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CITY OF PITTSBURG, KANSAS
COMMISSION AGENDA
Tuesday, December 12, 2017
5:30 PM

CALL TO ORDER BY THE MAYOR:

- a. Invocation
- b. Flag Salute Led by the Mayor
- c. Public Input
- d. Presentation by City Manager Daron Hall to Outgoing Mayor Michael Gray and City Commissioner John Ketterman.
- e. Presentation by President of the Board Jeremy Johnson to Outgoing Mayor Michael Gray.

CONSENT AGENDA:

- a. Approval of the November 28, 2017, City Commission Meeting minutes.
- b. Approval of the 2018 dues to the League of Kansas Municipalities in the amount of \$8,520.19.
- c. Approval of the applications submitted by Walmart #72 (2710 North Broadway), Walmart #5791 (1011 East Centennial), Walmart #5791 Fuel Station (1015 East Centennial), Sodexo America dba Pittsburg State University (302 East Cleveland), Pete's #7 (1307 South Broadway), Pete's #13 (4002 North Broadway), Pete's #21 (1711 North Broadway), Pitt Stop (902 South Joplin), Horton's Pizza Plus (1601 East 4th Street) and Snak Atak (1101 East 4th Street) to sell Cereal Malt Beverages for the year 2018 and direct the City Clerk to issue the licenses.
- d. Approval of staff recommendation to award the bid for Exclusive Contract Towing Services to Bean's Towing and Auto Body, of Weir, Kansas, for the period of January 1, 2018, through December 31, 2019, based on their low bid of \$85 per vehicle tow and \$15.00 per day for vehicle storage.
- e. Approval of Change Order No. 1 reflecting an increase of \$1,968.43 making a new contract construction amount of \$377,564.75 and final payment in the amount of \$56,095.95 to Heckert Construction Co., Inc., of Pittsburg, Kansas, for the KLINK Resurfacing Project on K-126 (E. 4th Street) from the KCS Overpass to Free King Hwy.
- f. Approval of final payment in the amount of \$111,712.06 to Emery Sapp and Sons, Inc. of Springfield, Missouri, for the Airport Runway 16-34 Mill and Overlay Project.

CITY OF PITTSBURG, KANSAS
COMMISSION AGENDA
Tuesday, December 12, 2017
5:30 PM

- g. Approval of staff recommendation to appoint Kyle Michael to serve a first term and reappoint Francis DeMott to serve a second term as members of the Planning Commission/Board of Zoning Appeals effective January 1st, 2018 and to expire December 31st, 2020.
- h. Approval of the reappointment of Marty Beezley (EDAC Representative) and Tom Spurgeon (Financial Representative) to second three-year terms as members of the Land Bank Board of Trustees, effective January 1, 2018, and expiring on December 31, 2020.
- i. Approval of staff recommendation to award a new five-year lease for two mailing machines to OME Corp, based upon the State of Kansas contract amount of \$345.93 per month (\$4,151.16 annual) and if approved, authorize the Mayor to sign the lease on behalf of the City.
- j. Approval of the Appropriation Ordinance for the period ending December 12, 2017 subject to the release of HUD expenditures when funds are received. **ROLL CALL VOTE.**

PUBLIC HEARING:

- a. 2017 BUDGET AMENDMENT - The City advertised for a Public Hearing to be held on Tuesday, December 12, 2017, at 5:30 p.m. in the City Commission Room, located in the Law Enforcement Center, located at 201 North Pine, to hear and answer objections of taxpayers relating to the proposed amended use of 2017 funds in the 2017 budget. **Following the Public Hearing, approve or disapprove the amended use of funds.**

SPECIAL PRESENTATIONS:

- a. ACTIVE TRANSPORTATION ADVISORY BOARD ANNUAL REPORT - John Robb, Chairman of the Active Transportation Advisory Board, will present their annual report to the City Commission.
- b. PRESENTATION OF DEVELOPMENT PLAN - Director of Parks and Recreation Kim Vogel will present plans for a project to be constructed in Schlanger Park.

CITY OF PITTSBURG, KANSAS
COMMISSION AGENDA
Tuesday, December 12, 2017
5:30 PM

CONSIDER THE FOLLOWING:

- a. ORDINANCE NO. S-1050 - Consider adopting Ordinance No. S-1050, authorizing the City of Pittsburg, Kansas, to issue its Taxable Industrial Revenue Bonds, Series A, 2017 and Series B, 2017 (LaQuinta Inn & Suites Project) for the purpose of the acquisition, construction, and equipping a hotel facility; and authorizing certain other documents and actions in connection therewith. **Approve or disapprove Ordinance No. S-1050 and, if approved, authorize the Mayor to sign the necessary documents.**
- b. PARKS AND RECREATION ADVISORY BOARD APPOINTMENT - Staff is requesting the appointment of one member to the Parks and Recreation Advisory Board for a term effective January 1, 2018, and expiring on December 31, 2021. **Appoint one individual to a first term as a member of the Parks and Recreation Advisory Board.**
- c. AIRPORT ADVISORY COMMITTEE APPOINTMENT - Staff is requesting the appointment of one member to the Airport Advisory Committee for an unexpired term effective immediately and expiring December 31, 2018. **Appoint one individual to an unexpired term as a member of the Airport Advisory Committee.**
- d. CITY COMMISSION COMPENSATION - Consider revising Section 2-33 of the Pittsburg City Code to allow City Commissioners to be compensated for their service. **Take that action deemed appropriate.**

NON-AGENDA REPORTS & REQUESTS:

EXECUTIVE SESSION:

- a. An Executive Session is necessary to discuss personnel matters of non-elected personnel pursuant to KSA 75-4319(b)(1), to discuss the 2017 evaluation of the City Manager. **Motion to recess into Executive Session for 60 minutes to discuss the 2017 evaluation of the City Manager pursuant to the non-elected personnel exception under KSA 75-4319(b)(1) with the meeting to resume in the Commission Room in 60 minutes.**

ADJOURNMENT

OFFICIAL MINUTES
OF THE MEETING OF THE
GOVERNING BODY OF THE
CITY OF PITTSBURG, KANSAS
November 28th, 2017

A Regular Session of the Board of Commissioners was held at 5:30 p.m. on Tuesday, November 28th, 2017, in the City Commission Room, located in the Law Enforcement Center, 201 North Pine, with Mayor Michael Gray presiding and the following members present: Jeremy Johnson, John Ketterman, Chuck Munsell and Patrick O'Bryan.

Pete Mayo of Via Christi Hospital provided the invocation.

Mayor Gray the flag salute.

PROCLAMATION – Mayor Gray proclaimed November 29th, 2017, as Disability Mentoring Day in Pittsburg.

APPROVAL OF MINUTES – NOVEMBER 14th, 2017 - On motion of Johnson, seconded by O'Bryan, the Governing Body approved the November 14th, 2017, City Commission Meeting minutes as submitted. Motion carried.

SPRINT SPECTRUM REALTY COMPANY, LLC – AMENDMENT NO. 1 – On motion of Johnson, seconded by O'Bryan, the Governing Body approved Amendment No. 1 to the Antenna Collocation Lease Agreement between the City and Sprint Spectrum Realty Company, LLC, to clarify the terms of the lease agreement and authorized the Mayor to sign the appropriate documents on behalf of the City. Motion carried.

CEREAL MALT BEVERAGE LICENSE RENEWALS – On motion of Johnson, seconded by O'Bryan, the Governing Body approved the applications submitted by The City of Pittsburg (Four Oaks Golf Course and Lincoln Park), Bo's 1 Stop (1116 West 4th Street), Ron's Supermarket (310 East Centennial), Pizza Hut #1652 (102 East Quincy), Walgreens #09049 (1911 North Broadway), Dillon's #108 (2600 North Broadway), Commodore Barry Corporation dba the Knights of Columbus (407 East 11th Street), Casey's General Store #2893 (2912 North Broadway), Casey's General Store #2961 (612 South Broadway), and Casey's General Store #2962 (434 West 4th Street) to sell Cereal Malt Beverages for the year 2018 and directed the City Clerk to issue the licenses. Motion carried.

APPROPRIATION ORDINANCE – On motion of Johnson, seconded by O'Bryan, the Governing Body approved the Appropriation Ordinance for the period ending November 28th, 2017, subject to the release of HUD expenditures when funds are received with the following roll call vote: Yea: Gray, Johnson, Ketterman, Munsell and O'Bryan. Motion carried.

ECONOMIC DEVELOPMENT SERVICES AGREEMENT – On motion of O'Bryan, seconded by Johnson, the Governing Body approved the Economic Development Services Agreement, including Exhibit "A", between The Pittsburg Area Chamber of Commerce and The City of Pittsburg in which the Chamber will perform the services related to the location and retention of industrial, manufacturing and retail businesses in the City for the year beginning January 1, 2018, and expiring December 31, 2018, and authorized the Mayor to sign the Agreement on behalf of the City. Motion carried.

OFFICIAL MINUTES
OF THE MEETING OF THE
GOVERNING BODY OF THE
CITY OF PITTSBURG, KANSAS
November 28th, 2017

BUSINESS DEVELOPMENT AND INNOVATION SERVICES AGREEMENT – On motion of Kettermann, seconded by Munsell, the Governing Body approved the Business Development and Innovation Services Agreement between Pittsburg State University (PSU) and The City of Pittsburg in which PSU will provide support to the City to effectively help create and attract new businesses, industries and manufacturing concerns to the City, as well as more effectively promote the expansion and growth of existing businesses and industries already located in the City for the year beginning January 1, 2018, and expiring December 31, 2018, and authorized the Mayor to sign the agreement on behalf of the City. Motion carried.

DATE FOR SECOND CITY COMMISSION MEETING IN DECEMBER – Following discussion, on motion of O'Bryan, seconded by Kettermann, the Governing Body cancelled the City Commission meeting scheduled for December 26th, 2017, with the stipulation that if any business needs to be conducted, a Special Meeting will be called. Motion carried.

NON-AGENDA REPORTS & REQUESTS:

CITY COMMISSION COMPENSATION – City Commissioner John Kettermann asked City Manager Daron Hall to research the possibility of compensating City Commissioners. City Manager Daron Hall indicated that he has researched this topic and proposed an amount of \$250 per month be paid to City Commissioners. It was the consensus of the Governing Body to discuss this topic further during the December 12th, 2017, City Commission Meeting.

ADJOURNMENT: On motion of Johnson, seconded by O'Bryan, the Governing Body adjourned the meeting at 6:23 p.m. Motion carried.

Michael Gray, Mayor

ATTEST:

Tammy Nagel, City Clerk



City Clerk

201 West 4th Street
P.O. Box 688
Pittsburg, Kansas 66762

620-231-4100
www.pittks.org

Interoffice Memorandum

TO: Daron Hall, City Manager

FROM: Tammy Nagel, City Clerk

DATE: December 4th, 2017

SUBJECT: Agenda Item – December 12th, 2017
2018 Dues & Subscriptions - League of Kansas Municipalities

The City has received notification from the League of Kansas Municipalities that our Dues and Subscriptions for 2018 are due in the amount of \$8,520.09. This amount is up \$68.87 over the dues paid for 2017 in the amount of \$8,451.22.

In the information provided by the League of Kansas Municipalities, the fluctuation in yearly dues is attributed to the city's population and assessed valuation.

Governing Body action needed is the approval of the 2018 Dues and Subscriptions to the League of Kansas Municipalities in the amount of \$8,520.09.

If you have any questions or require additional information, please let me know.

December 1, 2017

Dear City Official,

The mission of the League of Kansas Municipalities is to strengthen and advocate for the interests of the cities of Kansas. Our long-standing association provides our member cities and counties with a unified voice in matters of local government. We are honored so many cities and counties agree there is immense value in belonging to the League.

Enclosed please find the dues billing for your League membership. This represents the dues required of your city for 2018. As in 2017, a member city's dues are built on a per capita charge, an assessed valuation charge, and a base fee.

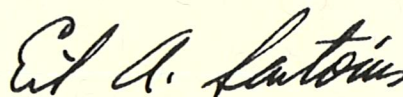
In October 2016, the Convention of Voting Delegates adopted a bylaws change at the Annual Conference, creating a tiered base charge for cities and counties. For Cities of the First Class, the base charge will be a 15% surcharge of their combined per capita and assessed valuation charges that currently comprise a city's dues. Cities of the Second Class have a base charge of \$475, and Cities of the Third Class have a base charge of \$250.

Also enclosed you will find the *2018 League Member Services Brochure*, which outlines the key League services available to you as a League member city. These services include access to staff attorneys, trainings on important municipal issues, legislative advocacy, budget tips and publications to guide your work such as the 2018 Governing Body Handbook, which will be mailed to all member cities in May. Your city officials will also have access to our website with up to date resources for members only. We would urge you to take advantage of these services, and to always let us know how we can improve or make suggestions of services the League should be considering.

It is always a pleasure to be able to serve the cities and counties of Kansas, and to work with you to ensure the very best environment possible for the citizens we all serve. Should you have any questions or comments concerning your dues, please feel free to contact me directly at esartorius@lkm.org, or Rynae Plue, Finance and Human Resources Manager, at rplue@lkm.org.

On behalf of the Governing Body and all of us at the League, thank you for your participation. We value you standing with the other cities and counties of Kansas. Should you ever have any questions, suggestions or comments, please contact me at the email above or (785) 354-9565. We look forward to many more years of this mutually beneficial partnership.

Sincerely,



Erik Sartorius
Executive Director



300 SW 8th Avenue, Suite 100, Topeka, KS 66603

Bill To

City of Pittsburg
201 W 4th St
PO Box 688
Pittsburg, KS 66762-0688

2018 Dues & Subscriptions

Date

12/1/2017

Invoice #

18-20

Due Date

1/31/2018

Qty	Description	Rate	Amount
1	2018 City Membership Dues - Assessed Valuation and Per Capita Charge	7,147.90	7,147.90
1	2018 City Membership Dues - Base Fee	1,072.19	1,072.19
15	2018 Subscription to the Kansas Government Journal	20.00	300.00

Total \$8,520.09

Payments/Credits \$0.00

Balance Due \$8,520.09

E-mail

rplue@lkm.org

Phone #

785-354-9565

Web Site:

www.lkm.org

INTEROFFICE MEMORANDUM

To: City Manager Daron Hall

From: Chief Mendy Hulvey
Major Brent Narges

CC:

Date: Wednesday, December 06, 2017

Subject: Disposition of Bids for Towing Contract

Bids were solicited from interested towing companies to perform services for vehicles towed by the police department in conjunction with law enforcement activities, and for certain vehicles owned by the City of Pittsburg. Pursuant to the bid request, two bids for towing services were received by the submission deadline of Tuesday, December 5th. The bids were opened and reviewed according to City of Pittsburg bid policy. Following is a summation of those bids:

Bean's Towing and Auto Body, Weir, Kansas

Price per tow: \$85.00
Storage per day: \$15.00

Larry Barrett Body Frame and Towing, Pittsburg, Kansas

Price per tow: \$147.12
Storage per day: \$20.00

Bean's Towing and Auto Body is the current holder of the Exclusive City tow contract. The city is currently paying \$65.00 per tow, and \$12.50 per day for storage fees. The current contract began on January 1, 2016 and will expire on December 31, 2017. Based on the bids submitted, staff would recommend awarding the bid for contract towing services for the period of January 1, 2018 through December 31, 2019 to Bean's Towing and Auto Body based on their low submitted bid. Should you have any questions on staff's recommendation, please contact me.



**Recapitulation of Bids Received
2018 – 2019 Exclusive Tow Service
Tuesday, December 5th, 2017 - 2:00 p.m.**

Name and Address of Bidder	Price Per Tow	Daily Storage Fee
Larry Barrett, LLC Body*Frame*Towing 1601 E. 27th Street Terrace Pittsburg, Kansas 66762	\$147.12	\$20.00
James E. Bean DBA Bean's Towing P.O. Box 171 Weir, Kansas 66781	\$85.00	\$15.00



DEPARTMENT OF PUBLIC WORKS

201 West 4th Street • Pittsburg KS 66762

(620) 231-4170

www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: CAMERON ALDEN
Director of Public Works/City Engineer

DATE: November 28, 2017

SUBJECT: Agenda Item – December 12, 2017
Final Payment and Change Order No. 1
KLINK 1R Resurfacing Project
K-126 (E. 4th Street) KCS Overpass to Free King Hwy.
KDOT Project No. 126-19 U-0699-01

The contractor, Heckert Construction Co., Inc. of Pittsburg, has completed all work on the above-referenced project and is now requesting final payment. They have also submitted Change Order No. 1 for consideration. Change Order No. 1 reflects an increase of \$1,968.43 and covers adjustment in planned quantities, the addition of new pavement marking to remedy a traffic concern in front of Pittsburg High School, and the construction of a retaining wall for erosion control as the result of additional slope needed to make the ADA ramp compliant. The change order makes a new contract construction amount of \$377,564.75.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, December 12th, 2017. Action necessary will be approval or disapproval of Change Order No.'s 1 and 2 and for final payment to Heckert Construction Co., Inc. in the amount of \$56,095.95. This project is being funded by a KDOT grant for KLINK projects based on a 50% State/50% Local split.

Attachment: Final Payment Documents
Change Order No. 1
Project Completion Certification



DEPARTMENT OF PUBLIC WORKS

201 W. 4th Street • Pittsburg KS 66762

PROJECT: KUNK 1R Resurfacing Project, K-126 (E 4th Street) KCS Overpass to Free King Hwy. - KDOT Project No. 126-19 U-0699-01 DATE: 10-23-2017
PAY ESTIMATE: Final

CONTRACTOR: Heckert Construction Co., Inc.
746 E. 520th Avenue
Pittsburg, Kansas 66762

ORIGINAL CONTRACT CONSTRUCTION AMOUNT \$ 375,596.32

CHANGE ORDER NO. 1 DATED 10-23-2017 \$1,968.43

TOTAL CONSTRUCTION COST \$ 377,564.75

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	CONTRACT AMOUNT	ADD QUANTITY	UNIT	NEW QUANTITY	NEW CONTRACT	UNITS COMPLETE	VALUE
1	Mobilization	1	L.S.	\$ 22,100.00	\$ 22,100.00					1	\$ 22,100.00
2	Traffic Control	1	L.S.	\$ 7,890.00	\$ 7,890.00					1	\$ 7,890.00
3	Site Restoration	1	L.S.	\$ 3,500.00	\$ 3,500.00					1	\$ 3,500.00
4	Common Excavation	39.8	C.Y.	\$ 49.00	\$ 1,950.20	18.7	C.Y.	58.5	\$ 2,866.50	58.5	\$ 2,866.50
5	4" Concrete Sidewalk	38.1	S.Y.	\$ 49.00	\$ 1,866.90	58.1	S.Y.	96.2	\$ 4,713.80	96.2	\$ 4,713.80
6	6" Concrete ADA Ramp	143	S.Y.	\$ 175.00	\$ 25,025.00	53	S.Y.	196	\$ 34,300.00	196	\$ 34,300.00
7	Concrete Curb & Gutter (30") Type I & II	215	L.F.	\$ 49.00	\$ 10,535.00	23	L.F.	238	\$ 11,662.00	238	\$ 11,662.00
8	Milling	35,025	S.Y.	\$ 2.07	\$ 72,501.75					35025	\$ 72,501.75
9	HMA Commercial Grade (Class A)	3842.6	Tons	\$ 52.20	\$ 200,583.72	-249.6	Tons	3593	\$ 187,554.60	3593	\$ 187,554.60
10	Pavement Marking (Thermoplastic)(Yellow)(4")	12963	L.F.	\$ 0.45	\$ 5,833.35	134	L.F.	13097	\$ 5,893.65	13097	\$ 5,893.65
11	Pavement Marking (Cold Plastic)(Yellow)(4")	329	L.F.	\$ 3.00	\$ 987.00	-55	L.F.	274	\$ 822.00	274	\$ 822.00
12	Pavement Marking (Thermoplastic)(Yellow)(12")	64	L.F.	\$ 5.00	\$ 320.00	12	L.F.	76	\$ 380.00	76	\$ 380.00
13	Pavement Marking (Thermoplastic)(White)(4")	2530	L.F.	\$ 0.45	\$ 1,138.50	86	L.F.	2616	\$ 1,177.20	2616	\$ 1,177.20
14	Pavement Marking (Thermoplastic)(White)(6")	2,418	L.F.	\$ 0.55	\$ 1,329.90	-43	L.F.	2375	\$ 1,306.25	2375	\$ 1,306.25
15	Pavement Marking (Cold Plastic)(White)(6")	256	L.F.	\$ 4.50	\$ 1,152.00	-98	L.F.	158	\$ 711.00	158	\$ 711.00
16	Pavement Marking (Thermoplastic)(White)(24")	112	L.F.	\$ 10.00	\$ 1,120.00	88	L.F.	200	\$ 2,000.00	200	\$ 2,000.00
17	Pavement Marking (Cold Plastic)(White)(24")	492	L.F.	\$ 14.00	\$ 6,888.00	7	L.F.	499	\$ 6,986.00	499	\$ 6,986.00
18	Pavement Marking (Thermoplastic)(White)(Bicycle Symbol)	5	Each	\$ 350.00	\$ 1,750.00					5	\$ 1,750.00
19	Pavement Marking (Thermoplastic)(White)(Left Turn Arrow)	11	Each	\$ 275.00	\$ 3,025.00					11	\$ 3,025.00
20	Pavement Marking (Cold Plastic)(White)(Left Turn Arrow)	4	Each	\$ 275.00	\$ 1,100.00					4	\$ 1,100.00
21	Water Valve Concrete Pads	6	Each	\$ 500.00	\$ 3,000.00	-5	Each	1	\$ 500.00	1	\$ 500.00
22	Manhole Concrete Pads	4	Each	\$ 500.00	\$ 2,000.00	-1	Each	3	\$ 1,500.00	3	\$ 1,500.00
NEW	Pavement Marking (Thermoplastic)(White)(Right Turn Arrow)			\$ 275.00		5	Each	5	\$ 1,375.00	5	\$ 1,375.00
NEW	Retaining Wall (4th and Highland)			\$ 50.00		39	L.F.	39	\$ 1,950.00	39	\$ 1,950.00

Contract Construction Amount	\$ 375,596.32
Value of Completed Work	\$ 377,564.75
Less 10% Retainage	\$ -
Less Previous Estimates	\$ 321,468.80
Total Deductions	\$ 321,468.80
Amount Due Contractor on this Estimate	\$ 56,095.95

REQUESTED BY: HECKERT CONSTRUCTION CO., INC.

