharge and defeasance of the above-captioned bonds (the "Bonds") in accordance with the provisions of the Indenture. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

Provision has been made for the payment of the principal, redemption premium and interest on the Bonds by the irrevocable deposit in trust with the Trustee by the Issuers pursuant to the terms of the Irrevocable Instructions to Sell Securities and Defeas and Redeem Bonds (the "Instructions") dated May ____, 2011, of cash in an amount sufficient to make such payment.

We have examined the law and the Indenture, the Instructions and such other documents and certified proceedings as we deem necessary to render this opinion. As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. All conditions precedent to the satisfaction and discharge of the lien of the Indenture with respect to the Bonds contained in the Indenture have been complied with, and all conditions precedent to the satisfaction, discharge and defeasance of the Bonds contained in the Indenture have been complied with and the Bonds are deemed to be paid and discharged under the Indenture.

2. Provision for the payment, discharge and satisfaction of the Bonds through the irrevocable deposit in trust with the Trustee, of the amounts specified in the Instructions will not cause the interest on the Bonds to become included in gross income for federal income tax purposes.

This opinion is delivered to you for your use only and may not be used or relied upon by, or published or communicated to, any third party for any purpose whatsoever without our prior written approval in each instance.

Very truly yours,