Peter J. Heckert

DATE: November 21, 2017

REVIEWED BY: GREG HARDISTER, ENGINEERING SUPERVISOR, CITY OF PITTSBURG

Greg Hardister

DATE: 11-27-2017

APPROVED BY: CAMERON ALDEN, DIRECTOR OF PUBLIC WORKS/CITY ENGINEER, CITY OF PITTSBURG

Cameron Alden

DATE: 11-27-17



KLINK 1R RESURFACING PROJECT
K-126 (E 4th Street) KCS Overpass to Free King Hwy.
KDOT Project No. 126-19 U-0699-01
Change Order No. 1

CONTRACTOR: Heckert Construction Co., Inc.

Date: October 23, 2017

746 E. 520th Avenue

Pittsburg, Kansas 66762

ORIGINAL CONTRACT CONSTRUCTION AMOUNT.....	\$ 375,596.32
CHANGE ORDER NO. 1 DATED 10-23-2017	\$ 1,968.43
NEW CONTRACT CONSTRUCTION AMOUNT.....	\$ 377,564.75

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
4	Common Excavation	18.7	C.Y.	\$ 49.00	\$ 916.30
5	4" Concrete Sidewalk	58.1	S.Y.	\$ 49.00	\$ 2,846.90
6	6" Concrete ADA Ramp	53	S.Y.	\$ 175.00	\$ 9,275.00
7	Concrete Curb & Gutter (30") Type I & II	23	L.F.	\$ 49.00	\$ 1,127.00
9	HMA Commercial Grade (Class A)	-249.6	Tons	\$ 52.20	\$ (13,029.12)
10	Pavement Marking (Thermoplastic)(Yellow)(4")	134	L.F.	\$ 0.45	\$ 60.30
11	Pavement Marking (Cold Plastic)(Yellow)(4")	-55	L.F.	\$ 3.00	\$ (165.00)
12	Pavement Marking (Thermoplastic)(Yellow)(12")	12	L.F.	\$ 5.00	\$ 60.00
13	Pavement Marking (Thermoplastic)(White)(4")	86	L.F.	\$ 0.45	\$ 38.70
14	Pavement Marking (Thermoplastic)(White)(6")	-43	L.F.	\$ 0.55	\$ (23.65)
15	Pavement Marking (Cold Plastic)(White)(6")	-98	L.F.	\$ 4.50	\$ (441.00)
16	Pavement Marking (Thermoplastic)(White)(24")	88	L.F.	\$ 10.00	\$ 880.00
17	Pavement Marking (Cold Plastic)(White)(24")	7	L.F.	\$ 14.00	\$ 98.00
21	Water Valve Concrete Pads	-5	Each	\$ 500.00	\$ (2,500.00)
22	Manhole Concrete Pads	-1	Each	\$ 500.00	\$ (500.00)
NEW	Pavement Marking (Thermoplastic)(White)(Right Turn Arrow)	5	Each	\$ 275.00	\$ 1,375.00
NEW	Retaining Wall (4th and Highland)	39	L.F.	\$ 50.00	\$ 1,950.00

TOTAL CHANGE ORDER NO. 1.....	\$1,968.43
NEW CONTRACT CONSTRUCTION AMOUNT.....	\$ 377,564.75
ENGINEERING AND INSPECTION (10%).....	\$ -
LEGAL AND ADMINISTRATIVE (5%).....	\$ -
NEW PROJECT TOTAL.....	\$ 377,564.75

ACCEPTED BY: HECKERT CONSTRUCTION CO., INC.

Peter J. Krummel

DATE: November 21, 2017

SUBMITTED BY: Greg Hardister, Engineering Supervisor, City of Pittsburg

Greg Hardister

DATE: 11-27-2017

APPROVED BY: Cameron Alden, Director of Public Works/City Engineer, City of Pittsburg

Cameron Alden

DATE: 11-27-17



DEPARTMENT OF PUBLIC WORKS
201 W. 4th Street • Pittsburg KS 66762

FINAL PAYMENT DUE CONTRACTOR

PROJECT: KLINK 1R Resurfacing Project, K-126 (E 4th Street) KCS Overpass to Free King Hwy KDOT Project No. 126-19 U-0699-01 Date: October 23, 2017

CONTRACTOR: Heckert Construction Co., Inc.
746 E. 520th Avenue
Pittsburg, Kansas 66762

ORIGINAL CONTRACT CONSTRUCTION AMOUNT..... \$ 375,596.32

CHANGE ORDER NO. 1 DATED 10-23-2017..... \$1,968.43

CHANGE ORDER NO. _ DATED \$

TOTAL CONSTRUCTION COST..... \$ 377,564.75

Less Previous Payments..... \$ 321,468.80

BALANCE DUE CONTRACTOR (FINAL PAYMENT)..... \$ 56,095.95

ACCEPTED BY: Heckert Construction Co., Inc.

Peter J. Kuesmeyer

DATE: November 21, 2017

SUBMITTED BY: Greg Hardister, Engineering Supervisor, City of Pittsburg

Greg Hardister

DATE: 11-27-2017

APPROVED BY: Cameron Alden, Director of Public Works/City Engineer, City of Pittsburg

Cameron Alden

DATE: 11-27-17

DATE OF APPROVAL BY CITY COMMISSION:

HECKERT CONSTRUCTION CO., INC.

An Asphalt Paving Contractor

CONSENT OF SURETY TO REDUCTION IN OR RELEASE OF RETAINAGE

PROJECT: Klink 1R Resurfacing Project
K 126 (E 4th Street) KCS Overpass to Free King Hwy.
KDOT Project No. 126-19 U 0699-01

TO: City Clerk
City of Pittsburg
201 W. 4th Street
Pittsburg, KS 66762

CONTRACT FOR: Klink 1R Resurfacing Project
CONTRACT DATE: June 28, 2017

In accordance with the provisions of Contract between the City of Pittsburg, Owner, and the Heckert Construction Company, Inc., Contractor, the West Bend Mutual Insurance Company, Surety on bond of Heckert Construction Company, Inc., hereby approves the release of retainage to the Contractor.


The Surety agrees that such total release of retainage to the Contractor shall not relieve the Surety of any of its obligations to the City of Pittsburg as set forth in said Surety's bond.

IN WITNESS WHEREOF, West Bend Mutual Insurance Company, the Surety has hereunto set its hand this
day of
November 1st, 2017

ATTEST: 

(SEAL)

West Bend Mutual Insurance Company
Surety

 David S. Salavitch
Signature of Authorized Representative

Attorney in fact
Title


HECKERT CONSTRUCTION CO., INC.

An Asphalt Paving Contractor

TO: City Clerk
City of Pittsburg
201 W. 4th Street
Pittsburg, KS 66762

PROJECT: Klink 1R Resurfacing Project
K 126 (E 4th Street) KCS Overhead
to Free King Hwy.
KDOT Project 126-19 U 0699-01

In accordance with the provisions of the above referenced project, we hereby certify and swear that all subcontractors, vendors, persons, or firms who have furnished labor or materials for the work, and all rentals of materials, equipment, or property used in connection with the work, and that all taxes have been paid in full or otherwise satisfied.

State of Kansas Crawford County	Contractor: Heckert Construction Company, Inc.
On this <u>21st</u> day of <u>NOVEMBER</u> , 2017, before me, a Notary Public in and for the aforementioned County and State personally appeared	By: <u>[Signature]</u> Title: <u>[Signature]</u>
<u>CHARLES M. HECKERT</u> To me known to be the identical person who executed the above statement.	Seal:
<u>[Signature]</u> Notary Public	
My Commission Expires: <u>5-12-21</u>	

The West Bend Mutual Insurance Company, Surety Company on bond for the above project hereby agrees the final payment to the Contractor, and agrees that the final payment shall not relieve the Surety Company of any of its obligations to the City of Pittsburg as set forth in the Surety Company's bond.

IN WITNESS this 1st day of November, 2017

(SEAL)

[Signature]
Signature of Authorized Representative
David S. Salavitch
ATTORNEY-IN-FACT
RESIDENT AGENT



Power of Attorney

Know all men by these Presents, That West Bend Mutual Insurance Company, a corporation having its principal office in the City of West Bend, Wisconsin does make, constitute and appoint:

David S. Salavitch

lawful Attorney(s)-in-fact, to make, execute, seal and deliver for and on its behalf as surety and as its act and deed any and all bonds, undertakings and contracts of suretyship, provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount the sum of: Five Million Dollars (\$5,000,000)

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of West Bend Mutual Insurance Company at a meeting duly called and held on the 21st day of December, 1999.

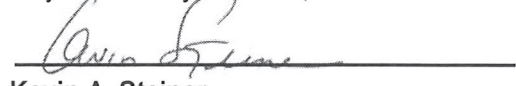
Appointment of Attorney-In-Fact. The president or any vice president, or any other officer of West Bend Mutual Insurance Company may appoint by written certificate Attorneys-in-Fact to act on behalf of the company in the execution of and attesting of bonds and undertakings and other written obligatory instruments of like nature. The signature of any officer authorized hereby and the corporate seal may be affixed by facsimile to any such power of attorney or to any certificate relating therefore and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the company, and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the company in the future with respect to any bond or undertaking or other writing obligatory in nature to which it is attached. Any such appointment may be revoked, for cause, or without cause, by any said officer at any time.

In witness whereof, the West Bend Mutual Insurance Company has caused these presents to be signed by its president undersigned and its corporate seal to be hereto duly attested by its secretary this 1st day of March, 2009.

Attest

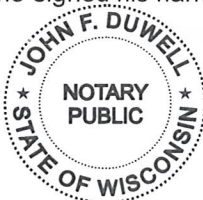

James J. Pauly
Secretary





Kevin A. Steiner
Chief Executive Officer / President

State of Wisconsin
County of Washington

On the 1st day of March, 2009 before me personally came Kevin A. Steiner, to me known being by duly sworn, did depose and say that he resides in the County of Washington, State of Wisconsin; that he is the President of West Bend Mutual Insurance Company, the corporation described in and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation and that he signed his name thereto by like order.

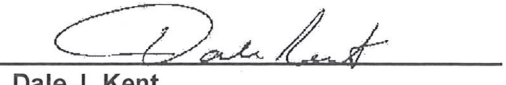



John F. Duwell
Executive Vice President - Chief Legal Officer
Notary Public, Washington Co. WI
My Commission is Permanent

The undersigned, duly elected to the office stated below, now the incumbent in West Bend Mutual Insurance Company, a Wisconsin corporation authorized to make this certificate, Do Hereby Certify that the foregoing attached Power of Attorney remains in full force effect and has not been revoked and that the Resolution of the Board of Directors, set forth in the Power of Attorney is now in force.

Signed and sealed at West Bend, Wisconsin this 15th day of November 2017




Dale J. Kent
Executive Vice President -
Chief Financial Officer

Notice: Reproductions are not binding on the company. Any questions concerning this Power of Attorney may be directed to the Bond Manager at NSI, a division of West Bend Mutual Insurance Company.

Tax Policy Group
915 SW Harrison St
Topeka, KS 66612-1588

Samuel M. Williams, Secretary



Department of Revenue

Phone: 785-296-3081

Fax: 785-296-7928

www.ksrevenue.org

Sam Brownback, Governor

STATE OF KANSAS PROJECT COMPLETION CERTIFICATION

TO: City of Pittsburg

Name of Entity to whom Project Exemption Certificate was Issued

201 W 4th St
Street Address

Pittsburg
City

KS
State

66762
Zip Code

This is to certify, to the best of my knowledge and belief, that all materials purchased under **Exemption Certificate Number** 0000063484, issued by the Kansas Department of Revenue, were incorporated into the building or project for which the exemption was issued and were entitled to an exemption pursuant to K.S.A. 79-3606(c), (d), (e), (xx), (aaa), (ccc), (iii), (qqq), (sss), (ttt), (uuu), (xxx) and (yyy) as amended.

Heckert Construction Co., Inc.

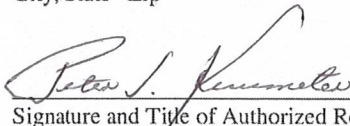
Contractor / Subcontractor

746 East 520th Avenue

P.O. Box and/or Street Number and Name

Pittsburg, Kansas 66762

City, State Zip


Signature and Title of Authorized Representative
Projects Manager

November 21, 2017
Date

INSTRUCTIONS

Upon completion of a tax exempt project, the contractor must furnish this certification to the exempt entity for which the work was performed. The exempt entity needs to retain this document in their files and record the actual date that the project was completed on-line at <https://www.kdor.ks.gov/apps/kcsc/>. All invoices must be retained by the contractor for a period of five (5) years and are subject to audit by the Kansas Department of Revenue.

PR-77 (Rev. 09/16)



DEPARTMENT OF PUBLIC WORKS

201 West 4th Street · Pittsburg KS
66762

(620) 231-4170

www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: CAMERON ALDEN
Director of Public Works/City Engineer

DATE: December 5, 2017

SUBJECT: Agenda Item – December 12, 2017
Final Payment
Airport Runway 16-34 Mill and Overlay
Contract No: AIP 3-20-0069-016-2016

The contractor, Emery Sapp & Sons, Inc. of Springfield, MO, has completed all work on the above-referenced project and is now requesting final payment. Previously approved change orders resulted in a net deduction of \$7,132.45 from the original contract amount of \$950,643. The change orders make the final contract construction amount of \$943,510.55.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, December 12th, 2017. Action necessary will be approval or disapproval of final payment to Emery Sapp & Sons, Inc. in the amount of \$111,712.06. This project is being funded by a FAA grant for with a 90% FAA/10% Local split.

Attachment: Final Payment Estimate

CONTRACTOR'S PROGRESS ESTIMATE

Sheet: 1 of 2

Date: 05/05/17

HWL Job Number: 10768

Contractor: Emery Sapp & Sons, Inc.
Address: 5350 E. State Hwy AA
Springfield, MO 65803

Estimate No.: 3

Contract No.: AIP 3-20-0069-016-2016

and Sponsor: City of Pittsburg, KS

Project: Atkinson Municipal Airport

=====

We submit herewith Estimate Number 3 under contract AIP 3-20-0069-016-2016 for the above-named improvement. A detailed account of the work completed and a record of the materials on site or in an approved storage is attached hereto.

STATEMENT OF ACCOUNT

Original Contract Amount	\$950,643.00
Contract Revisions:	
(Through Change Order 3)	(\$7,132.45)
(Through Supplement 0)	\$0.00
Amount of Contract Revisions	(\$7,132.45)
New Contract Amount	\$943,510.55
Value of Work Performed to Date	\$943,510.55
Value of Materials on Hand	\$0.00
Total Value of Work and Materials	\$943,510.55
Less Previous Due Amount	\$831,798.50
Less Previous Retainage Amount	\$92,422.06
Total of Previous Requests	\$924,220.55
Amount of this Request	\$19,290.00
Less Amount to be Retained	\$0.00
Amount of Previous Retainage to be Released	\$92,422.06
BALANCE DUE CONTRACTOR	\$111,712.06

=====

This payment estimate has been verified and payment recommended in accordance with the Specifications.

PROJECT ENGINEER:
Lochner

By: _____

5/5/2017

Dated: _____

CONTRACTOR:
Emery Sapp & Sons, Inc.

By: _____

Dated: 5-9-17

→ To be included with Request No. 10 - \$96,410.84
→ To be included with Request No. 11 - \$15,301.22

Project Name: Atkinson Municipal Airport
 Sponsor: City of Pittsburg, KS
 Contractor: Emery Sapp & Sons, Inc.
 Project Number: AIP 3-20-0069-016-2016

Sheet: 2 of 2
 Date: 5/5/17
 LOCHNER Job Number: 10768.00

PROGRESS ESTIMATE NO.: 3

ITEM NO.	DESCRIPTION	ORIGINAL CONTRACT QUANTITY	**QUANTITY OVERRUN/ UNDERRUN	CURRENT CONTRACT QUANTITY	QUANTITY COMPLETE TO DATE	UNIT	UNIT PRICE	EARNED TO DATE
1	Mobilization	100%	0%	100%	100%	L.S.	\$74,420.00	\$74,420.00
2	Temporary Marking, Lighting, & Barricades	100%	0%	100%	100%	L.S.	\$31,820.00	\$31,820.00
3	Clean and Seal Joints and Cracks <1"	50,000	-13,187	36,813	36,813	L.F.	\$1.10	\$40,494.30
4	Cold Mill and Asphalt Patch for Cracks ≥ 1"	1,400	-1,400	0	0	L.F.	\$12.75	\$0.00
5	Pavement Marking Removal	2,420	20,819	23,239	23,239	S.F.	\$1.50	\$34,858.50
6	Variable Depth Cold Milling (1"-2")	65,620	-36,365	29,255	29,255	S.Y.	\$1.25	\$36,568.75
7	Full Depth Asphalt Pavement Repair	485	-413	72	72	S.Y.	\$62.75	\$4,518.00
8	Full Depth Pavement and Baserock Removal	1,086	1,199	2,285	2,285	S.Y.	\$6.75	\$15,423.75
9	Shoulder Grading	10,000	2,498	12,498	12,498	L.F.	\$2.00	\$24,996.00
10	Erosion Control Barrier (Straw Wattle)	220	0	220	220	L.F.	\$8.50	\$1,870.00
11	Bituminous Surface Course (2")	7,630	-7,630	0	0	Tons	\$73.00	\$0.00
12	Bituminous Tack Coat	6,565	935	7,500	7,500	Gal.	\$4.25	\$31,875.00
13	Reflectorized Pavement Marking	37,880	0	37,880	37,880	S.F.	\$0.75	\$28,410.00
14	Non-Reflectorized Pavement Marking	8,045	0	8,045	8,045	S.F.	\$0.50	\$4,022.50
15	Temporary Pavement Marking	37,880	0	37,880	37,880	S.F.	\$0.50	\$18,940.00
SA1.1	Bituminous Leveling Course (3/4")	2,133	417	2,550	2,550	Tons	\$83.25	\$212,287.50
SA1.2	Bituminous Surface Course (1 3/4")	6,496	-1,623	4,873	4,873	Tons	\$73.00	\$355,729.00
SA2.1	Geogrid	0	1,199	1,199	1,199	S.Y.	\$4.25	\$5,095.75
SA2.2	Crushed Aggregate Base Course (6")	0	1,199	1,199	1,199	S.Y.	\$18.50	\$22,181.50

% Project Complete Dollars: 100.0%

Total Work Performed to Date: \$943,510.55
 Original Contract Amount: \$950,643.00
 Total Revisions to Date: -\$7,132.45
 Total Value of Contract: \$943,510.55

CONTRACTOR'S CERTIFICATION REGARDING SETTLEMENT OF CLAIMS

AIP Project Number
3-20-0069-016-2016

Work Description
R/W Overlay

Airport Name
Atkinson Municipal

To the City or County of Pittsburg

This is to certify that all lawful claims for material, lubricants, oil, gasoline, grain, hay, feed, coal, coke, repairs on machinery, groceries and foodstuffs, equipment and tools consumed or used in connection with the construction of the above mentioned project, and all insurance premiums, both compensation and all other kinds of insurance on said work, and for all labor performed in said work, whether by subcontractor or claimant in person or by his employee, agent, servant, bailee or bailor, have been paid and discharged.

Emery Sapp & Sons, Inc.

Contractor

DANIEL J. HALL, ASSISTANT V.P.

Typed or Printed Name and Title



Signature

State of Missouri }
County of Greene } ss.

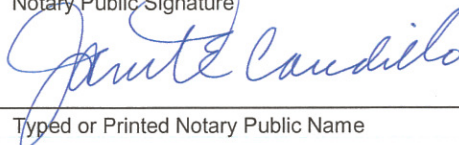
AFFIDAVIT

Subscribed and sworn to before me this 20 day of November, 20 17.

Notary Public Embosser or
Black Ink Rubber Stamp Seal

Use Rubber Stamp In Clear Area Below

Notary Public Signature



Typed or Printed Notary Public Name

Janet E Caudillo

My Commission Expires

May 16, 2018

JANET E. CAUDILLO
Notary Public – Notary Seal
STATE OF MISSOURI
Webster County
My Commission Expires May 16, 2018
Commission #14973978

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: DEXTER NEISLER
Building Official/Zoning Administrator

DATE: December 05, 2017

SUBJECT: Agenda Item – December 12, 2017
Appointment to the Planning Commission/Board of Zoning Appeals

The first term of Francis DeMott as a member of the Planning Commission/Board of Zoning Appeals expires on December 31, 2017. Mr. DeMott has expressed an interest in being reappointed for a second term. The second term of Tim Kundiger as a member of the Planning Commission/Board of Zoning Appeals expires on December 31st, 2017 and is not eligible for reappointment this year.

In soliciting individuals who might be interested in serving on the Commission, Kyle Michael has indicated he would be interested in serving. Mr. Michael was born and raised in Pittsburg, Kansas and currently resides at 109 West 4th Street. Mr. Michael has been involved with construction since 1992. In 1996 Mr. Michael moved to Florida to operate a construction company with his brother. He returned to Pittsburg in 2010 and is currently the owner and operator of Kyle Michael Construction as well as the owner and operator of Possibility Junction located at 109 West 4th Street. Kyle has three daughters and his parents still reside in Pittsburg.

In this regard, would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, December 12, 2017. Action being requested is to appoint Kyle Michael to serve a first term and reappoint Francis DeMott to serve a second term effective January 1st, 2018 and to expire December 31st, 2020.

If you have any questions concerning this matter, please do not hesitate to contact me.

INTEROFFICE MEMORANDUM

To: Pittsburg City Commission
From: Becky Gray, Director of Community Development and Housing
CC: Daron Hall
Date: November 17, 2017
Subject: Appointment of Board of Trustees for the City of Pittsburg's Land Bank

The Land Bank that was established by ordinance during the May 12, 2015 City Commission meeting will be operated by a Board of Trustees. This Board contains representatives from the following categories: legal professional, financial professional, real estate professional, construction professional, and a representative from USD 250, Crawford County, and the Economic Development Advisory Board (EDAC).

Marty Beezley (EDAC) and Tom Spurgeon (Financial) are completing their first terms. Both have been active assets to the functions of the Land Bank Board.

Therefore, staff recommends that the City Commission re-appoint the following people to the Land Bank's Board of Trustees:

EDAC Representative: Marty Beezely (second term)

Financial Representative: Tom Spurgeon (second term)

If you have any questions, please do not hesitate to contact me.



FINANCE AND ADMINISTRATION

201 West 4th Street · Pittsburg KS 66762

(620) 231-4100

www.pittks.org

Interoffice Memorandum

TO: Daron Hall, City Manager

FROM: Jamie Clarkson, Director of Finance

DATE: December 5, 2017

SUBJECT: Agenda Item – Mailing Machine Lease

The City has two mailing machines, one at City Hall and one at the Law Enforcement Center. The current mailing machine lease expires in February 2018. Staff is requesting to award a 60 month lease to OME Corp. LLC at an annual cost of \$4,151.16 by utilizing the State of Kansas contract.

If you have any questions concerning this matter, please contact me.

cc: Tammy Nagel, City Clerk

City of Pittsburg**WSCA/NASPO - PURCHASE ORDER -
LEASE**

201 N. Pine St.
Pittsburg, KS 66762
620-230-5607

WSCA/NASPO: ADSP011-00000411-4

RECEIVED**OCT - 6 2017**

To:
MailFinance Inc.
478 Wheelers Farms Road
Milford, CT 06461
800-881-6245

SHIP TO:
OMECorp
5125 S. Garnett Rd. Ste F
Tulsa, OK 74146
918-664-2588

City of Pittsburg
Dept. of Finance & Admin

P.O. DATE	REQUISITIONER	SHIPPED VIA	F.O.B. POINT	TERMS
				Kansas State Contract

QTY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL
1	IN360-P5	Mailing machine		
1	IN750	Mailing machine		
1	INWP10	10 lb. scale for IN750		
\$345.93/ month based on 60 month lease paid monthly, 12 months w/ 4 renewals Kansas state contract ADSP016-169901 includes equipment, maintenance, meter, & USPS rate change protection				\$345.93/month
SUBTOTAL				\$345.93/month
SALES TAX				n/a
SHIPPING & HANDLING				n/a
OTHER				n/a
TOTAL				\$345.93/month

- Order is governed under the terms and conditions of the WSCA/NASPO Master Price Agreement Contract Number ADSP011-00000411-4. Enter this order in accordance with the prices, terms, delivery method, and specifications listed above.
- Payments will be sent to:
MailFinance
Dept. 3682
PO Box 123682
Dallas, TX 75312-3682
Federal ID Number: 94-2984524
- Send all correspondence to:
MailFinance Inc.
478 Wheelers Farms Road
Milford, CT 06461
Phone 203-301-3400 Fax: 203-301-2600

Authorized by _____

Date _____

Print Name and Title _____

NASPO/ValuePoint Contract	
<u>NASPO Value Point</u>	
FMV	LTOP
36 Month: .0322	36 Month: .0337
48 Month: .0253	48 Month: .0269
60 Month: .0212	60 Month: .0228

MAILROOM EQUIPMENT, SUPPLIES & MAINTENANCE
Led by the State of Arizona

Master Agreement #: ADSP016-169901

Contractor: **NEOPOST**

Participating Entity: **STATE OF KANSAS**

The following products or services are included in this contract portfolio:

- *All products and accessories listed on the Contractor page of the NASPO ValuePoint website.*
 - Postage Meter Rental*
 - Mailing Systems-Ultra Low, Low, Medium, High, Production Volume*
 - Integrated Postal Scales*
 - Letter Openers-Low, High Volume*
 - Letter Folders-Low, High Volume*
 - Folder-Inserters-Low, Medium, High, Production Volume*
 - Envelope Addressing System-Low, Medium, High, Production Volume*
 - Tabbers-Low, Medium, High Volume*
 - Extractors*
 - Mail Furniture*
 - Software License & Subscription*

Master Agreement Terms and Conditions:

1. Scope: This addendum covers the *Mailroom Equipment, Supplies & Maintenance* led by the State of *Arizona* for use by state agencies and other entities located in the Participating State [or State Entity] authorized by that State's statutes to utilize State contracts with the prior approval of the State's Chief Procurement Official.
2. Contract Term. The term of this Participating Addendum will be effective upon the final execution date by the Participating State and co-terminus with the Master Agreement term unless otherwise cancelled or terminated as set forth in this Participating Addendum by the Participating State. Lead State amendments to extend the term date are automatically incorporated into this Participating Addendum unless terminated early in accordance with the terms and conditions of the Master Agreement or this Participating Addendum. A Purchasing Entity may lease Products under this Participating Addendum by issuance of an Order. The Order shall survive the termination of this Participating Addendum and the Master Agreement. Upon the Purchasing Entity's acceptance of any required delivery or Acceptance Testing, the Acceptance Testing period shall end.
3. Participation: This NASPO ValuePoint Master Agreement may be used by all state agencies, institutions of higher institution, political subdivisions and other entities authorized to use statewide contracts in the State of Kansas. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.

MAILROOM EQUIPMENT, SUPPLIES & MAINTENANCE
Led by the State of Arizona

4. Primary Contacts: The primary contact individuals for this Participating Addendum are as follows (or their named successors):

Contractor

Name:	Larry Waters
Address:	Neopost USA, Inc. 478 Wheelers Farms Rd. Milford, CT 06461
Telephone:	(281) 216-4596
Fax:	(203) 301-2600
Email:	L.waters@neopost.com

Participating Entity

Name:	Bonnie Edwards
Address:	900 SW Jackson St., Suite 451S
Telephone:	785-296-3125
Fax:	785-296-7240
Email:	Bonnie.edwards@ks.gov

5. PARTICIPATING ENTITY MODIFICATIONS OR ADDITIONS TO THE MASTER AGREEMENT

These modifications or additions apply only to actions and relationships within the Participating Entity.

Participating Entity must check one of the boxes below.

☐ No changes to the terms and conditions of the Master Agreement are required.

☒ The following changes are modifying or supplementing the Master Agreement terms and conditions.

4. Participating State Modifications or Additions to Master Price Agreement:

- a. The laws of the State of Kansas shall govern this Addendum.
- b. Order of precedence is modified as follows:
 1. State of Kansas Contractual Provisions Attachment (as modified), Da-146a

MAILROOM EQUIPMENT, SUPPLIES & MAINTENANCE
Led by the State of Arizona

attached and incorporated into this Addendum as Attachment A.

2. This Participating Addendum
3. The NASPO ValuePoint Master Agreement # ADSPO16-169901 and Exhibits
4. Contractor's NASPO Mailing Equipment contract proposal including best and final offer.

c. Reports and Administrative Fees:

The Contractor shall submit calendar quarterly reports to the Division of Purchases for all acquisitions, less returned product ("actual, net invoice sales") made from this Addendum. This report should include as a minimum the agency name, quantity description and amount. The report will be provided electronically and a check sent payable to the office of Procurement and Contracts for an amount equal to one half of one percent (0.50%) of the total actual sales. The report and fee shall be submitted 30 days following the end of the calendar quarter.

The contractor further agrees to work with the State of Kansas to generate specific reports to assist in the continuation of standard configurations.
The State may request any and all reports to be submitted in electronic format.

- d. Except for operating system software, software required for the functionality of the system and Contractor's mail room related software products offered in accordance with the Master Agreement, Software, License and Subscription, state agencies shall not purchase software products and licenses under this Addendum. Software license terms and conditions shall be mutually agreed upon in writing by the purchasing entity's authorized individual and the Contractor.
- e. Travel expenses if applicable, shall be reimbursed under the same rates and conditions as noted in the "Employee Travel Expense Reimbursement Handbook" found at <http://da.ks.gov/ar/employee/travel/travbkSMART13.htm> unless otherwise agreed upon with the purchasing entity.
- f. Upon request of the purchasing entity, the Contractor shall accept a State of Kansas Business Procurement Card (BPC) or other like instrument in lieu of a warrant for payment under this Addendum. No additional charges will be allowed for using the card.
- g. Replacement parts shall be replaced in its entirety as follows: "All products purchased are new and unused, and parts supplied under warranty shall be newly manufactured or remanufactured parts which are equivalent to new in performance".
- h. Purchase Order Instructions:

All orders should contain the following (1) Mandatory Language "PO is subject to

PARTICIPATING ADDENDUM



MAILROOM EQUIPMENT, SUPPLIES & MAINTENANCE

Led by the State of Arizona

NASPO Contract # ADSP016-169901" (2) Your Name, Address, Contact, & Phone-Number.

Orders and payment can be made out to either (a) Neopost, or (b) Mail Finance (for Leased Equipment Only). All payments for postage and equipment rental can be payable to Neopost or the United State Post Office (USPS). Payments shall not be made to an AUTHORIZED reseller or leasing company as set forth in leasing terms and conditions.

i. **Price Agreement Number:**

All purchase orders issued by purchasing entities within the jurisdiction of this participating addendum shall include the Participating State contract number: 43221 for Mail Finance(Lease Equipment only) and 43218 to Neopost(Postage and Rental agreements) and the Lead State price agreement number: ADSP016-169901.

j. **Compliance with reporting requirements of the "American Recovery and**

Reinvestment Act of 2009" ("ARRA"): If or when contractor is notified by ordering entity that a specific purchase or purchases are being made with ARRA funds, contractor agrees to comply with the data element and reporting requirements as currently defined in Federal Register Vol 74 #61, Pages 14824-14829 (or subsequent changes or modifications to these requirements as published by the Federal OMB). Ordering entity is responsible for informing contractor as soon as the ordering entity is aware that ARRA funds are being used for a purchase or purchases. Contractor will provide the required report to the ordering entity with the invoice presented to the ordering entity for payment. The contractor, as it relates to purchases under this contract, is not a subcontractor or sub grantee, but simply a provider of goods and related services.

k. **Individual Customer:**

Each State agency and political subdivision, as a Participating Entity, that purchases products/services will be treated as if they were Individual Customers. Except to the extent modified by a Participating Addendum, each agency and political subdivision will be responsible to follow the terms and conditions of the Master Agreement; and they will have the same rights and responsibilities for their purchases as the Lead State has in the Master Agreement. Each agency and political subdivision will be responsible for their own charges, fees, and liabilities. Each agency and political subdivision will have the same rights to any indemnity or to recover any costs allowed in the contract for their purchases. The Contractor will apply the charges to each Participating Entity individually.

5. **Lease Agreements:** Equipment Lease and Rental Agreements are authorized in accordance with the terms of NASPO Master Price Agreement number: ADSP016-169901 with the following modifications:

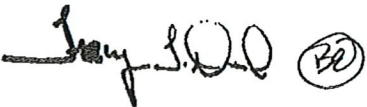
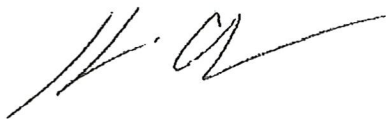
NASPO ValuePoint
PARTICIPATING ADDENDUM



MAILROOM EQUIPMENT, SUPPLIES & MAINTENANCE
Led by the State of Arizona

- a. The State of Kansas DA146A (Attachment A) takes precedence over this contract, the Product Purchase Agreement, the Government Product Lease Agreement Terms and Conditions and any other agreement required outside of this contract.
6. Subcontractors: All contractors, dealers, and resellers authorized in the State of Kansas, as shown on the dedicated Contractor (cooperative contract) website, are approved to provide sales and service support to participants in the NASPO ValuePoint Master Agreement. The contractor's dealer participation will be in accordance with the terms and conditions set forth in the aforementioned Master Agreement.
7. Orders: Any order placed by a Participating Entity or Purchasing Entity for a product and/or service available from this Master Agreement shall be deemed to be a sale under (and governed by the prices and other terms and conditions) of the Master Agreement unless the parties to the order agree in writing that another contract or agreement applies to such order.

IN WITNESS, WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

Participating Entity: Procurement and Contracts, State of Kansas	Contractor: Neopost USA Inc.
Signature: 	Signature: 
Name: Tracy T. Diel	Name: Kevin O'Connor
Title: Director of purchases	Title: VP, Marketing
Date: 6/14/17	Date: 6/27/2017

MAILROOM EQUIPMENT, SUPPLIES & MAINTENANCE
Led by the State of Arizona

State of Kansas
Department of Administration
DA-146a (Rev. 06-12)

CONTRACTUAL PROVISIONS ATTACHMENT (Attachment A)

Important: This form contains mandatory contract provisions and must be attached to or incorporated in all copies of any contractual agreement. If it is attached to the vendor/contractor's standard contract form, then that form must be altered to contain the following provision:

"The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 06-12), which is attached hereto, are hereby incorporated in this contract and made a part thereof."

The parties agree that the following provisions are hereby incorporated into the contract to which it is attached and made a part thereof, said contract being the _____ day of _____, 20_____.

1. **Terms Herein Controlling Provisions:** It is expressly agreed that the terms of each and every provision in this attachment shall prevail and control over the terms of any other conflicting provision in any other document relating to and a part of the contract in which this attachment is incorporated. Any terms that conflict or could be interpreted to conflict with this attachment are nullified.
2. **Kansas Law and Venue:** This contract shall be subject to, governed by, and construed according to the laws of the State of Kansas, and jurisdiction and venue of any suit in connection with this contract shall reside only in courts located in the State of Kansas.
3. **Termination Due To Lack Of Funding Appropriation:** If, in the judgment of the Director of Accounts and Reports, Department of Administration, sufficient funds are not appropriated to continue the function performed in this agreement and for the payment of the charges hereunder, State may terminate this agreement at the end of its current fiscal year. State agrees to give written notice of termination to contractor at least 30 days prior to the end of its current fiscal year, and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this contract, except that such notice shall not be required prior to 90 days before the end of such fiscal year. Contractor shall have the right, at the end of such fiscal year, to take possession of any equipment provided State under the contract. State will pay to the contractor all regular contractual payments incurred through the end of such fiscal year, plus contractual charges incidental to the return of any such equipment. Upon termination of the agreement by State, title to any such equipment shall revert to contractor at the end of the State's current fiscal year. The termination of the contract pursuant to this paragraph shall not cause any penalty to be charged to the agency or the contractor.
4. **Disclaimer Of Liability:** No provision of this contract will be given effect that attempts to require the State of Kansas or its agencies to defend, hold harmless, or indemnify any contractor or third party for any acts or omissions. The liability of the State of Kansas is defined under the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.).
5. **Anti-Discrimination Clause:** The contractor agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 et seq.) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101 et seq.) (ADA) and to not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry, or age in the admission or access to, or treatment or employment in, its programs or activities; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such acts by the Kansas Human Rights Commission, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration; (f) if it is determined that the contractor has violated applicable provisions of ADA, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration.

MAILROOM EQUIPMENT, SUPPLIES & MAINTENANCE
Led by the State of Arizona

Contractor agrees to comply with all applicable state and federal anti-discrimination laws.

The provisions of this paragraph number 5 (with the exception of those provisions relating to the ADA) are not applicable to a contractor who employs fewer than four employees during the term of such contract or whose contracts with the contracting State agency cumulatively total \$5,000 or less during the fiscal year of such agency.

6. **Acceptance Of Contract:** This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.
7. **Arbitration, Damages, Warranties:** Notwithstanding any language to the contrary, no interpretation of this contract shall find that the State or its agencies have agreed to binding arbitration, or the payment of damages or penalties. Further, the State of Kansas and its agencies do not agree to pay attorney fees, costs, or late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect that attempts to exclude, modify, disclaim or otherwise attempt to limit any damages available to the State of Kansas or its agencies at law, including but not limited to the implied warranties of merchantability and fitness for a particular purpose.
8. **Representative's Authority To Contract:** By signing this contract, the representative of the contractor thereby represents that such person is duly authorized by the contractor to execute this contract on behalf of the contractor and that the contractor agrees to be bound by the provisions thereof.
9. **Responsibility For Taxes:** The State of Kansas and its agencies shall not be responsible for, nor indemnify a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.
10. **Insurance:** The State of Kansas and its agencies shall not be required to purchase any insurance against loss or damage to property or any other subject matter relating to this contract, nor shall this contract require them to establish a "self-insurance" fund to protect against any such loss or damage. Subject to the provisions of the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.), the contractor shall bear the risk of any loss or damage to any property in which the contractor holds title.
11. **Information:** No provision of this contract shall be construed as limiting the Legislative Division of Post Audit from having access to information pursuant to K.S.A. 46-1101 et seq.
12. **The Eleventh Amendment:** "The Eleventh Amendment is an inherent and incumbent protection with the State of Kansas and need not be reserved, but prudence requires the State to reiterate that nothing related to this contract shall be deemed a waiver of the Eleventh Amendment."
13. **Campaign Contributions / Lobbying:** Funds provided through a grant award or contract shall not be given or received in exchange for the making of a campaign contribution. No part of the funds provided through this contract shall be used to influence or attempt to influence an officer or employee of any State of Kansas agency or a member of the Legislature regarding any pending legislation or the awarding, extension, continuation, renewal, amendment or modification of any government contract, grant, loan, or cooperative agreement.

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
C-CHECK	VOID CHECK	V	12/01/2017			181056		
C-CHECK	VOID CHECK	V	12/01/2017			181074		
C-CHECK	VOID CHECK	V	12/01/2017			181075		

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	0	0.00	0.00	0.00
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	0	0.00	0.00	0.00
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	3 VOID DEBITS	0.00		
	VOID CREDITS	0.00	0.00	0.00

TOTAL ERRORS: 0

VENDOR SET: 99 BANK: *	TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
		3	0.00	0.00	0.00
BANK: *	TOTALS:	3	0.00	0.00	0.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
2004	AIRE-MASTER OF AMERICA, INC.	R	11/22/2017			181023		17.22
1	BARNHART, MATT	R	11/22/2017			181024		70.00
1	BOZICH, JOHN	R	11/22/2017			181025		34.00
7813	NORMAN L CALDWELL	R	11/22/2017			181026		600.00
5857	CREATIVE PRODUCT SOURCING INC	R	11/22/2017			181027		322.58
1	FLORA, KATHY	R	11/22/2017			181028		12.00
7821	GLOBAL LEGAL DEMAND CENTER	V	11/22/2017			181029		200.00
6923	HUGO'S INDUSTRIAL SUPPLY INC	R	11/22/2017			181030		515.70
7680	IMA, INC.	R	11/22/2017			181031		3,125.00
7414	KANSAS GAS SERVICE (ESG)	R	11/22/2017			181032		85.00
7820	CITY OF MULBERRY	R	11/22/2017			181033		679.77
7817	NORTON POWER SYSTEMS INC	R	11/22/2017			181034		540.00
3187	DEAN POWELL	R	11/22/2017			181035		1,035.00
7819	LEVI M SWARTZ	R	11/22/2017			181036		1,234.00
1	TIRAWI, OSAMA	R	11/22/2017			181037		250.00
2350	WASTE CORPORATION OF MISSOURI	R	11/22/2017			181038		308.67
1108	WESTAR ENERGY	R	11/22/2017			181039		3,010.48
1	WILSON, JAMIE	R	11/22/2017			181040		70.00
5561	AT&T MOBILITY	R	12/01/2017			181051		96.03
6956	BSN SPORTS, INC	R	12/01/2017			181052		1,301.76
7517	CRAW-KAN TELEPHONE COOPERATIVE	R	12/01/2017			181053		71.20
7116	EMC INSURANCE COMPANIES	R	12/01/2017			181054		8,844.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
6358	FIRE X INC	R	12/01/2017			181055		1,185.50
1	HENSLEY, JAMES ARRON	R	12/01/2017			181057		426.00
7823	JIMMY'S EGG	R	12/01/2017			181058		150.00
1545	JRB INDUSTRIES INC	R	12/01/2017			181059		5,700.00
0380	KANSAS DEPARTMENT OF REVENUE	R	12/01/2017			181060		250.00
0226	KDOR LIQUOR TAX	R	12/01/2017			181061		102.12
3283	KSFFA	R	12/01/2017			181062		50.00
1	LIBERAL CITY PARK	R	12/01/2017			181063		40.00
6750	HW LOCHNER, BWR DIVISION	R	12/01/2017			181064		1,204.00
7601	MEYER LAW FIRM, LLC	R	12/01/2017			181065		304.00
1	MURDOCK III, LELAND JACK	R	12/01/2017			181066		20.00
1	PRETTYMAN, ELDEN	R	12/01/2017			181067		112.00
0175	REGISTER OF DEEDS	R	12/01/2017			181068		18.00
1	RUTHERFORD, BRYAN	R	12/01/2017			181069		80.00
4932	ACCURACY, INC	R	12/01/2017			181070		3,350.00
0349	UNITED WAY OF CRAWFORD COUNTY	R	12/01/2017			181071		75.77
5589	VERIZON WIRELESS SERVICES, LLC	R	12/01/2017			181072		331.46
2350	WASTE CORPORATION OF MISSOURI	R	12/01/2017			181073		866.52
1108	WESTAR ENERGY	R	12/01/2017			181076		231.95
5371	PITTSBURG FAMILY YMCA	R	12/01/2017			181077		306.66
0026	STANDARD INSURANCE COMPANY	D	12/01/2017			999999		1,324.18
0030	JAY BYERS	E	11/27/2017			999999		149.80

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0038	LEAGUE OF KANSAS MUNICIPALITIE	E	11/20/2017			999999		26.06
0044	CRESTWOOD COUNTRY CLUB	E	11/20/2017			999999		331.00
0046	ETTINGERS OFFICE SUPPLY	E	11/20/2017			999999		302.64
0046	ETTINGERS OFFICE SUPPLY	E	11/27/2017			999999		560.23
0046	ETTINGERS OFFICE SUPPLY	E	12/04/2017			999999		420.15
0054	JOPLIN SUPPLY COMPANY	E	11/20/2017			999999		5,320.27
0055	JOHN'S SPORT CENTER, INC.	E	11/20/2017			999999		903.94
0073	K P & P INC	E	11/20/2017			999999		310.00
0084	INTERSTATE EXTERMINATOR, INC.	E	11/27/2017			999999		100.00
0087	FORMS ONE, LLC	E	12/04/2017			999999		1,090.76
0101	BUG-A-WAY INC	E	11/20/2017			999999		110.00
0105	PITTSBURG AUTOMOTIVE INC	E	11/20/2017			999999		513.67
0105	PITTSBURG AUTOMOTIVE INC	E	11/27/2017			999999		63.43
0105	PITTSBURG AUTOMOTIVE INC	E	12/04/2017			999999		3.99
0112	MARRONES INC	E	11/20/2017			999999		98.25
0112	MARRONES INC	E	11/27/2017			999999		79.40
0117	THE MORNING SUN	E	11/27/2017			999999		244.79
0133	JIM RADELL CONSTRUCTION INC	E	11/20/2017			999999		7,862.50
0133	JIM RADELL CONSTRUCTION INC	E	12/04/2017			999999		615.00
0142	HECKERT CONSTRUCTION CO INC	E	11/20/2017			999999		1,156.26
0142	HECKERT CONSTRUCTION CO INC	E	12/04/2017			999999		7,124.22
0194	KANSAS STATE TREASURER	E	12/04/2017			999999		5,053.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0202	CLIFF HIX ENGINEERING INC	E	11/20/2017			999999		262.00
0202	CLIFF HIX ENGINEERING INC	E	12/04/2017			999999		131.00
0203	GADES SALES CO INC	E	11/20/2017			999999		14,444.30
0203	GADES SALES CO INC	E	12/04/2017			999999		439.46
0207	PEPSI-COLA BOTTLING CO OF PITT	E	11/27/2017			999999		182.65
0272	BO'S 1 STOP INC	E	11/20/2017			999999		349.65
0294	COPY PRODUCTS, INC.	E	11/27/2017			999999		246.58
0294	COPY PRODUCTS, INC.	E	12/04/2017			999999		1,380.99
0317	KUNSHEK CHAT & COAL CO, INC.	E	11/20/2017			999999		3,420.89
0321	KP&F	D	11/30/2017			999999		41,178.16
0329	O'MALLEY IMPLEMENT CO INC	E	11/27/2017			999999		13.93
0335	CUSTOM AWARDS, LLC	E	12/04/2017			999999		2,400.64
0534	TYLER TECHNOLOGIES INC	E	11/20/2017			999999		750.00
0534	TYLER TECHNOLOGIES INC	E	12/04/2017			999999		390.00
0577	KANSAS GAS SERVICE	E	11/20/2017			999999		1,999.60
0631	TRI-STATE BUILDING & SUPPLY CO	E	12/04/2017			999999		46,534.00
0661	SAFETY-KLEEN SYSTEMS INC	E	11/20/2017			999999		246.70
0709	PURVIS INDUSTRIES LTD	E	11/20/2017			999999		30.82
0709	PURVIS INDUSTRIES LTD	E	11/27/2017			999999		119.52
0728	ICMA	D	12/01/2017			999999		777.30
0746	CDL ELECTRIC COMPANY INC	E	11/20/2017			999999		150.86
0746	CDL ELECTRIC COMPANY INC	E	12/04/2017			999999		27.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0753	COUNTY OF CRAWFORD	E	12/04/2017			999999		150.00
0806	JOHN L CUSSIMANIO	E	11/20/2017			999999		278.00
0823	TOUCHTON ELECTRIC INC	E	11/27/2017			999999		40.00
0823	TOUCHTON ELECTRIC INC	E	12/04/2017			999999		20.00
0844	HY-FLO EQUIPMENT CO	E	11/20/2017			999999		306.29
0866	AVFUEL CORPORATION	E	11/20/2017			999999		20,349.50
1050	KPERS	D	12/01/2017			999999		38,333.46
1097	BARCO MUNICIPAL PRODUCTS INC	E	12/04/2017			999999		138.26
1290	CMI INC	E	12/04/2017			999999		72.31
1478	KANSASLAND TIRE OF PITTSBURG	E	11/20/2017			999999		57.35
1478	KANSASLAND TIRE OF PITTSBURG	E	12/04/2017			999999		444.40
1490	ESTHERMAE TALENT	E	11/20/2017			999999		25.00
1490	ESTHERMAE TALENT	E	12/04/2017			999999		50.00
1576	PAVING MAINTENANCE SUPPLY INC	E	11/20/2017			999999		116.20
1619	MIDWEST TAPE, LLC	E	11/20/2017			999999		25.49
1631	RUTH WEGNER	E	11/27/2017			999999		5.00
1631	RUTH WEGNER	E	12/04/2017			999999		72.00
1712	CHUCK MUNSELL	E	12/04/2017			999999		108.99
1733	BOYD METALS OF JOPLIN INC	E	12/04/2017			999999		101.30
2025	SOUTHERN UNIFORM & EQUIPMENT L	E	11/20/2017			999999		1,036.67
2025	SOUTHERN UNIFORM & EQUIPMENT L	E	12/04/2017			999999		69.64
2035	O'BRIEN ROCK CO., INC.	E	11/20/2017			999999		2,507.50

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
2161	RECORDED BOOKS, LLC	E	11/20/2017			999999		71.95
2161	RECORDED BOOKS, LLC	E	11/27/2017			999999		76.48
2186	PRODUCERS COOPERATIVE ASSOCIAT	E	11/20/2017			999999		1,300.93
2186	PRODUCERS COOPERATIVE ASSOCIAT	E	11/27/2017			999999		1,180.45
2707	THE LAWNSCAPE COMPANY, INC.	E	12/04/2017			999999		1,450.75
2767	BRENNTAG SOUTHWEST, INC	E	12/04/2017			999999		6,585.60
2825	KANSAS DEPT OF ADMINISTRATION	E	12/04/2017			999999		643.45
2841	KDHE	E	11/20/2017			999999		500.00
2960	PACE ANALYTICAL SERVICES INC	E	11/20/2017			999999		3,076.00
3079	COMMERCE BANK	D	11/30/2017			999999		30,386.37
3192	MUNICIPAL CODE CORP	E	11/20/2017			999999		950.00
3261	PITTSBURG AUTO GLASS	E	11/20/2017			999999		250.00
3570	AMERICAN EXPRESS, INC	D	12/04/2017			999999		269.17
4307	HENRY KRAFT, INC.	E	11/20/2017			999999		268.80
4307	HENRY KRAFT, INC.	E	11/27/2017			999999		495.64
4390	SPRINGFIELD JANITOR SUPPLY, IN	E	11/27/2017			999999		42.96
4452	RYAN INSURANCE, LLC	E	11/27/2017			999999		93.00
4520	ETS CORPORATION	D	12/04/2017			999999		7,160.49
4618	TRESA MILLER	E	12/04/2017			999999		713.50
4698	THE MORNING SUN	E	11/27/2017			999999		158.07
4766	ACCURATE ENVIRONMENTAL	E	11/20/2017			999999		1,891.91
4791	SPRINGSTED INCORPORATED	E	12/04/2017			999999		3,850.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
5049	CRH COFFEE INC	E	11/20/2017			999999		46.20
5049	CRH COFFEE INC	E	11/27/2017			999999		45.40
5236	SHOWCASES	E	11/20/2017			999999		396.88
5275	US LIME COMPANY-ST CLAIR	E	11/20/2017			999999		4,273.11
5275	US LIME COMPANY-ST CLAIR	E	12/04/2017			999999		4,569.95
5340	COMMERCE BANK TRUST	E	11/28/2017			999999		29,748.35
5396	MIDWEST REGIONAL BALLET, LLC	E	11/27/2017			999999		7,550.80
5623	CRAWFORD COUNTY CLERK	E	11/20/2017			999999		5.20
5623	CRAWFORD COUNTY CLERK	E	11/27/2017			999999		5.20
5623	CRAWFORD COUNTY CLERK	E	12/04/2017			999999		17,519.48
5677	BANK OF AMERICA, INC	D	12/05/2017			999999		1,636.82
5713	SODEXO INC	E	11/20/2017			999999		3,148.75
5805	ROSENBAUER SOUTH DAKOTA LLC	E	11/27/2017			999999		40.36
5825	DEAN M DAVIED	E	11/27/2017			999999		550.00
5904	TASC	D	12/01/2017			999999		7,222.05
5958	CANVAS FABRICATORS INC	E	11/20/2017			999999		600.00
6059	CBIZ BENEFITS & INSURANCE SERV	E	11/20/2017			999999		6,000.00
6117	ALEXANDER OPEN SYSTEMS, INC	E	12/04/2017			999999		350.00
6175	HENRY C MENGhini	E	12/04/2017			999999		6,105.00
6192	KATHLEEN CERNE	E	12/04/2017			999999		1,000.00
6203	THE SOUTHWEST PAPER CO INC	E	12/04/2017			999999		664.86
6298	KEVAN L SCHUPBACH	E	11/27/2017			999999		2,200.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
6402	BEAN'S TOWING & AUTO BODY	E	11/20/2017			999999		2,121.68
6415	GREAT WEST TANDEM KPERS 457	D	12/01/2017			999999		3,636.00
6524	ELLIOTT EQUIPMENT COMPANY	E	11/20/2017			999999		287.00
6524	ELLIOTT EQUIPMENT COMPANY	E	12/04/2017			999999		312.00
6577	GREENSPRO INC	E	11/20/2017			999999		315.00
6595	AMAZON.COM, INC	E	11/20/2017			999999		20,218.86
6726	BEAU JEPSON	E	11/27/2017			999999		450.00
6822	ELIZABETH BRADSHAW	E	12/04/2017			999999		630.00
6952	ADP INC	D	11/24/2017			999999		685.07
6995	SUMMER WARREN	E	12/04/2017			999999		430.00
7028	MATTHEW L. FRYE	E	11/27/2017			999999		400.00
7038	SIGNET COFFEE ROASTERS	E	11/20/2017			999999		127.50
7038	SIGNET COFFEE ROASTERS	E	11/27/2017			999999		41.25
7127	UNIQUE MANAGEMENT SERVICES, IN	E	11/20/2017			999999		26.85
7240	JAY HATFIELD CERTIFIED USED CA	E	11/20/2017			999999		1,102.24
7283	CORESOURCE, INC	D	11/24/2017			999999		9,606.65
7283	CORESOURCE, INC	D	11/30/2017			999999		26,719.18
7283	CORESOURCE, INC	E	12/04/2017			999999		48,536.78
7285	ALLSTATE BENEFITS	D	11/29/2017			999999		790.76
7290	DELTA DENTAL OF KANSAS INC	D	12/01/2017			999999		3,873.40
7358	DELTA COOLING TOWERS, INC	D	11/24/2017			999999		3,731.72
7401	JAMI L CROWDER	E	11/27/2017			999999		1,840.17

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7407	LIMELIGHT MARKETING LLC	E	12/04/2017			999999		4,500.00
7448	CARUS CORPORATION	E	11/20/2017			999999		2,472.89
7462	ALFA LAVAL, INC	E	11/20/2017			999999		987.30
7514	NTHERM, LLC	E	11/20/2017			999999		764.67
7559	MEGAN LYNN MUNGER	E	12/04/2017			999999		150.00
7572	OZARK MOUNTAIN ENERGY, INC	E	11/20/2017			999999		18,705.01
7629	EARLES ENGINEERING & INSPECTIO	E	11/20/2017			999999		14,165.80
7630	LIBERTY NATIONAL	D	12/01/2017			999999		1,921.53
7655	HW ACQUISITIONS, PA	E	11/20/2017			999999		1,271.60
7661	LOGAN WENDT	E	11/27/2017			999999		282.00
7705	JOANNA L DERFELT	E	12/04/2017			999999		2,000.00
7731	LINDA C BAKER	E	11/27/2017			999999		295.00
7735	ELIZABETH KING	E	11/27/2017			999999		359.00
7743	JACKIE D COLTRANE	E	11/27/2017			999999		116.00
7744	DARREN L SWARTZ	E	11/27/2017			999999		184.00
7745	SANDY L GOLAY	E	11/27/2017			999999		223.00
7747	MICHELLE FOWLER	E	11/27/2017			999999		30.00
7749	CHARLIE PHILLIPS	E	11/27/2017			999999		166.00
7750	WILLIAM E STANGE	E	11/27/2017			999999		47.00
7751	MATTHEW DEMOSS	E	11/27/2017			999999		82.00
7754	WILLOW TREE WEAVING	E	12/04/2017			999999		10.00
7761	DANA PARSONS	E	11/27/2017			999999		247.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7763	ROSAMARY A GILLIGAN	E	11/27/2017			999999		176.00
7791	C4 HOLDINGS LLC	E	11/20/2017			999999		242.30
7800	MORGAN ALYSE PANOVIKH	E	12/04/2017			999999		200.00
7806	CORE & MAIN LP	E	11/20/2017			999999		4,331.68

* * T O T A L S * *		NO		INVOICE AMOUNT		DISCOUNTS		CHECK AMOUNT
REGULAR CHECKS:		41		37,226.39		0.00		37,026.39
HAND CHECKS:		0		0.00		0.00		0.00
DRAFTS:		17		179,252.31		0.00		179,252.31
EFT:		143		369,207.18		6.72CR		369,200.46
NON CHECKS:		0		0.00		0.00		0.00
VOID CHECKS:		1	VOID DEBITS	0.00				
			VOID CREDITS	0.00	0.00	0.00		

TOTAL ERRORS: 0

		NO		INVOICE AMOUNT		DISCOUNTS		CHECK AMOUNT
VENDOR SET: 99	BANK: 80144	TOTALS:	202	585,685.88		6.72CR		585,479.16
BANK: 80144	TOTALS:		202	585,685.88		6.72CR		585,479.16

VENDOR SET: 99 City of Pittsburg, KS
BANK: HAP BMO HARRIS BANK-HAP
DATE RANGE:11/18/2017 THRU 12/05/2017

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
6585	CLASS HOMES 1 LLC	R	12/01/2017			181041		141.00
7585	ECONOMIC SECURITY CORPORATION	R	12/01/2017			181042		365.32
6182	ALAN FELDHAUSEN	R	12/01/2017			181043		887.00
7782	HOUSING AUTHORITY OF KANSAS CI	R	12/01/2017			181044		817.61
7616	STEVE KUPLEN	R	12/01/2017			181045		1,075.00
1601	GRAIG MOORE	R	12/01/2017			181046		1,534.00
1800	DAN RODABAUGH	R	12/01/2017			181047		767.00
6451	NAZAR SAMAN	R	12/01/2017			181048		421.00
0472	LARRY SPRESSER, LLC	R	12/01/2017			181049		667.00
4636	WESTAR ENERGY, INC. (HAP)	R	12/01/2017			181050		859.00
0855	CHARLES HOSMAN	E	12/04/2017			999999		24.00
1008	BENJAMIN M BEASLEY	E	12/04/2017			999999		1,066.00
1231	JOHN LOVELL	E	12/04/2017			999999		1,223.00
1337	DOUGLAS E THOMAS	E	12/04/2017			999999		159.00
1609	PHILLIP H O'MALLEY	E	12/04/2017			999999		4,124.00
1638	VERNON W PEARSON	E	12/04/2017			999999		1,117.36
1688	DORA WARE	E	12/04/2017			999999		553.00
1982	KENNETH N STOTTS, SR	E	12/04/2017			999999		461.00
2304	DENNIS HELMS	E	12/04/2017			999999		444.00
2542	CHARLES YOST	E	12/04/2017			999999		163.00
2624	JAMES ZIMMERMAN	E	12/04/2017			999999		505.00
2850	VENITA STOTTS	E	12/04/2017			999999		492.00

VENDOR SET: 99 City of Pittsburgh, KS
BANK: HAP BMO HARRIS BANK-HAP
DATE RANGE:11/18/2017 THRU 12/05/2017

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
2913	KENNETH N STOTTS JR	E	12/04/2017			999999		215.00
3067	STEVE BITNER	E	12/04/2017			999999		4,134.75
3082	JOHN R JONES	E	12/04/2017			999999		360.00
3114	PATRICIA BURLESON	E	12/04/2017			999999		1,174.00
3142	COMMUNITY MENTAL HEALTH CENTER	E	12/04/2017			999999		1,035.00
3162	THOMAS A YOAKAM	E	12/04/2017			999999		221.00
3193	WILLIAM CROZIER	E	12/04/2017			999999		919.00
3218	CHERYL L BROOKS	E	12/04/2017			999999		128.00
3272	DUNCAN HOUSING LLC	E	12/04/2017			999999		3,100.00
3273	RICHARD F THENIKL	E	12/04/2017			999999		1,215.00
3294	JOHN R SMITH	E	12/04/2017			999999		323.00
3593	REMINGTON SQUARE APARTMENTS ,	E	12/04/2017			999999		7,769.00
3668	MID AMERICA PROPERTIES OF PITT	E	12/04/2017			999999		2,847.00
3724	YVONNE L. ZORNES	E	12/04/2017			999999		818.00
3746	JAROLD BONBRAKE	E	12/04/2017			999999		491.00
4054	MICHAEL A SMITH	E	12/04/2017			999999		1,267.00
4218	MEADOWLARK TOWNHOUSES	E	12/04/2017			999999		4,160.00
4492	PITTSBURG SENIORS	E	12/04/2017			999999		3,882.00
4523	TODD A TROWBRIDGE	E	12/04/2017			999999		151.00
4786	JENNIFER STANLEY	E	12/04/2017			999999		119.00
4928	PITTSBURG STATE UNIVERSITY	E	12/04/2017			999999		261.00
5039	VANETA MATHIS	E	12/04/2017			999999		273.00

VENDOR SET: 99 City of Pittsburg, KS
BANK: HAP BMO HARRIS BANK-HAP
DATE RANGE: 11/18/2017 THRU 12/05/2017

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
5393	CARLOS ANGELES	E	12/04/2017			999999		1,693.00
5549	DELBERT BAIR	E	12/04/2017			999999		252.00
5653	PEGGY HUNT	E	12/04/2017			999999		109.00
5658	DEANNA J HIGGINS	E	12/04/2017			999999		189.00
5676	BARBARA TODD	E	12/04/2017			999999		61.00
5834	DENNIS TROUT	E	12/04/2017			999999		35.00
5885	CHARLES T GRAVER	E	12/04/2017			999999		390.00
5906	JOHN HINRICHS	E	12/04/2017			999999		209.00
5939	EDNA RUTH TRENT IRREVOCABLE TR	E	12/04/2017			999999		244.00
5957	PASTEUR PROPERTIES LLC	E	12/04/2017			999999		5,427.00
5961	LARRY VANBECELAERE	E	12/04/2017			999999		425.00
6002	SALLY THRELFALL	E	12/04/2017			999999		227.00
6062	MARC D SCHROEDER	E	12/04/2017			999999		305.00
6090	RANDAL BENNEFELD	E	12/04/2017			999999		1,333.00
6108	TILDEN BURNS	E	12/04/2017			999999		27.00
6130	T & K RENTALS LLC	E	12/04/2017			999999		877.00
6161	MICHAEL J STOTTS	E	12/04/2017			999999		177.00
6172	ANDREW ALEX WACHTER	E	12/04/2017			999999		293.00
6227	REGGIE BOLLINGER	E	12/04/2017			999999		736.00
6295	DAVID L PETERSON	E	12/04/2017			999999		845.00
6298	KEVAN L SCHUPBACH	E	12/04/2017			999999		6,779.00
6306	BALKANS DEVELOPMENT LLC	E	12/04/2017			999999		474.00

VENDOR SET: 99 City of Pittsburg, KS
BANK: HAP BMO HARRIS BANK-HAP
DATE RANGE:11/18/2017 THRU 12/05/2017

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
6322	R JAMES BISHOP	E	12/04/2017			999999		586.00
6391	DOWNTOWN PITTSBURG HOUSING PAR	E	12/04/2017			999999		1,520.00
6394	KEVIN HALL	E	12/04/2017			999999		2,411.00
6441	HEATHER D MASON	E	12/04/2017			999999		1,049.00
6464	PRO X PROPERTY SOLUTIONS, LLC	E	12/04/2017			999999		298.00
6655	B&H DEVELOPERS, INC	E	12/04/2017			999999		4,479.00
6657	OZARKS AREA COMMUNITY ACTION C	E	12/04/2017			999999		449.63
6673	JUDITH A COLLINS	E	12/04/2017			999999		505.00
6868	DAVID SIMPSON (308)	E	12/04/2017			999999		214.00
6886	DELBERT BAIR	E	12/04/2017			999999		438.00
6916	STILWELL HERITAGE & EDUCATIONA	E	12/04/2017			999999		4,045.00
6953	CARL ULEPICH	E	12/04/2017			999999		336.00
7024	KIMBERLY GRISSOM	E	12/04/2017			999999		540.00
7083	PITTSBURG HEIGHTS, LP	E	12/04/2017			999999		5,560.00
7112	RANDY VILELA	E	12/04/2017			999999		806.00
7220	TIMOTHY ADAM	E	12/04/2017			999999		182.00
7222	MICHAEL WILBER	E	12/04/2017			999999		122.00
7294	AMMP PROPERTIES, LLC	E	12/04/2017			999999		836.00
7312	JASON HARRIS	E	12/04/2017			999999		466.00
7326	RANDY ALLEE	E	12/04/2017			999999		272.00
7344	TERRY O BARTLOW	E	12/04/2017			999999		264.00
7393	TERESA MCCLURE	E	12/04/2017			999999		220.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7524	SOUTHEAST KANSAS COMMUNITY ACT	E	12/04/2017			999999		1,796.16
7562	THOMAS E SILOVSKY	E	12/04/2017			999999		262.00
7579	ROBERT COBB	E	12/04/2017			999999		263.00
7581	REX LINVILLE	E	12/04/2017			999999		379.00
7582	KIRK A DUNCAN	E	12/04/2017			999999		398.00
7612	ENDICOTT RENTALS, LLC	E	12/04/2017			999999		720.00
7638	JENNY MUELLER	E	12/04/2017			999999		281.00
7654	A & R RENTALS, LLC	E	12/04/2017			999999		579.00
7659	CHARLES R ALLEN	E	12/04/2017			999999		850.00
7668	JOHN BEST	E	12/04/2017			999999		53.00
7669	CHARLES GILMORE	E	12/04/2017			999999		546.00
7717	LAWRENCE E GIGER	E	12/04/2017			999999		472.00
7741	SUSAN E ADAMS	E	12/04/2017			999999		217.00
7777	DELBERT BAIR	E	12/04/2017			999999		380.00
7781	TAWIL PROPERTIES, LLC	E	12/04/2017			999999		317.00
7783	NATHAN MAGEE	E	12/04/2017			999999		274.00
7805	KIRK DARROW	E	12/04/2017			999999		1,100.00

* * T O T A L S * *		NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	10		7,533.93	0.00	7,533.93
HAND CHECKS:	0		0.00	0.00	0.00
DRAFTS:	0		0.00	0.00	0.00
EFT:	95		100,786.90	0.00	100,786.90
NON CHECKS:	0		0.00	0.00	0.00
VOID CHECKS:	0	VOID DEBITS	0.00		
		VOID CREDITS	0.00	0.00	

TOTAL ERRORS: 0

		NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
VENDOR SET: 99	BANK: HAP	TOTALS: 105	108,320.83	0.00	108,320.83
BANK: HAP	TOTALS:	105	108,320.83	0.00	108,320.83

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
6464	PRO X PROPERTY SOLUTIONS, LLC	E	12/04/2017			999999		441.00

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	0	0.00	0.00	0.00
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	1	441.00	0.00	441.00
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	0 VOID DEBITS	0.00		
	VOID CREDITS	0.00	0.00	

TOTAL ERRORS: 0

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
VENDOR SET: 99 BANK: TBRA TOTALS:	1	441.00	0.00	441.00
BANK: TBRA TOTALS:	1	441.00	0.00	441.00
REPORT TOTALS:	308	694,447.71	6.72CR	694,240.99

Passed and approved this 12th day of December, 2017.

Michael Gray, Mayor

ATTEST:

Tammy Nagel, City Clerk



FINANCE AND ADMINISTRATION
201 West 4th Street · Pittsburg KS 66762

(620) 231-4100
www.pittks.org

Interoffice Memorandum

TO: Daron Hall, City Manager

FROM: Jamie Clarkson, Finance Director

DATE: November 15, 2017

SUBJECT: Budget Hearing and Adoption of the 2017 Budget Amendments

The City of Pittsburg's 2017 Adopted Budget requires amendments to two funds as follows:

- Special Highway – increase the budget from \$2,356,324 to \$2,928,820. This is due to additional street improvement projects that were done in 2017 that were not included in the original 2017 adopted budget.
- Special Parks and Recreation Fund – increase the budget from \$92,013 to \$93,108. This is due to the fact that the 2017 liquor tax revenues are more than the original 2017 adopted budget.

Per Kansas statute, a "Notice of Budget Hearing for Amending the 2017 Budget" is required to be published in the City's official newspaper at least 10 days prior to a scheduled public hearing. The City of Pittsburg published the "Notice of Budget Hearing for Amending the 2017 Budget" on November 17, 2017 in the *Morning Sun*.

Staff is requesting that there be a public hearing on the December 12, 2017 City Commission meeting and that the 2017 proposed budget amendments be adopted and that the amended budget certificate be signed by the governing body.

cc: Tammy Nagel, City Clerk

To the Clerk of Crawford, State of Kansas
We, the undersigned, duly elected, qualified, and acting officers of
City of Pittsburg
certify that: (1) the hearing mentioned in the attached publication was
held;(2) after the Budget Hearing this Budget was duly approved and
adopted as the maximum expenditure for the various funds for the year.

			2017 Amended Budget		
			Amount of 2016 Tax that was Levied	Adopted 2017 Expenditures	Amended 2017 Expenditures
Table of Contents:			Page No.		
Fund	<u>K.S.A.</u>				
Special Highway		2		2,356,324	2,928,820
Special Parks & Recreation		3		92,013	93,108
Totals		xxxxxxxxxx	-	2,448,337	3,021,928
Summary of Amendments		4			

Attested date:

Assisted by:

Address:

Email:

Governing Body

City of Pittsburg

2017

Adopted Budget Special Highway	2017 Adopted Budget	2017 Proposed Amended Budget
Unencumbered Cash Balance January 1	283,993	792,584
Receipts:		
Intergovernmental	682,956	701,160
Interest on Idle Funds	300	2,300
Miscellaneous	1,000	500
Transfers In	1,388,075	1,432,276
Total Receipts	2,072,331	2,136,236
Resources Available:	2,356,324	2,928,820
Expenditures:		
Special Highway	2,356,324	2,928,820
Total Expenditures	2,356,324	2,928,820
Unencumbered Cash Balance December 31	0	0

City of Pittsburg

2017

Adopted Budget Special Parks & Recreation	2017 Adopted Budget	2017 Proposed Amended Budget
Unencumbered Cash Balance January 1	0	0
Receipts:		
Intergovernmental	92,013	93,108
Total Receipts	92,013	93,108
Resources Available:	92,013	93,108
Expenditures:		
Special Parks and Recreation	92,013	93,108
Total Expenditures	92,013	93,108
Unencumbered Cash Balance December 31	0	0

Page No. 3

2017

**Notice of Budget Hearing for Amending the
2017 Budget**

The governing body of

City of Pittsburg

will meet on the day of December 12, 2017 at 5:30 PM at the Law Enforcement Center for the purpose of hearing and answering objections of taxpayers relating to the proposed amended use of funds.

Detailed budget information is available at City Hall
and will be available at this hearing.

Summary of Amendments

Fund	2017 Adopted Budget			2017 Proposed Amended Expenditures
	Actual Tax Rate	Amount of Tax that was Levied	Expenditures	
Special Highway			2,356,324	2,928,820
Special Parks & Recreation			92,013	93,108

Tammy Nagel
Official Title: City Clerk

Page No. 4

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: CAMERON ALDEN
Director of Public Works

DATE: December 6, 2017

SUBJECT: Agenda Item – December 12, 2017
ATAB Annual Report to Commission

The Pittsburg Active Transportation Advisory Board (ATAB) was created as an advisory committee to promote and encourage safe bicycling and walking to further Pittsburg's goal of becoming a bicycle and pedestrian friendly city. ATAB has been active in pursuing its stated goals and has seen a number of improvements as a result of its effort. The Board would like to provide the Commission with a report of its and the City's progress over the past year in the pursuit of its goals. The ATAB Chairman, John Robb, will provide a brief presentation of the attached annual report.

In this regard, would you please place the ATAB Annual Report on the agenda for the City Commission meeting scheduled for Tuesday, December 12, 2017. No action is being requested by the Commission as this is an informational update.

If you have any questions concerning this matter, please do not hesitate to contact me.

Attachments: 2017 Annual Report
Bike Map

Pittsburg
Kansas



Active Transportation Advisory Board

Dear City of Pittsburg Commissioners and Administrators,

The Pittsburg Active Transportation Advisory Board was created on Sept 10, 2014. It has represented the residents of Pittsburg and assisted the City in developing, promoting and encouraging safe non-motorized transportation and recreational alternatives. We would like to thank the commission for creating this vital board and would like to highlight some of its 2017 activities.

Board members and represented area.

Geoffrey Hines	Northeast	Lou Ann Colyer	Disability
Amy Hite	Southeast	Stacy Bacon	Healthcare
Deborah McGeorge	Northwest	Dick Horton	Non profit
John Robb	Southwest/Crawford County ATAB Representative		

The Year 2017 In Review:

A master list of safety concerns spread sheet was created that listed quadrant safety concerns, identified area of solution, and tracked progress of resolution. Twenty-nine items were listed and have either been resolved or are in process of resolution.

The ATAB is actively working with the Crawford County ATAB to implement a County-wide complete streets policy and to increase regional non-motorized infrastructure.

The City of Pittsburg is progressing on the Safe Routes to School Project and the South Rouse Trail Project.

The City of Pittsburg has installed crossing alert signals on South Rouse, East 4th Street at Pittsburg High School, and West 4th Street at the WATCO Trail Crossing. A HAWK Beacon crossing light has been installed on Broadway at the Middle School/East-West Trail Connector. Bike lanes were included in 4th and Rouse intersection improvements.

Grants through the Blue Cross Pathways have enabled the purchase of bicycle repair stations and air pumps to be installed on WATCO Trail, at the High School and along the Transcon- Bike Route 76.

A grant through Live Well Crawford County for signage and striping will include 17 miles of two lane shared roadways, 6.5 miles of four lane shared roadway, 2 miles of Road Diet, and 3/4 miles of improved bike lane striping.

Public outreach programs in support of the Sales Tax street and new side walk plan were presented to service clubs, retirees, and youth groups.

A Pritchett Grant will provide for a KCS South Rouse rail crossing to connect the PITSCO-Dean Trail with the PSU trail system.

Copies of the Trifold Bike Route Brochures have been distributed to PSU freshmen and International students.

We have provided input to USD 250 for improved School Zone traffic flow.

The Board has been included in conversation with Block 22 Project for bicycle storage and visioning of the proposed Broadway Corridor.

The Board has recommended that plans for development include non-motorized transportation.

We look forward to further serving on the board and making suggestions to continue improving and increasing non-motorized transportation in Pittsburg. As we move forward, we would like to be considered for a more secure funding source in the budget to support our ideas. We think that ATAB benefits the City of Pittsburg through safer access to recreation and active transportation of the residents, a contact for community members to present problems, and a way to assist the City in prioritization of efforts. We think our efforts are of value to current residents, businesses and future growth of the Pittsburg community and economic endeavors. If you have any questions about our work please feel free to ask.

Sincerely,

Pittsburg Active Transportation Advisory Board

TIPS FOR PEDESTRIANS

Pavements:

(including any path along the side of a road) should be used if provided

If there is no trail or sidewalk:

Keep to the left hand side of the road so you can see oncoming traffic

Walk single file:

Especially on Narrow roads or in poor lighting conditions

Help others see you:

Wear or carry something light colored, bright, or fluorescent

Young children:

Should not be out alone on the pavement or road

Organized walk groups:

Should be in single file and have a look-out positioned at the front and back of the group

At crossings:

Always check that traffic has stopped before you cross

DO NOT:

Do not loiter in any type of crossing.

Cycle Lane:

Traffic may be moving faster than other lanes, take care when crossing these lanes

If you have to cross between parked vehicles, use the outside of the vehicle as if it were the curb

Active Transportation Advisory Board Community Representatives:

Amy Hite
Deb McGeorge
Dick Horton
Geoff Hines
John Robb
Lou Ann Colyer
Stacey Bacon

RECREATIONAL TRAILS IN PITTSBURG



City of Pittsburg
201 W. Fourth Street
P.O. Box 688
Pittsburg, KS 66762

Phone: 620-231-4100
Web: www.pittks.org



For more tips on fun and safe biking...

<http://www.ksdot.org/burRail/bike/default.asp>

TIPS FOR CYCLING IN PITTSBURG

Go with the Flow:

Always ride on the right side of the street, with traffic, never on the left side against traffic.

Be Prepared to Stop:

Always stop at all red lights and stop signs. Obey all traffic laws.

Look, Signal, and Look Again:

Use hand signals to let drivers, other bicyclists, and pedestrians know where you're going. Look and make eye contact. Don't assume drivers will stop.

Act like a Car:

Drivers are used to the patterns of other drivers. Don't weave in and out of traffic. Don't turn left from the right lane. Don't go straight in a lane marked "right-turn only." The more predictably you ride, the safer you are.

Stay Alert:

Check for traffic. Be aware of traffic around you. Also, keep a lookout for obstacles and road hazards in your path.

Don't Get Distracted:

Never wear headphones or use your phone while cycling.

Protect Pedestrians:

In Pittsburg it is against the law to ride on the sidewalk on Broadway in the downtown area, which is between Kansas and 14th.

When riding on the multi-use paths in town, always yield to pedestrians. Only pass pedestrians and slower cyclists on the left, and alert them that you are passing with a bell or by calling out, "On your left."

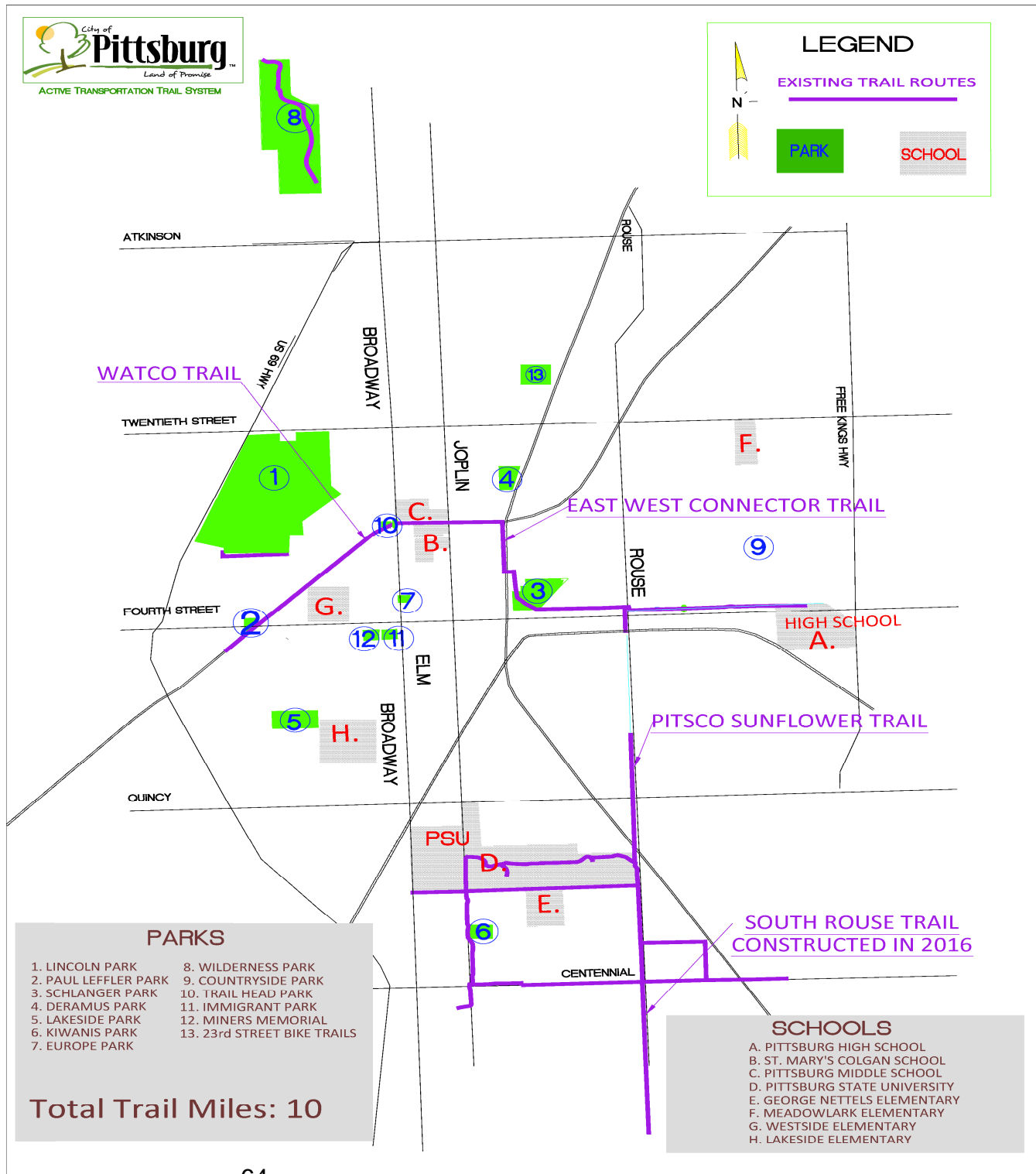
Stay Visible:

If drivers can see you, they are less likely to hit you. Use both a headlight and a taillight when biking at night or in low-light conditions.

Choose Safe Routes:

Avoid riding on Joplin Street north of Jefferson Street. Locust and Elm Streets are much safer. North of 9th Street, Grand and Michigan are good choices. Whenever possible, choose streets with less traffic.

Protect Your Head: Wear a helmet.



ORDINANCE NO. S-1050

**OF THE
CITY OF PITTSBURG, KANSAS**

**AUTHORIZING THE ISSUANCE OF
\$7,553,357
TAXABLE INDUSTRIAL REVENUE BONDS
SERIES A, 2017 AND SERIES B, 2017
(LA QUINTA INN & SUITES PROJECT)**

ORDINANCE NO. S-1050

AN ORDINANCE AUTHORIZING THE CITY OF PITTSBURG, KANSAS TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES A, 2017 AND SERIES B, 2017 (LA QUINTA INN & SUITES PROJECT) FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING A HOTEL 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 Taxable Industrial Revenue Bonds, Series A, 2017 and Series B, 2017 (La Quinta Inn & Suites Project) in the aggregate principal amount of \$7,553,357 (collectively, the "Series 2017 Bonds"), for the purpose of paying the costs of the acquisition, construction and equipping of a certain hotel facility (the "Project") as more fully described in the Indenture and in the Lease authorized in this Ordinance, for lease to Dharma Properties LLC, a Kansas limited liability company (the "Tenant").

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) a Trust Indenture dated as of December 1, 2017 (the "Indenture"), with Security Bank of Kansas City, Kansas City, Kansas, as Trustee (the "Trustee"), prescribing the terms and conditions of issuing and securing the Series 2017 Bonds;

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

(iii) a Bond Purchase Agreement (the "Series A, 2017 Bond Purchase Agreement") providing for the sale of the Series A, 2017 Bonds by the Issuer to Girard National Bank, Girard, Kansas (the "Series A, 2017 Purchaser");

(iv) a Bond Purchase Agreement (the "Series B, 2017 Bond Purchase Agreement") providing for the sale of the Series B, 2017 Bonds by the Issuer to Dharma Properties LLC (the "Series B, 2017 Purchaser"); and

(v) an Agreement for Payment in Lieu of Taxes (the "Agreement for Payment in Lieu of Taxes") with the Tenant, under which the Tenant will make certain payments in lieu of taxes for each year after issuance of the Series 2017 Bonds that the Project is exempt from ad valorem taxation.

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 ten years, subject to a payment in lieu of taxes for each year of the exemption, as more particularly described in the Agreement for Payment in Lieu of Taxes. 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 Taxable Industrial Revenue Bonds, Series A, 2017 (La Quinta Inn & Suites Project)" in the principal amount of \$5,650,000 and "City of Pittsburg Kansas Taxable Industrial Revenue Bonds, Series B, 2017 (La Quinta Inn & Suites Project)" in the principal amount of \$1,903,357, for the purpose of providing funds to pay the costs of the acquisition, construction and equipping of the Project. The Series 2017 Bonds 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 Tenant according to the provisions of the Lease in the form approved in this Ordinance.

Section 6. **Approval of the Guaranty Agreement.** The form of the Guaranty Agreement dated as of December 1, 2017 among the Tenant and the other guarantor(s) named, and the Trustee, for the benefit of the owners of the Series A, 2017 Bonds is approved.

Section 7. **Authorization of Bond Purchase Agreements.** The Issuer is authorized to sell the Series A, 2017 Bonds to the Series A, 2017 Purchaser, according to the terms and provisions of the Series A, 2017 Bond Purchase Agreement, in the form approved in this Ordinance. The Issuer is further authorized to sell the Series B, 2017 Bonds to the Series B, 2017 Purchaser, according to the terms and provisions of the Series B, 2017 Bond Purchase Agreement, in the form approved in this Ordinance.

Section 8. **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 9. **Property Tax Exemption; Payment in Lieu of Taxes.** 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 Tenant 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. The Issuer is authorized to enter into the Agreement for Payment in Lieu of Taxes in substantially the form presented for review prior to passage of this Ordinance.

Section 10. **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 11. **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 12. **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 13. **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 December 12, 2017 and **SIGNED** by the Mayor.

(SEAL)

Mayor

ATTEST:

City Clerk

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CITY OF PITTSBURG, KANSAS

AS ISSUER

AND

**SECURITY BANK OF KANSAS CITY
KANSAS CITY, KANSAS**

AS TRUSTEE

TRUST INDENTURE

DATED AS OF DECEMBER 1, 2017

**\$7,553,357
TAXABLE INDUSTRIAL REVENUE BONDS
SERIES A, 2017 AND SERIES B, 2017
(LA QUINTA INN & SUITES PROJECT)**

TRUST INDENTURE

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TRUST INDENTURE

THIS TRUST INDENTURE, dated as of December 1, 2017 (the “Indenture”), between the City of Pittsburg, Kansas (the “Issuer”), and Security Bank of Kansas City, Kansas City, Kansas, as Trustee (the “Trustee”);

WITNESSETH:

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

WHEREAS, pursuant to such authorization, the Issuer's governing body has passed an ordinance authorizing the Issuer to issue its Taxable Industrial Revenue Bonds, Series A, 2017 and Series B, 2017 (La Quinta Inn & Suites Project), in the aggregate principal amount of \$7,553,357 (the “Series 2017 Bonds”), for the purpose of providing funds for the acquisition, construction and equipping of a hotel facility (the “Project” as hereinafter more fully described), and authorizing the Issuer to lease the Project to Dharma Properties LLC, a Kansas limited liability company (the “Tenant”); and

WHEREAS, pursuant to such ordinance, the Issuer is authorized (i) to execute and deliver this Indenture for the purpose of issuing and securing the Series 2017 Bonds and any Additional Bonds (collectively the “Bonds”), as hereinafter provided, and (ii) to enter into a Lease Agreement of even date herewith (the “Lease”), between the Issuer and the Tenant, pursuant to which Issuer shall lease the Project to the Tenant, in consideration of rentals which are intended to be sufficient to provide for the payment of the principal of, premium, if any, and interest on the Series 2017 Bonds as the same become due; and

WHEREAS, all things necessary to make the Series 2017 Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid and legally binding limited obligations of the Issuer, and to make this Indenture a valid and legally binding pledge and assignment of the Trust Estate herein made for the security of the payment of the principal of, premium, if any, and interest on the Bonds issued hereunder, have been done and performed, and the execution and delivery of this Indenture and the execution and issuance of the Series 2017 Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

GRANTING CLAUSES

That the Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Series 2017 Bonds by the Original Purchaser thereof, and of other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on all of the Bonds issued and Outstanding under this Indenture from time to time according to their tenor and effect, and to secure the performance and observance by the Issuer of all the covenants, agreements and conditions herein and in the Bonds contained, does hereby pledge and assign unto the Trustee and its successors and assigns, and grant to the Trustee and its successors and assigns a security interest in the property described in paragraphs (a), (b) and (c) below (said property being herein referred to as the “Trust Estate”), to wit:

(a) The real property or interests therein situated in Crawford County, Kansas, described in *Schedule I* attached to the Lease and constituting the Land (as defined herein), with all Improvements (as defined herein)

now or hereafter located thereon, to the extent and subject to the limitations provided in the Lease, with the tenements, hereditaments, appurtenances, rights, privileges and immunities thereunto belonging or appertaining;

(b) All right, title and interest of the Issuer in, to and under the Lease (including, but not limited to, the right to enforce any of the terms thereof but excluding the Unassigned Issuer's Rights), and all rents, revenues and receipts derived by the Issuer from the Project including, without limitation, all Basic Rent derived by the Issuer under and pursuant to and subject to the provisions of the Lease;

(c) All moneys and securities from time to time received by the Trustee pursuant to the Guaranty Agreement, or held by the Trustee under the terms of this Indenture, and any and all other real or personal property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the Issuer, by the Tenant or by anyone in their behalf, or with their written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD, all and singular, the Trust Estate with all rights and privileges hereby pledged and assigned, or agreed or intended so to be, to the Trustee and its successors in trust and assigns;

IN TRUST NEVERTHELESS, upon the terms and subject to the conditions herein set forth, for (i) the equal and proportionate benefit, protection and security of the Series 2017 Bonds and any Additional Bonds issued and Outstanding under this Indenture, without preference, priority or distinction as to lien or otherwise of any of the Bonds over any other of the Bonds except as expressly provided in or permitted by this Indenture;

PROVIDED, HOWEVER, that if the Issuer shall pay, or cause to be paid, the principal of, premium, if any, and interest on all the Bonds, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, or shall provide for the payment thereof (as provided in *Article XII* hereof), and shall pay or cause to be paid to the Trustee all other sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture shall be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is hereby expressly declared, covenanted and agreed by and between the parties hereto, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and that all the Trust Estate is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer does hereby agree and covenant with the Trustee and with the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions of Words and Terms. In addition to the words and terms defined elsewhere in this Indenture and the Lease, the following words and terms as used in this Indenture shall have the following meanings, unless some other meaning is plainly intended:

"Act" means K.S.A. 12-1740 *et seq.*

“Additional Bonds” means any Bonds issued in addition to the Series 2017 Bonds pursuant to *Section 2.09* of this Indenture.

“Authorized Denomination” means \$100,000.00 and any integral multiple of \$1.00 in excess thereof.

“Authorized Tenant Representative” means Dharmendra Bhakta or Manisha Bhakta, or such other person as is designated to act on behalf of the Tenant as evidenced by written certificate furnished to the Trustee, containing the specimen signature of such person and signed on behalf of the Tenant by any Member of the Tenant. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized Tenant Representative.

“Bond” or **“Bonds”** means the Series 2017 Bonds and any Additional Bonds.

“Bond Counsel” means the firm of Gilmore & Bell, P.C. or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to Issuer and Tenant.

“Bond Purchase Agreement” means (i) with respect to the Series A, 2017 Bonds, the Bond Purchase Agreement dated as of December 1, 2017, between the Issuer, the Tenant and the Original Purchaser thereof; and (ii) with respect to the Series B, 2017 Bonds, the Bond Purchase Agreement dated as of December 1, 2017 between the Issuer and the Original Purchaser thereof.

“Bond Registrar” means the Trustee.

“Business Day” means a day which is not a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the legislature of the State and on which banks in the State are not authorized to be closed.

“Change of Circumstances” means the occurrence of any of the following events:

(a) title to, or the temporary use of, all or any substantial part of the Project shall be condemned by any authority exercising the power of eminent domain;

(b) title to all or any substantial portion of the Land is found to be deficient or nonexistent to the extent that the Project is untenable or the efficient utilization of the Project by the Tenant is substantially impaired;

(c) all or a substantial portion of the Improvements are damaged or destroyed by fire or other casualty; or

(d) as a result of: (i) changes in the constitution of the State; or (ii) any legislative or administrative action by the State or any political subdivision thereof, or by the United States; or (iii) any action instituted in any court, the Lease shall become void or unenforceable, or impossible of performance without unreasonable delay, or in any other way by reason of such changes of circumstances, unreasonable burdens or excessive liabilities are imposed upon Issuer or Tenant.

“Construction Period” means the period from the beginning of acquisition or construction of Improvements to their Completion Date.

“Costs of Issuance” means any and all expenses of whatever nature incurred in connection with the issuance and sale of Bonds, including, but not limited to, underwriting fees and expenses, underwriting discount, initial fees of the Trustee, administrative fees or expenses of the Issuer, bond and other printing expenses and legal fees and expenses of Bond Counsel, Issuer's counsel and counsel for the Tenant.

“Dated Date” means the Issue Date.

“Debt Service Fund” means the “City of Pittsburg, Kansas Debt Service Fund (La Quinta Inn & Suites Project)” authorized and established with the Trustee pursuant to the Indenture.

“Default Administration Costs” means the reasonable fees, charges, costs, advances and expenses of the Trustee incurred in anticipation of an Event of Default, or after the occurrence of an Event of Default, including, but not limited to, counsel fees, litigation costs and expenses, the expenses of maintaining and preserving the Project and the expenses of re-letting or selling the Project.

“Event of Default” means one of the following events:

- (a) Default in the due and punctual payment of any interest on any Bond;
- (b) Default in the due and punctual payment of the principal of or premium, if any, on any Bond on the Stated Maturity or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;
- (c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer in this Indenture or in any Bonds contained, and the continuance thereof for a period of 30 days after written notice thereof shall have been given to the Issuer and the Tenant by the Trustee, or to the Trustee, the Issuer and the Tenant by Owner(s) of Bonds owning not less than 25% in aggregate principal amount of Bonds then Outstanding; provided, however, if any default shall be such that it cannot be corrected within such 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer or the Tenant within such period and diligently pursued until such default is corrected; or
- (d) An “Event of Default” as defined in the Lease.

“Funds and Accounts” means funds and accounts created pursuant to or referred to in *Section 5.01* hereof.

“Government Securities” means direct obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Guarantor” means any person or entity (whether one or more) which is a guarantor under the Guaranty Agreement.

“Guaranty Agreement” means the separate Guaranty Agreement dated as of December 1, 2017 of the Guarantor or Guarantors named therein and in favor of the Trustee for the benefit of the Owner(s) of Bonds, delivered concurrently with the issuance of the Series 2017 Bonds.

“Improvements” means all buildings, building improvements, machinery and equipment purchased in whole or in part from the proceeds of the Bonds.

“Indenture” means this Trust Indenture, as from time to time amended and supplemented by Supplemental Indentures in accordance with the provisions of *Article XI* of this Indenture.

“Interest Payment Date” means any date on which any interest is payable on any Bond.

“Investment Contract” means an agreement to deposit all or any portion of the proceeds of the sale of the Bonds with a bank, with the deposits to bear interest at an agreed rate.

“Investment Securities” means any of the following securities, and to the extent the same are at the time permitted for investment of funds held by the Trustee pursuant to this Indenture:

- (a) Government Securities;
- (b) obligations of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, National Bank for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Association;
- (c) savings or other depository accounts or certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee and its affiliates), provided that such deposits shall be either of a bank, trust company or national banking association continuously and fully insured by the Federal Deposit Insurance Corporation, or continuously and fully secured by excess deposit insurance purchased through a private insurer, or such securities as are described above in clauses (a) or (b), which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such deposits and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association accepting such deposit or issuing such certificate of deposit;
- (d) any Investment Contract or repurchase agreement with any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee) or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities described in clauses (a) or (b) above;
- (e) any investment in shares or units of a money market fund or trust rated “AAAm” or “AAAm-G” or better by Standard & Poor’s (including one offered, managed or otherwise made available through the Trustee or any affiliate);
- (f) investments in shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in clauses (a), (b) or (c) above.

“Issue Date” means the date when the Issuer delivers the Bonds to the Original Purchaser in exchange for the Purchase Price.

“Issuer” means the City of Pittsburg, Kansas, a city of the first class organized under the laws of the State, and its successors and assigns.

“Land” means the real property (or interests therein) described in *Schedule I* to the Lease.

“Lease” means the Lease Agreement delivered concurrently with this Indenture between the Issuer and the Tenant, as from time to time amended and supplemented in accordance with the provisions thereof and of *Article XI* of this Indenture.

“Maturity” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

“Notice Representative” means:

- (1) With respect to the Tenant, any Member at its Notice Address (as defined in the Lease).
- (2) With respect to the Issuer, its duly acting clerk at its Notice Address (as defined in the Lease).
- (3) With respect to the Trustee, any corporate trust officer at its Notice Address (as defined in the Lease).

“Original Proceeds” means all sale proceeds, including accrued interest, from sale of the Series 2017 Bonds to the Original Purchaser and all investment earnings credited to the Project Fund prior to the Completion Date.

“Original Purchaser” means (i) with respect to the Series A, 2017 Bonds, Girard National Bank, Girard, Kansas; and (ii) with respect to the Series B, 2017 Bonds, Dharma Properties LLC, Wichita, Kansas.

“Outstanding” means, as of a particular date all Bonds issued, authenticated and delivered under this Indenture (including any Supplemental Indentures), except:

- (a) Bonds canceled by the Trustee or delivered to the Trustee for cancellation pursuant to this Indenture;
- (b) Bonds for the payment or redemption of which moneys or investments have been deposited in trust with the Trustee and irrevocably pledged to such payment or redemption in accordance with the provisions of *Section 12.02* of this Indenture; and
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture.

“Owner” means the owner of any Bond as shown on the registration books of the Trustee maintained as provided in this Indenture.

“Paying Agent” means the Trustee.

“Payment Date” means any Interest Payment Date or any Principal Payment Date.

“Person” means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“Principal Payment Date” means any date on which principal on any Bond is due and payable, whether at the Stated Maturity or earlier required redemption thereof.

“Priority Bonds” shall mean the Series A, 2017 Bonds and any Additional Bonds issued on a parity with the Series A, 2017 Bonds.

“Project” means the Land and the Improvements, together with any Project Additions.

“Project Additions” means any Improvements acquired, constructed or installed from proceeds of any series of Additional Bonds authorized and issued pursuant to this Indenture. It also includes any alterations or additions made to the Project to the extent provided in *Articles XI and XII* of the Lease.

“Project Costs” means those costs incurred in connection with the Land, and the construction or installation of any Improvements, including:

(a) all costs and expenses necessary or incident to the acquisition of the Land and such of the Improvements as are acquired, constructed or in progress at the date of such issuance of the Series 2017 Bonds;

(b) fees and expenses of architects, appraisers, surveyors, engineers and other professional consultants for estimates, surveys, soil borings and soil tests and other preliminary investigations and items necessary to the commencement of acquisition, construction, preparation of plans, drawings and specifications and supervision of construction and installation, as well as for the performance of all other duties of architects, appraisers, surveyors, engineers and other professional consultants in relation to the acquisition, construction or installation of the Improvements or the issuance of Bonds;

(c) all costs and expenses incurred in constructing, acquiring or installing the Improvements;

(d) payment of interest actually incurred on any interim financing obtained from a lender unrelated to the Tenant for acquisition or performance of work on the Improvements prior to the issuance of the Bonds;

(e) the cost of the title insurance policies and the cost of any insurance and performance and payment bonds maintained during the Construction Period in accordance with *Article VI* of the Lease, respectively;

(f) interest accruing on the Series 2017 Bonds prior to the Completion Date, if and to the extent Original Proceeds deposited to the credit of the Debt Service Fund pursuant to *Section 602* of this Indenture are insufficient for payment of such interest; and

(g) Costs of Issuance.

“Project Fund” means the “City of Pittsburg, Kansas Project Fund (La Quinta Inn & Suites Project)” authorized and established with the Trustee pursuant to the Indenture.

“Purchase Price” means the amount set forth in the Bond Purchase Agreement.

“Record Date” means the fifteenth day of the month preceding each Interest Payment Date, or if such date is not a Business Day, the Business Day immediately preceding such date.

“Redemption Date” means, when used with respect to any Bond to be redeemed, the date fixed for the redemption of such Bond pursuant to the terms of this Indenture.

“Rental Payments” means the aggregate of the Basic Rent and Additional Rent payments provided for pursuant to *Article III* of the Lease.

“Series 2017 Bonds” means, collectively, the Series A, 2017 Bonds and the Series B, 2017 Bonds.

“Series A, 2017 Bonds” means the City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series A, 2017 (La Quinta Inn & Suites Project) dated the Issue Date in the aggregate principal amount of \$5,650,000.

“Series B, 2017 Bonds” means the City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series B, 2017 (La Quinta Inn & Suites Project) dated the Issue Date in the aggregate principal amount of \$1,903,357.

“State” means the State of Kansas.

“Stated Maturity” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and this Indenture as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“Subordinate Bonds” means the Series B, 2017 Bonds and any Additional Bonds issued on a parity with the Series B, 2017 Bonds.

“Supplemental Indenture” means any indenture supplementing or amending this Indenture entered into by the Issuer and the Trustee pursuant to *Article XI* of this Indenture.

“Tenant” means Dharma Properties LLC, a Kansas limited liability company, its successors and assigns.

“Trust Estate” means the Trust Estate described in the Granting Clauses of this Indenture.

“Trustee” means Security Bank of Kansas City, Kansas City, Kansas, a banking corporation or association incorporated under the laws of the United States or one of the states thereof, in its capacity as trustee, bond registrar and paying agent, and its successor or successors serving as Trustee under this Indenture.

“Unassigned Issuer’s Rights” mean the rights of the Issuer pursuant to the Lease to indemnification, to consent, to receive notice, to receive purchase option payments, to be insured or to receive money for its own account for payment of fees or expenses advanced by the Issuer in connection with the Lease, all in accordance with the terms of the Lease.

Section 1.02. Rules of Interpretation.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations, trusts and corporations, including public bodies, as well as natural persons.

(b) Wherever in this Indenture it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(c) All references in this Indenture to designated “Articles”, “Sections” and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this Indenture as originally executed. The words “herein”, “hereof”, “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision.

(d) The Table of Contents and the Article and Section headings of this Indenture shall not be treated as a part of this Indenture or as affecting the true meaning of the provisions hereof.

ARTICLE II

THE BONDS

Section 2.01. Title and Amount of Bonds. No Bonds may be issued under this Indenture except in accordance with the provisions of this Article. The Bonds authorized to be issued under this Indenture shall be designated as “City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series A, 2017 (La Quinta Inn & Suites Project),” and “City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series B, 2017 (La Quinta Inn & Suites Project),” with such other appropriate particular designation added to or incorporated in such title for the Bonds of any particular series of Additional Bonds as the Issuer may determine. The total principal amount of Bonds that may be issued hereunder is hereby expressly limited to the \$7,553,357 principal amount of Series 2017 Bonds and any Additional Bonds permitted hereunder.

Section 2.02. Limited Nature of Obligations.

(a) The Bonds and the interest thereon shall be limited obligations of the Issuer payable solely and only from the net earnings and revenues derived by the Issuer from the Project, including but not limited to the rents, revenues and receipts under the Lease (including, in certain circumstances, Bond proceeds and income from the temporary investment thereof and proceeds from sale of the Project, insurance proceeds and condemnation awards, if any, or payments received pursuant to the Guaranty Agreement), and are secured by a pledge and assignment of the Trust Estate to the Trustee in favor of the Owner(s) of Bonds, as provided in this Indenture. The Bonds and the interest thereon shall not be a debt or general obligation of the Issuer or the State, or any municipal corporation thereof, and neither the Bonds, the interest thereon, nor any judgment thereon or with respect thereto, are payable in any manner from tax revenues of any kind or character. The Bonds shall not constitute an indebtedness or a pledge of the faith and credit of the Issuer, the State or any municipal corporation thereof, within the meaning of any constitutional or statutory limitation or restriction.

(b) The full and prompt payment of the principal of, premium, if any, and interest on the Series 2017 Bonds has been unconditionally guaranteed to the Trustee for the benefit of the Owner(s) of the Series 2017 Bonds under the terms of the Guaranty Agreement (including realization upon any collateral securing the undertakings under the Guaranty Agreement). The Trustee shall enforce the Guaranty Agreement for the benefit and protection of the Owner(s) of Bonds so long as any of the Series 2017 Bonds remain Outstanding. The Trustee shall not permit or consent to any change, amendment, modification or termination of the Guaranty Agreement except to the extent provided for therein.

(c) No provision, covenant or agreement contained in this Indenture or the Bonds, or any obligation herein or therein imposed upon the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge upon its general credit or powers of taxation. In making the agreements, provisions and covenants set forth in this Indenture, the Issuer has not obligated itself except with respect to the Project and the application of the payments, revenues and receipts therefrom as

hereinabove provided. Neither the officers of the Issuer nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

Section 2.03. Denomination, Numbering and Dating of Bonds.

(a) The Bonds shall consist of fully registered Bonds in an Authorized Denomination. The Bonds shall be substantially in the form set forth in *Article IV* of this Indenture. The Bonds of each series of Bonds shall be numbered in such manner as the Trustee shall determine.

(b) The Bonds of each series of Bonds shall be dated as provided in this Indenture or the Supplemental Indenture authorizing the issuance of such series of Bonds. The Bonds shall bear interest from their effective date of registration. The effective date of registration shall be the Interest Payment Date next preceding the date of authentication thereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case the effective date of registration shall be as of such date of authentication, or unless the date of authentication shall be prior to the first Interest Payment Date for such series of Bonds, in which case the effective date of registration shall be the dated date of such series of Bonds; provided, however, that if payment of the interest on any Bonds of any series shall be in default at the time of authentication of any Bond certificates issued in lieu of Bonds surrendered for transfer or exchange, the effective date of registration shall be as of the date to which interest has been paid in full on the Bonds surrendered.

Section 2.04. Method and Place of Payment of Bonds. The principal of, redemption premium, if any, and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal of and interest payable on each Bond on any Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such payment (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner; or (b) in the case of an interest payment to any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank ABA routing number and account number to which such Owner wishes to have such transfer directed.

Notwithstanding the foregoing, final payment of the principal of and redemption premium, if any, on all Bonds shall be made by check or draft upon the presentation and surrender of the certificate(s) representing such Bonds at the Maturity thereof at the principal corporate trust office of the Paying Agent.

Section 2.05. Execution and Authentication of Bonds.

(a) Bond certificates shall be executed on behalf of the Issuer by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of its City Clerk, and shall have the corporate seal of the Issuer affixed thereto or imprinted thereon. In case any officer whose signature or facsimile thereof appears on any Bond certificates shall cease to be such officer before the delivery of such Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any Bond certificate may be signed by such persons as at the actual time of the execution of such Bond certificate shall be the proper officers to sign although on the date of issuance of such Bond such persons may not have been such officers.

(b) The Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in *Article IV* hereof, which shall be manually executed by the Trustee. No Bond shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed. Such executed Certificate of Authentication upon any Bond certificate shall be conclusive evidence that the Bonds described in such Bond certificate have been duly authenticated and delivered under this Indenture. The Certificate of Authentication on any Bond certificate shall be deemed to have been duly executed if signed by any authorized officer or employee of the Trustee, but it shall not be necessary that the same officer or employee sign the Certificate of Authentication on all of the Bond certificates that may be delivered hereunder at any one time.

Section 2.06. Registration, Transfer and Exchange of Bonds.

(a) The Trustee shall keep books for the registration and for the transfer of the Series 2017 Bonds and any Additional Bonds as provided in this Indenture.

(b) Bonds may be transferred only upon the books maintained by Trustee for the registration and transfer of Bonds upon surrender of the certificate(s) representing such Bonds to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Owner(s) of Bonds or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the Issuer shall execute and the Trustee shall authenticate and deliver in exchange for such Bonds new Bond certificate(s), registered in the name of the transferee, of any Authorized Denomination in an aggregate principal amount equal to the principal amount of such Bonds, of the same series and maturity and bearing interest at the same rate. In the event that any Owner(s) of Bonds fails to provide a certified taxpayer identification number to the Trustee, the Trustee may make a charge against such Owner(s) of Bonds sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to any Owner(s) of Bonds.

(c) In all cases in which Bonds shall be exchanged or transferred hereunder, the Issuer shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bond certificates in accordance with the provisions of this Indenture. All Bond certificates surrendered in any such exchange or transfer shall forthwith be canceled by the Trustee. The Issuer or the Trustee may make a charge for every such exchange or transfer of Bonds sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, and such charge shall be paid by the Owner(s) of Bonds before any such new Bond certificate shall be delivered. Neither the Issuer nor the Trustee shall be required to make any such exchange or transfer of Bonds on or after the Record Date preceding a Payment Date on the Bonds or, in the case of any proposed redemption of Bonds, during the 15 days immediately preceding the selection of Bonds for such redemption or after such Bonds or any portion thereof has been selected for redemption.

(d) All of the duties of the Trustee set forth in this *Section 2.06* may be performed by any co-trustee or co-paying agent appointed by the Trustee, to the extent specified in the instrument appointing such co-trustee or co-paying agent.

Section 2.07. Persons Deemed Owners of Bonds. The person in whose name any Bond shall be registered as shown on the registration books required to be maintained by the Trustee by this Article shall be deemed and regarded as the absolute owner thereof for all purposes. Payment of, or on account of the principal of and premium, if any, and, interest on any such Bond shall be made only to or upon the order of such registered Owner or a duly constituted legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

Section 2.08. Authorization of Series 2017 Bonds.

(a) There shall be initially issued and secured pursuant to this Indenture, two series of Bonds in the aggregate principal amount of \$7,553,357 for the purpose of providing funds to pay Project Costs, which series of Bonds shall be designated the “City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series A, 2017 (La Quinta Inn & Suites Project)” and “City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series B, 2017 (La Quinta Inn & Suites Project).” The Series 2017 Bonds shall be in such principal amounts, shall be payable, and shall be dated, bear interest, and be subject to redemption and transfer as set forth in *Appendices A-1* and *A-2* hereto. All of the terms and provisions of the Series 2017 Bonds as set forth in *Appendices A-1* and *A-2* are incorporated into this Indenture by reference.

(b) The Series 2017 Bonds and the interest and redemption premium, if any, thereon will not be a general obligation of the Issuer, but shall be payable solely out of the revenues derived by the Issuer pursuant to the Lease (except to the extent payable from proceeds of sale or re-letting of the Project or from moneys paid pursuant to the Guaranty Agreement). Notwithstanding the foregoing, the Series B, 2017 Bonds shall be junior and subordinate with respect to the payment of principal and interest from the Trust Estate and in all other respects to the Series A, 2017 Bonds and any Additional Bonds issued on a parity with the Series A, 2017 Bonds (the “Priority Bonds”), and, in the event of any default in the payment of either principal of, premium, if any, or interest on any of the Priority Bonds, the Trust Estate will be applied solely to the payment of the principal of and interest on the Priority Bonds until all Outstanding principal, premium if any, and accrued interest on the Priority Bonds have been paid in full, or provision has been made for such payment pursuant to *Article XIII* of this Indenture. The Series B, 2017 Bonds shall be subordinate with respect to the payment of principal or interest from the Trust Estate or otherwise to the Parity Bonds hereafter issued in accordance with the provisions of this Indenture.

(c) The Trustee is hereby designated as the Issuer's Paying Agent for the payment of the principal of, premium, if any, and interest on the Series 2017 Bonds. The Trustee may appoint one or more financial institutions to act as co-paying agent for the Series 2017 Bonds.

(d) Upon the original issuance and delivery of the Series 2017 Bonds, the effective date of registration thereof shall be their Dated Date.

(e) The Series 2017 Bonds shall be substantially in the form and manner set forth in *Article IV* hereof and delivered to the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of the Bonds by the Trustee, there shall be filed with the Trustee the following:

- (i) An original or certified copy of the Ordinance enacted by the Issuer's governing body authorizing the issuance of the Series 2017 Bonds and the execution of this Indenture and the Lease.
- (ii) An original executed counterpart of this Indenture.
- (iii) An original executed counterpart of the Lease.
- (iv) An original executed counterpart of the Guaranty Agreement.
- (v) An opinion of Bond Counsel to the effect that the Series 2017 Bonds constitute valid and legally binding obligations of the Issuer.
- (vi) Such other certificates, statements, receipts and documents as the Trustee shall reasonably require for the delivery of the Series 2017 Bonds.

(f) When the documents specified in subsection (e) of this Section shall have been filed with the Trustee, and when certificates representing all the Series 2017 Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver the Series 2017 Bonds to or upon the order of the Original Purchaser thereof, but only upon payment to the Trustee of the Purchase Price of the Series 2017 Bonds. The Original Proceeds, including accrued interest and premium thereon, if any, shall be immediately paid over to the Trustee, and the Trustee shall deposit and apply such proceeds as provided in *Article V* hereof.

Section 2.09. Authorization of Additional Bonds.

(a) Additional Bonds may be issued under and equally and ratably secured by this Indenture on a parity with the Series 2017 Bonds and any other Additional Bonds Outstanding at any time and from time to time, upon compliance with the conditions hereinafter provided in this Section, for any of the following purposes:

(i) To provide funds to pay the costs of completing the Improvements, the total of such costs to be evidenced by a certificate signed by the Authorized Tenant Representative.

(ii) To provide funds to pay all or any part of the costs of repairing, replacing or restoring Improvements in the event of damage, destruction or condemnation thereto or thereof.

(iii) To provide funds to pay all or any part of the costs of acquisition, purchase or construction of such additions, improvements, extensions, alterations, expansions or modifications of the Project (including additional Land or Improvements) or any part thereof as the Tenant may deem necessary or desirable and as will not impair the nature of the Project as a “facility” within the meaning and purposes of the Act.

(iv) To provide funds for refunding all or any part of the Bonds of any series then Outstanding, including the payment of any premium thereon and interest to accrue to the designated Redemption Date and any expenses in connection with such refunding.

(b) Before any Additional Bonds shall be issued under the provisions of this Section, the Owner(s) of 100% of the Priority Bonds then Outstanding shall give its written consent thereto and the Issuer's governing body shall enact an Ordinance (i) authorizing the issuance of such Additional Bonds, fixing the amount and terms thereof and describing the purpose or purposes for which such Additional Bonds are being issued or describing the Bonds to be refunded, (ii) authorizing the Issuer to enter into a Supplemental Indenture for the purpose of providing for the issuance of and securing such Additional Bonds and, if required, (iii) authorizing the Issuer to enter into a supplemental lease with the Tenant to provide for rental payments at least sufficient to pay the principal of, premium, if any, and interest on the Bonds then to be Outstanding (including the Additional Bonds to be issued) as the same become due, for the acquisition, purchase, construction or installation of additional Improvements, for the inclusion of any such addition, expansion or modification as a part of the Project, and for such other matters as are appropriate because of the issuance of the Additional Bonds proposed to be issued which, in the judgment of the Issuer, is not to the prejudice of the Issuer or the owners of the Bonds previously issued.

(c) Such Additional Bonds shall have the same designation as the Series 2017 Bonds, except for an identifying series letter or date and the addition of the word “Refunding” when applicable, shall be dated, shall be stated to mature on Principal Payment Dates in such year or years, shall bear interest at such rate or rates not exceeding the maximum rate then permitted by law, and shall be redeemable at such times and prices (subject to the provisions of *Article III* of this Indenture), all as may be provided by the Supplemental

Indenture authorizing the issuance of such Additional Bonds. Except as to any difference in the date, the maturity or maturities, the rate or rates of interest or the provisions for redemption, such Additional Bonds shall be on a parity with and shall be entitled to the same benefit and security of this Indenture as the Series 2017 Bonds and any other Additional Bonds Outstanding at the time of the issuance of such Additional Bonds.

(d) Such Additional Bonds shall be substantially in the form and executed in the manner set forth in this Article and *Article IV* hereof and certificates representing such Bonds shall be deposited with the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of such Bond certificates by the Trustee, there shall be filed with the Trustee the following:

(i) An original or certified copy of the ordinance enacted by the Issuer's governing body authorizing the issuance of such Additional Bonds and the execution of such Supplemental Indenture and the appropriate amendments or supplements to the Lease.

(ii) An original executed counterpart of the Supplemental Indenture providing for the issuance of the Additional Bonds.

(iii) An original executed counterpart of the amendment or supplement to the Lease, if required.

(iv) An opinion of Bond Counsel to the effect that the Additional Bonds constitute valid and legally binding obligations of the Issuer.

(v) In the case of Additional Bonds being issued to refund Outstanding Bonds, such additional documents as shall be reasonably required by the Trustee to establish that provision has been duly made for the payment of all of the Bonds to be refunded in accordance with the provisions of *Article XII* of this Indenture.

(vi) A copy of the written consent of the Owner(s) of 100% of the Priority Bonds then Outstanding.

(vii) Such other instructions, certificates, statements, receipts and documents as the Trustee shall reasonably require for the delivery of such Additional Bonds.

(e) When the documents mentioned in subsection (d) of this Section shall have been filed with the Trustee, and when such Additional Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver such Additional Bonds to or upon the order of the purchasers thereof, but only upon payment to the Trustee of the purchase price of such Additional Bonds. The proceeds of the sale of such Additional Bonds (except Additional Bonds issued to refund Outstanding Bonds), including accrued interest and premium thereon, if any, shall be immediately paid over to the Trustee and shall be deposited and applied by the Trustee as provided in *Article V* hereof and in the Supplemental Indenture authorizing the issuance of such Additional Bonds. The proceeds (excluding accrued interest and premium, if any, which shall be deposited in the Debt Service Fund) of all Additional Bonds issued to refund Outstanding Bonds shall be deposited by the Trustee, after payment or making provision for payment of all expenses incident to such financing, to the credit of a special trust fund, appropriately designated, to be held in trust for the sole and exclusive purpose of paying the principal of, premium, if any, and interest on the Bonds to be refunded, as provided in *Section 12.02* hereof and in the Supplemental Indenture authorizing the issuance of such refunding Bonds.

(f) Except as provided in this Section, the Issuer will not otherwise issue any obligations ratably secured and on a parity with the Bonds, but the Issuer may issue other obligations specifically subordinate and junior to the Bonds with the express written consent of the Tenant.

Section 2.10. Temporary Bonds.

(a) Until definitive Bonds of any series are available for delivery, the Issuer may execute, and upon request of the Issuer, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same limitations and conditions as definitive Bonds, temporary printed, engraved, lithographed or typewritten Bonds, in the form of fully registered Bonds in Authorized Denominations, substantially of the tenor hereinabove set forth and with such appropriate omissions, insertions and variations as may be required with respect to such temporary Bonds.

(b) If temporary Bonds shall be issued, the Issuer shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it at its principal office of any temporary Bond shall cancel the same and authenticate and deliver in exchange therefor, without charge to the Owner thereof, a definitive Bond or Bonds of an equal aggregate principal amount, of the same series and maturity and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged the temporary Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds to be issued and authenticated hereunder.

Section 2.11. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond certificate shall become mutilated, or be lost, stolen or destroyed, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond certificate of like series, date and tenor as the Bond certificate mutilated, lost, stolen or destroyed. In the case of any mutilated Bond certificate, such mutilated Bond shall first be surrendered to the Trustee; and in the case of any lost, stolen or destroyed Bond certificate, there shall be first 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, instead of issuing a substitute Bond certificate the Issuer may pay or authorize the payment of the same without surrender thereof. Upon the issuance of any substitute Bond certificate, the Issuer and the Trustee may require the payment of an amount sufficient to reimburse the Issuer and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 2.12. Cancellation and Destruction of Bonds Upon Payment.

(a) All Bonds which have been paid or redeemed or which the Trustee has purchased or the certificates of which have otherwise been surrendered to the Trustee under this Indenture, either at or before Maturity, shall be canceled by the Trustee immediately upon the payment, redemption or purchase of such Bonds and the surrender of the certificates thereof to the Trustee.

(b) All Bonds canceled under any of the provisions of this Indenture shall be delivered by the Trustee to the Issuer, or, upon request of the Issuer, shall be destroyed by the Trustee.

Section 2.13. Payments Due on Saturdays, Sundays and Holidays. In any case where the Maturity of any Bonds shall not be a Business Day, then payment of principal, premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of Maturity, and no interest shall accrue for the period after such date.

Section 2.14. Nonpresentment of Bonds. In the event that any Bond shall not be presented for payment when the principal thereof becomes due, either at its Stated Maturity or Redemption Date, or the

Trustee is unable to locate the Owner for the payment of accrued interest or an accrued interest check remains uncashed, if funds sufficient to pay such Bond and accrued interest shall have been made available to the Trustee, all liability of the Issuer to the Owner(s) of Bonds for the payment of such Bond and accrued interest shall cease and be completely discharged, and the Trustee shall hold such funds, without interest, for the benefit of such Owner(s) of Bonds, who shall thereafter be restricted exclusively to such funds for any claim on, or with respect to, such Bond and interest. If any Bond shall not be presented for payment within four years following the date when it becomes due, whether by Maturity or otherwise, or the accrued interest cannot be paid as set out above, the Trustee shall repay to the Tenant the funds theretofore held by it for payment of such Bond and interest, and such Bond and interest shall thereafter be an unsecured obligation of the Tenant, subject to the defense of any applicable statute of limitation, and the Owner thereof shall be entitled to look only to the Tenant for payment, and then only to the extent of the amount so repaid, and the Tenant shall not be liable for any additional interest thereon.

ARTICLE III

REDEMPTION OF BONDS

Section 3.01. Redemption of Bonds Generally. The Series 2017 Bonds shall be subject to redemption prior to Stated Maturity in accordance with the terms and provisions of this Article. Additional Bonds shall be subject to redemption prior to Stated Maturity in accordance with the terms and provisions contained in this Article and as may be specified in the Supplemental Indenture authorizing such Additional Bonds.

Section 3.02. Redemption of Series 2017 Bonds. The Series 2017 Bonds shall be subject to redemption as follows:

(a) *Optional Redemption – Series A, 2017 Bonds.* Series A, 2017 Bonds are subject to redemption in whole or in part, at the option of and upon instructions from the Tenant to the Issuer, on any date, at the par value of the principal amount thereof, without premium, plus interest accrued to the date of redemption; provided, however, if the Series A, 2017 Bonds are redeemed and paid from the proceeds of refunding bonds purchased by or a conventional loan provided by an entity other than the Original Purchaser, then the redemption price for the Series A, 2017 Bonds shall be 102% of the par value of the principal amount thereof, plus interest accrued to the date of redemption.

(b) *Optional Redemption – Series B, 2017 Bonds.* Series B, 2017 Bonds are subject to redemption in whole or in part, with the prior written consent of 100% of the Owners of the Priority Bonds, at the option of and upon instructions from the Tenant to the Issuer, on any date, at the par value of the principal amount thereof, without premium, plus interest accrued to the date of redemption.

Section 3.03. Selection of Bonds to be Redeemed. If any Series 2017 Bond is redeemed in part, the Trustee may note such partial redemption by endorsing the acknowledgment provided on each Bond; provided, however, at the option of the Owner of any Series 2017 Bonds, such Bond certificate need not be delivered to the Trustee to note such partial redemption, but such Owner may note such partial redemption by endorsing the acknowledgment provided on each Bond and providing a copy of such endorsement to the Trustee. Any redemption in part of any Series A, 2017 Bonds after the Amortization Commencement Date (as such term is defined in *Appendix A-I* hereto) shall be applied to reduce the installments of principal thereof in inverse order of their maturity.

Section 3.04. Trustee's Duty to Redeem Bonds. The Trustee shall call Bonds for redemption and payment as herein provided and shall give notice of redemption as provided in *Section 305* hereof upon receipt by the Trustee at least 30 days prior to the proposed redemption date (unless waived) of a written request of the Issuer together with a copy of the redemption instructions of the Tenant. Such instructions shall specify the principal amount and the respective maturities of Bonds to be called for redemption, the applicable redemption price or prices and the provision or provisions of this Indenture pursuant to which such Bonds are to be called for redemption.

Section 3.05. Notice of Redemption. Notice of the call for any redemption identifying the Bonds or portions thereof to be redeemed shall be given by the Trustee, in the name of the Issuer, by mailing by first class mail, postage prepaid, a copy of the redemption notice at least 10 days prior to the date fixed for redemption to the Owner of each Bond to be redeemed at the address shown on the registration books maintained by the Trustee; provided, however, that failure to give such notice by mailing as aforesaid, or any defect therein, shall not affect the validity of any proceedings for the redemption of the Bonds. Any notice of redemption shall state the Redemption Date, the place or places at which such Bonds shall be presented for payment, the series, maturities and numbers of the Bonds or portions of Bonds to be redeemed (and in the case of the redemption of a portion of any Bond the principal amount thereof being redeemed), the redemption price and shall state that interest on the Bonds described in such notice will cease to accrue from and after the Redemption Date. Any notice of redemption may be conditioned upon the availability of funds therefore from the proceeds of refunding bonds to be issued by the Issuer, if so instructed by the Tenant. A copy of each such notice of redemption shall be provided to any authorized co-paying agent appointed by the Trustee.

Section 3.06. Effect of Call for Redemption. Prior to the date fixed for redemption, funds or Government Securities maturing on or before the date fixed for redemption shall be deposited with the Trustee in amounts sufficient to provide for payment of the Bonds called for redemption, accrued interest thereon to the Redemption Date and the redemption premium, if any. Upon the deposit of such funds or Government Securities, and notice having been given as provided in *Section 3.05* hereof, the Bonds or the portions of the principal amount of Bonds thus called for redemption shall cease to bear interest on the specified Redemption Date, and shall no longer be entitled to the protection, benefit or security of this Indenture and shall not be deemed to be Outstanding under the provisions of this Indenture.

ARTICLE IV

FORM OF BONDS

Section 4.01. Forms Generally. The Series 2017 Bonds, and the Trustee's certificate of authentication to be endorsed thereon shall be, respectively, in substantially the form set forth in *Appendices A-1* and *A-2*. Any Additional Bonds, and the Trustee's Certificate of Authentication to be endorsed thereon shall also be in substantially such form, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture or any Supplemental Indenture. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

ARTICLE V

CUSTODY AND APPLICATION OF BOND PROCEEDS

Section 5.01. Creation of Funds and Accounts. There are hereby authorized to be established in the custody of the Trustee the following Funds and Accounts:

- (a) “City of Pittsburg, Kansas Project Fund (La Quinta Inn & Suites Project)”;
- (b) “City of Pittsburg, Kansas Debt Service Fund (La Quinta Inn & Suites Project).”

The Trustee may create separate subaccounts in any Fund or Account for each series of Bonds issued pursuant to the Indenture.

Section 5.02. Deposit of Bond Proceeds. Except as otherwise provided in *Section 4.1* of the Lease, the net proceeds received from the sale of the Series 2017 Bonds shall be deposited in the Project Fund simultaneously with the delivery of the Series 2017 Bonds.

ARTICLE VI

REVENUES AND FUNDS

Section 6.01. Deposits into the Project Fund. In addition to the amounts required to be paid into the Project Fund pursuant to *Section 5.02* hereof, the following funds shall be paid over to and deposited by the Trustee into the Project Fund, as and when received:

- (a) The earnings accrued on the investment of moneys in the Project Fund and required to be deposited into the Project Fund pursuant to *Section 7.02* hereof.
- (b) If required by a Supplemental Indenture authorizing the issuance of Additional Bonds, additional amounts from the proceeds of such Additional Bonds required to acquire, construct and install the Project Additions.
- (c) The Net Proceeds of casualty insurance, condemnation awards or title insurance required to be deposited into the Project Fund pursuant to the Lease.
- (d) Any and all payments from any contractors or other suppliers by way of breach of contract, refunds or adjustments required to be deposited into the Project Fund pursuant to the Lease.
- (e) Except as otherwise provided herein or in the Lease, any other money received by or to be paid to the Trustee from any other source for the purchase or construction of the Improvements, when accompanied by directions by the Tenant that such moneys are to be deposited into the Project Fund

Section 6.02. Disbursements from the Project Fund.

- (a) The moneys in the Project Fund shall be disbursed by the Trustee for the payment of Project Costs in accordance with the provisions of *Article V* of the Lease. The Trustee hereby covenants and agrees to disburse such moneys in accordance with such provisions. If the Issuer so requests, a copy of each requisition certificate submitted to the Trustee for payment under this Section shall be promptly provided by the Trustee to the Issuer.

(b) The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom, and after the Improvements have been completed the Trustee, if requested, shall file a statement of receipts and disbursements with respect thereto with the Issuer and the Tenant.

(c) The completion of the Improvements and payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee by the Tenant of the Certificate of Completion required by *Section 5.5* of the Lease. Any balance remaining in the Project Fund shall without further authorization be deposited in the Debt Service Fund and applied by the Trustee solely to the payment of principal of the Series A, 2017 Bonds and Series B, 2017 Bonds, on a pro rata basis.

Section 6.03. Disposition Upon Acceleration. If the principal of the Bonds shall have become due and payable pursuant to *Section 9.01* of this Indenture, upon the date of payment by the Trustee of any moneys due as hereinafter provided in *Article IX*, any balance remaining in the Project Fund shall, without further authorization, be deposited in the Debt Service Fund by the Trustee.

Section 6.04. Deposits into the Debt Service Fund. In addition to the amounts required to be paid into the Debt Service Fund pursuant to *Section 5.02* hereof, the Trustee shall deposit into the Debt Service Fund, as and when received, the following:

(a) If required by a Supplemental Indenture authorizing the issuance of Additional Bonds, proceeds of such Additional Bonds in an amount not to exceed the sum which, when added to the accrued interest and premium, if any, received from the sale of such Additional Bonds, will be sufficient to pay the interest accruing on such Additional Bonds during the estimated period of construction of the Project Additions financed through the issuance of such Additional Bonds.

(b) All Basic Rent payable by the Tenant to the Issuer specified in *Section 3.1* of the Lease.

(c) Any amount in the Project Fund to be transferred to the Debt Service Fund pursuant to the provisions of this Indenture

(d) All interest and other income derived from investments of Debt Service Fund moneys as provided in *Section 7.02* hereof.

(g) All other moneys received by the Trustee under and pursuant to any of the provisions of the Lease, except Additional Rent, or when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Debt Service Fund.

Section 6.05. Application of Moneys in the Debt Service Fund.

(a) Except as provided in subsection (d) of this Section, moneys in the Debt Service Fund shall be expended solely for the payment of the principal of, premium, if any, and interest on the Outstanding Bonds as the same mature and become due or upon the redemption thereof prior to maturity.

(b) The Issuer hereby authorizes and directs the Trustee to withdraw sufficient funds from the Debt Service Fund to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable and to make said funds so withdrawn available to the Paying Agent for the purpose of paying said principal, premium, if any, and interest.

(c) The Trustee, upon written direction of the Issuer and the Tenant, shall use any excess moneys in the Debt Service Fund (other than investment earnings credited to such account) and any moneys paid to

the Trustee for deposit in the Debt Service Fund pursuant to *Section 17.2* of the Lease to redeem Outstanding Bonds, interest accruing thereon prior to such redemption, and redemption premium, if any, in accordance with and to the extent permitted by *Article III* hereof so long as the Tenant is not in default with respect to payments of Basic Rent under the Lease and to the extent said moneys are in excess of amounts required for payment of Bonds theretofore matured or called for redemption and past due interest in all cases when such Bonds have not been presented for payment. The Tenant may also direct such excess moneys in the Debt Service Fund or such part thereof or other moneys of the Tenant, as the Tenant may direct, to be applied by the Trustee for the purchase of Bonds in the open market for the purpose of cancellation. No such excess moneys may be used to purchase or redeem Subordinate Bonds until all of the Priority Bonds have been paid or payment provided for according to the terms of this Indenture.

(d) Any amount remaining in the Debt Service Fund after the principal of, premium, if any, and interest on the Bonds shall have been paid in full or provision made therefor in accordance with *Article XII* hereof, shall be paid to the Tenant by the Trustee.

Section 6.06. Creation of Life Insurance Proceeds Escrow Fund; Deposit and Investment of Moneys; Application of Moneys. In the event the Original Purchaser deposits with the Trustee receives any proceeds of the “key-man” life insurance required to be maintained by the Members of the Tenant as provided in the Lease, it shall create a fund to be known as the “Life Insurance Proceeds Escrow Fund for the City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series A, 2017 (La Quinta Inn & Suites Project).” The Trustee shall deposit all such funds there upon receipt. Moneys in the Escrow Fund shall be invested in Investment Securities, and the investment earnings thereon shall be deposited in the Debt Service Fund. At such time as the Series A, 2017 Bonds are subject to optional redemption, then the Trustee shall use the moneys then in such fund to redeem the Series A, 2017 Bonds, including payment of principal, interest and redemption premium, if any. In the event the Series A, 2017 Bonds and the interest thereon have been paid in full, or in the event provision for the payment thereof is made pursuant to this Indenture, the moneys in such fund shall belong to and be paid (i) to the designated beneficiary of such life insurance policy if such proceeds are received through an assignment or (ii) to the Tenant, if the Trustee is the designated beneficiary.

ARTICLE VII

SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 7.01. Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee for the account of any fund or account under any provision of this Indenture, and all moneys deposited with or paid to the Paying Agent under any provision of this Indenture, shall be held by the Trustee or Paying Agent in trust and shall be applied only in accordance with the provisions of this Indenture and the Lease and, until used or applied as so provided, shall constitute part of the Trust Estate and be subject to the lien hereof. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon in writing.

Section 7.02. Investment of Moneys in Funds. Moneys held in each of the Funds and Accounts shall be separately invested and reinvested by the Trustee in accordance with the provisions hereof, at the written direction of the Authorized Tenant Representative (or in the absence of such written direction, as provided in *subsection (e)* of the definition of Investment Securities) in Investment Securities which mature or are subject to redemption by the owner prior to the date such funds will be needed. The Trustee may make any investments permitted by this Section through its own bond department or short-term investment department and may pool moneys for investment purposes, except moneys held in the yield restricted portion of any fund or account, which shall be invested separately. Any such Permitted Investments shall

be held by or under the control of the Trustee and shall be deemed at all times a part of the fund or account in which such moneys are originally held. The interest earned on and any profit realized from Investment Securities held in any Fund or Account under this Indenture shall be deposited into the Debt Service Fund. Any loss resulting from such Investment Securities shall be charged to such Fund or Account in which such Investment Securities generating the loss are held. The Bond Trustee shall sell and reduce to cash a sufficient amount of such Investment Securities whenever the cash balance in such Fund or Account is insufficient for the purposes of such Fund or Account

Section 7.03. Record Keeping. The Trustee shall maintain records demonstrating compliance with the provisions of this Article and with the provisions of *Article VI* for at least six years after the payment of all of the Outstanding Bonds.

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

Section 8.01. Payment of Principal of, Premium, if any, and Interest on the Bonds. The Issuer covenants and agrees that it will, but solely from the rents, revenues and receipts derived from the Project (as well as moneys held for such purposes hereunder) as described herein, promptly pay or cause to be paid the principal of, premium, if any, and interest on the Bonds as the same become due and payable at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof, and to this end the Issuer covenants and agrees that it will use its best efforts to cause the Project to be continuously leased as a revenue and income producing undertaking, and that, should there be a default under the Lease with the result that the right of possession of the Project is returned to the Issuer, the Issuer shall fully cooperate with the Trustee and with the Owner(s) of Bonds to protect the rights and security of the Owner(s) of Bonds and shall diligently proceed in good faith and use its best efforts to secure another tenant for the Project to the end that at all times sufficient rents, revenues and receipts will be derived by Issuer from the Project to provide for payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable. Nothing herein shall be construed as requiring the Issuer to operate the Project as a business other than as lessor or to use any funds or revenues from any source other than funds and revenues derived from the Project.

Section 8.02. Authority to Execute Indenture and Issue Bonds. The Issuer covenants, to the best of its knowledge and belief, that: (i) it is duly authorized under the constitution and laws of the State to execute this Indenture, to issue the Bonds and to pledge and assign the Trust Estate in the manner and to the extent herein set forth (including the creation of a security interest therein); (ii) all action on its part for the execution and delivery of this Indenture and the issuance of the Bonds has been duly and effectively taken; and (iii) the Bonds in the hands of the Owners thereof are and will be valid and enforceable limited obligations of the Issuer according to the import thereof.

Section 8.03. Performance of Covenants. The Issuer covenants that it will endeavor to faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in the Bonds and in all proceedings of its governing body pertaining thereto.

Section 8.04. Instruments of Further Assurance. The Issuer covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments, financing statements and other documents as the Trustee may reasonably require for the better pledging and assigning unto the Trustee the property and revenues herein described to secure the payment of the principal of, premium, if any, and interest on the Bonds. The Issuer

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

Section 8.05. Recording and Filing. The Issuer shall cause the Lease and all amendments to the Lease or appropriate memoranda thereof and all appropriate financing statements and other security instruments to be recorded and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the Owner(s) of Bonds and the rights of the Trustee hereunder. The Issuer hereby authorizes the Trustee to make any such filings for it. The Trustee shall cause all appropriate continuation statements of financing statements initially recorded to be recorded and filed in such manner and in such places as may be required by law to continue the effectiveness of such financing statements.

Section 8.06. Maintenance, Taxes and Insurance. The Issuer represents that pursuant to the provisions of *Articles VI, VII and X* of the Lease, the Tenant has agreed to cause the Project to be maintained and kept in good condition, repair and working order, to pay, as the same respectively become due, all taxes, assessments and other governmental charges at any time lawfully levied or assessed upon or against the Project or any part thereof, and to keep the Project constantly insured to the extent provided for therein, all at the sole expense of Tenant.

Section 8.07. Inspection of Project Books. The Issuer covenants and agrees that all books and documents in its possession relating to the Project and the rents, revenues and receipts derived from the Project shall, at all reasonable times during regular business hours, be open to inspection by such accountants or other agencies as the Trustee may from time to time designate.

Section 8.08. Enforcement of Rights 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 Tenant, 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 without the written consent of the Trustee, and reference is hereby made to the Lease for a detailed statement of said covenants and obligations of the Tenant thereunder, and 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 Tenant under and pursuant to the Lease for and on behalf of the Owners, whether or not an Event of Default exists hereunder.

Section 8.09. Possession and Use of Project. So long as not otherwise provided in this Indenture, the Tenant shall be suffered and permitted to possess, use and enjoy the Project and appurtenances so as to carry out its obligations under the Lease.

ARTICLE IX

REMEDIES ON DEFAULT

Section 9.01. Acceleration of Maturity in Event of Default.

(a) If an Event of Default shall have occurred and be continuing, the Trustee may, and upon the written request of Owner(s) of Bonds owning not less than 25% in aggregate principal amount of Priority Bonds then Outstanding shall, by notice in writing delivered to the Issuer and the Tenant, declare the principal

of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

(b) If, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of principal and interest on the Bonds, together with all Default Administration Costs, all overdue installments of Basic Rent and Additional Rent under the Lease and all other sums then payable by the Issuer under this Indenture shall either be paid or provision satisfactory to the Trustee shall be made for such payment, then and in every such case the Trustee may in its discretion, and shall upon the written consent of Owner(s) of Bonds owning at least 51% in aggregate principal amount of the Priority Bonds Outstanding, rescind such declaration and annul such default in its entirety.

(c) In case of any rescission, then and in every such case the Issuer, the Trustee and the Owner(s) of Bonds shall be restored to their former position and rights hereunder respectively, but no such rescission shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

Section 9.02. Exercise of Remedies by the Trustee.

(a) If an Event of Default shall have occurred and be continuing, the Trustee may, and if requested to do so in writing by Owner(s) of Bonds owning not less than 25% of the aggregate principal amount of Priority Bonds Outstanding, and if indemnified to its satisfaction and satisfactory provision has been offered as to payment of Default Administration Costs and third-party liability, shall pursue and exercise any available remedy at law or in equity by suit, action, mandamus or other proceeding or 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 interests of the Owner(s) of Bonds to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding, and to enforce and compel the performance of the duties and obligations of the Issuer as herein set forth.

(b) All rights of action 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 necessity of joining as plaintiffs or defendants any Owner(s) of Bonds, and any recovery of judgment shall be for the equal benefit of all Outstanding Bonds.

(c) In any litigation with the Tenant or the Guarantor, or both, after an Event of Default, the Trustee may, after obtaining the written approval of Owner(s) of Bonds owning at least 51% of the aggregate principal amount of Priority Bonds Outstanding, enter into an agreement to settle the litigation upon such terms as the Trustee in its sole discretion determines to be in the best interest of the Owner(s) of Bonds, even if such settlement involves selling the Land and Improvements for less than the amount needed to pay the Owners of the Bonds Outstanding the full amounts of the principal and accrued interest on the Bonds and releasing the Guarantors from all liability under the Guaranty Agreement.

Section 9.03. Surrender of Possession of Trust Estate; Rights and Duties of Trustee in Possession. If an Event of Default shall have occurred and be continuing, the Issuer, upon demand of the Trustee, shall forthwith surrender the possession of, and the Trustee, by such officer or agent as it may appoint, may take possession of all or any part of the Trust Estate, together with the books, papers and accounts of the Issuer pertaining thereto, and including the rights and the position of the Issuer under the Lease, and to hold, operate and manage the same, and from time to time make all needful repairs and improvements; and the Trustee may lease the Project or any part thereof, in the name and for account of the Issuer, and collect, receive and sequester the rents, revenues and receipts therefrom, and out of the same and any moneys received from any receiver of any part thereof pay, and set up proper reserves for the payment of all proper costs and expenses of so taking, holding and managing the same, including (i) reasonable compensation to the Trustee,

its agents and counsel, (ii) any charges of the Trustee hereunder, (iii) any taxes and assessments and other charges prior to the lien of this Indenture, (iv) any costs and expenses of the Issuer in connection with the Project and (v) all expenses of such repairs and improvements, and the Trustee shall apply the remainder of the moneys so received in accordance with *Section 9.10*. Whenever all that is due upon the Bonds shall have been paid and all defaults made good, the Trustee shall surrender possession of the Trust Estate to the Issuer, its successors and assigns, the same right of entry, however, to exist upon any subsequent Event of Default.

While in possession of such property, the Trustee shall render annually to the Issuer and the Tenant a summarized statement of receipts and expenditures in connection therewith

Section 9.04. Sale in Event of Default. If an Event of Default shall have occurred and be continuing, the Trustee, as assignee of the Issuer, may (but shall not be required to) sell the Issuer's interest in the Project on behalf of the Issuer in accordance with the provisions of the Lease, and the Trustee or the Owner or Owners of any of the Bonds then Outstanding, whether or not then in default in the payment of principal or interest, may become the purchaser at any such sale to the highest bidder.

In the event of such a sale, the Issuer and the Trustee shall execute and deliver any necessary or appropriate instrument of conveyance of the Issuer's interest in the Project to the purchaser or purchasers thereof, and any statement or recital of fact in such deed in relation to the nonpayment of the Bonds, default, existence of the Bonds, notice of advertisement, sale, receipt of money, and the happening of any event whereby a prima facie evidence of the truth of such statement or recital. The Bond Trustee shall receive the proceeds of sale and pay the same in accordance with *Section 9.10(b)*.

Section 9.05. Appointment of Receivers. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 9.06. Limitation on Exercise of Remedies by Owner(s) of Bonds. No Owner(s) of Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (i) a default has occurred of which the Trustee has knowledge, (ii) such default shall have become an Event of Default, (iii) Owner(s) of Bonds owning at least 25% in aggregate principal amount of Priority Bonds then Outstanding shall have made written request to the Trustee, 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, and (iv) satisfactory indemnity and provision for payment of Default Administration Costs and third-party liability shall have been offered to the Trustee and (v) the Trustee shall thereafter fail or refuse to exercise the powers granted in this section to institute such action, suit or proceeding in its own name; and such knowledge and request are hereby declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Owner(s) of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice this Indenture 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 all Bonds then Outstanding.

Section 9.07. Right of Owner(s) of Bonds to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, Owner(s) of Bonds owning at least 51% in aggregate principal amount of Priority Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing

executed and delivered to the Trustee, and upon providing the Trustee indemnification satisfactory to it as provided above, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture, and Trustee shall have the right to decline to follow such direction if the Trustee shall in good faith, and upon the advice of counsel, determine that proceedings so directed would expose the Trustee to personal liability.

Section 9.08. Remedies Cumulative. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Owner(s) of Bonds 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 Owner(s) of Bonds hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder, whether by the Trustee or by the Owner(s) of Bonds, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 9.09. Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on Priority Bonds, and shall do so upon the written request of Owner(s) of Bonds owning at least 51% in aggregate principal amount of all the Bonds then Outstanding and satisfaction of the conditions set forth in *Section 9.01(b)*. In case of any such waiver or rescission, or in case any proceedings taken by the Trustee under this Indenture on account of any such default shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Trustee and the Owner(s) of Bonds shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 9.10. Application of Money Received after Event of Default.

(a) If the principal of all Bonds shall have become due and payable after the occurrence of an Event of Default, all moneys thereafter received from the Tenant, from sale or reletting of the Project, or pursuant to the Guaranty Agreement, shall be deposited in the Debt Service Fund and all moneys in the Debt Service Fund shall be applied as follows:

first: To the payment of Default Administration Costs

second: to the payment of all installments of interest due and payable on or prior to maturity, if any, on the Priority Bonds in the order in which such installments became due and payable and, if the amount available is not sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installment, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Priority Bonds, and then to the payment of any interest due and payable after maturity on the Priority Bonds, ratably, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Priority Bonds; and

third: to the payment of the principal of the Priority Bonds, ratably, without preference or priority of any Priority Bond over any other Priority Bond.

fourth: to the payment of all installments of interest due and payable on or prior to maturity, if any, on the Subordinate Bonds in the order in which such installments became due and payable and, if the amount available is not sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installment, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Bonds, and then to the payment of any interest due and payable after maturity on the Bonds, ratably, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Bonds; and

fifth: to the payment of the principal of the Subordinate Bonds, ratably, without preference or priority of any Subordinate Bond over any other Subordinate Bond.

sixth: To the payment of the remainder, if any, to the Tenant or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

(b) Whenever moneys are to be applied by the Issuer or the Trustee pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee in its sole discretion determines, 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; the deposit of such moneys with the Trustee in trust for the proper purpose shall constitute proper application by the Issuer; and the Issuer shall incur no liability to any Owner(s) of Bonds or to any other person for any delay in applying any such moneys, so long as the Issuer acts with reasonable diligence, having due regard to the circumstances, and moneys are applied in accordance with such provisions of this Indenture. Whenever the Trustee exercises such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Trustee 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 date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to any Owner(s) of Bonds of any unpaid Bond until the Bond certificate(s) representing Bonds owned are surrendered to the Trustee as Bond Registrar for appropriate endorsement, or for cancellation if fully paid.

(c) Whenever the principal of and premium, if any, and interest on all Bonds have been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid, any balance remaining in the Debt Service Fund shall be paid to the Tenant as provided in *Section 6.07(d)*.

ARTICLE X

THE TRUSTEE

Section 10.01. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts in the manner in which a corporate trustee ordinarily would perform said trusts under a corporate indenture, and the Trustee shall exercise such of the rights and powers vested in it by this Indenture and shall use the same degree of care and skill in its exercise as a prudent corporate trust officer would exercise or use under the circumstances, 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) Prior to the occurrence of an Event of Default and after the cure of all Events of Default which may have occurred, the Trustee's duties and responsibilities shall include only those expressly set forth in this Trust Indenture and those rights, duties, responsibilities, and obligations which are reserved to or

imposed upon the Issuer under this Trust Indenture and the Lease, excepting only such of those rights, duties, responsibilities, and obligations as may only be properly and lawfully exercised by or imposed upon the Issuer.

(b) Upon the occurrence of an Event of Default the Trustee shall be and is hereby authorized to bring appropriate action for judgment or such other relief as may be appropriate and such action may be in the name of the Trustee or in the name of the Issuer and Trustee jointly; but in such case, neither the Issuer nor the Trustee shall have any obligation for any fees and expenses of such action except out of any funds available by reason of the ownership of the Project and moneys available under this Trust Indenture and the Lease. In addition, the Trustee may file such proof of claim and such other documents as may be necessary and advisable in order to have the claims of the Trustee and the Owner(s) of Bonds relative to the Bonds or the obligations relating thereto allowed in any judicial proceeding.

(c) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys or receivers. The Trustee shall be entitled to rely upon the opinion or advice of counsel, who may be counsel to the Trustee, Issuer or the Tenant, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys and receivers as may reasonably be employed in connection with the trusts hereof.

(d) The Trustee, in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights which it would have if it were not Trustee.

(e) The Trustee may rely and shall be protected in acting or refraining from acting upon any ordinance, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, affidavit, letter, telegram or other paper or document provided for under this Indenture, the Lease or the Guaranty Agreement believed by it to be genuine and correct and to have been signed, presented or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture 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 an Owner(s) of Bonds, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or upon transfer or in substitution thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee shall be entitled to rely upon a certificate signed by the mayor of the Issuer or the Authorized Tenant Representative as sufficient evidence of the facts therein contained, the Trustee shall also be at liberty to accept 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.

(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 misconduct.

(h) At any and all reasonable times and upon reasonable prior notification to the Tenant, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right to inspect any and all of the Project and all books, papers and records of the Issuer and Tenant pertaining to the Project and the Bonds, and to make such notes and copies as may be desired.

(i) The Trustee shall not be required to give any bond or surety with respect to the execution of its trusts and powers hereunder or otherwise with respect to the Project.

(j) The Trustee shall have the right, but shall not be required, to demand, with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purpose 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.

(k) The Trustee shall not be required to take notice of, or be deemed to have notice of, any default hereunder or under the Lease, except the failure by the Issuer to cause to be made any of the payments required to be made under the Lease or in accordance with *Article VI* hereof, or the failure by the Issuer to cause compliance by the Tenant with the insurance provisions of *Article VI* of the Lease, unless the Trustee shall have been specifically notified in writing of such default by the Issuer or by Owner(s) of Bonds owning at least 25% in aggregate principal amount of all Priority Bonds then Outstanding.

(l) The Trustee may inform the Owner(s) of Bonds of environmental hazards that the Trustee has reason to believe exist with respect to the Project, the Land or the Improvements, and the Trustee shall have the right to take no further action with respect thereto, and, in such event, no fiduciary duty shall exist which imposes any obligation for further action by the Trustee with respect to the Project, the Land, the Improvements, the enforcement of any remedies hereunder or under this Lease, the Trust Estate, or any portion thereof, if, in the reasonable opinion of the Trustee, such action would subject the Trustee to environmental or other liability for which the Trustee has not received indemnity satisfactory to it.

Section 10.02. Fees, Charges and Expenses of the Trustee; Lien for Fees and Costs and Additional Rent. The Trustee shall be entitled to payment of or reimbursement for reasonable fees for its ordinary services rendered hereunder and all advances, agent and counsel fees and other ordinary costs, charges and expenses reasonably and necessarily made or incurred by the Trustee in connection with such ordinary services and, in the event that it should become necessary that the Trustee perform extraordinary services, it shall be entitled to reasonable compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the neglect or misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees, costs, expenses and charges of the Trustee as Paying Agent for the Bonds. The Trustee agrees that the Issuer shall have no liability for any fees, charges and expenses of the Trustee, and the Trustee agrees to look only to the Tenant for the payment of all fees, charges and expenses of the Trustee and any Paying Agents as provided in the Lease. Upon the occurrence of an Event of Default and during its continuance, the Trustee shall have a lien with right of payment prior to payment of principal of, redemption premium, if any, or interest on any Bond, upon all moneys in its possession under any provisions hereof (except the Rebate Fund) for the foregoing advances, fees, costs and expenses incurred, for Default Administration Costs and for any unpaid Additional Rent owing under the Lease.

Section 10.03. Notice to Owner(s) of Bonds if Default Occurs. If an Event of Default occurs, of which the Trustee is aware and of which it is required to take notice, the Trustee shall give written notice thereof to the Owner(s) of Bonds, as shown by the bond registration books required to be maintained by the Trustee and kept at the principal office of the Trustee.

Section 10.04. Intervention by the Trustee. In any judicial proceeding 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 the Owner(s) of Bonds, the Trustee may intervene on behalf of the Owner(s) of Bonds and shall do so if requested in writing by Owner(s) of Bonds owning at least 25% of the aggregate principal amount of Priority Bonds then Outstanding and if provided with indemnity satisfactory to the Trustee.

Section 10.05. Successor Trustee Upon Merger, Consolidation or Sale. Any corporation or association into which the Trustee may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

Section 10.06. Resignation of Trustee. The Trustee may resign by an instrument in writing delivered by registered or certified mail to the Issuer and the Tenant to take effect not sooner than 90 days after its delivery, whereupon the Issuer, with the consent of the Tenant, shall immediately, in writing, designate a successor Trustee; provided, however, that the Trustee's resignation shall not become effective unless and until a successor Trustee is approved and qualified. In the event the Issuer and the Tenant do not promptly designate a successor trustee, then the Trustee shall have the right to petition a court of competent jurisdiction for the appointment of a successor.

Section 10.07. Removal of Trustee. As long as no Default or Event of Default shall have occurred and be continuing, the Trustee may be removed at any time by the Issuer or the Tenant; provided, that such removal shall not be effective unless and until a successor trustee is appointed and qualified, and provided further that such removal shall not become effective until after 60 days from the date written notice of such proposed removal is given to the Trustee by first class mail. The Issuer or the Tenant, concurrently with giving notice to the Trustee, shall give notice by first class mail of the proposed removal of the Trustee to all Owner(s) of Bonds. Unless Owner(s) of Bonds owning at least 51% in principal amount of Priority Bonds then Outstanding object in writing to the proposed removal of the Trustee, such removal shall become effective from the date specified in the notices, provided that the successor trustee shall have been qualified and have accepted the duties and responsibilities of the Trustee as of such date. The Trustee may be removed at any time by the written direction of Owner(s) of Bonds owning at least 51% in aggregate principal amount of Priority Bonds then Outstanding.

Section 10.08. Qualifications of Successor Trustee. Every successor Trustee appointed pursuant to the provisions of this Article shall be a trust company or bank in good standing, qualified to accept such trust and acceptable to the Issuer and the Tenant.

Section 10.09. Vesting of Trusts in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer and the Tenant an instrument in writing accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become fully vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, execute and deliver an instrument transferring to such successor Trustee all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges 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 trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereby vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer.

Section 10.10. Right of Trustee to Pay Taxes and Other Charges. In case any tax, assessment or governmental or other charge upon, or insurance premium with respect to, any part of the Project is not paid as required herein or in the Lease, and the Tenant has failed after 30 days written notice to make such payment, the Trustee may pay such tax, assessment or governmental charge or insurance premium or rebate amount, without prejudice, however, to any rights of the Trustee or the Owner(s) of Bonds hereunder arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon

from the date of payment at a rate per annum equal to the Trustee's published prime rate in effect at the time, shall become an additional obligation secured by this Indenture, and the same shall be given a preference in payment over any payment of principal of, premium, if any, or interest on the Bonds, and shall be paid out of the proceeds of rents, revenues and receipts collected from the Project, if not otherwise caused to be paid; but the Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by Owner(s) of Bonds owning at least 25% of the aggregate principal amount of Priority Bonds then Outstanding and shall have been provided adequate funds for the purpose of such payment.

Section 10.11. Trust Estate May Be Vested in Co-trustee.

(a) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the State) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Lease, and in particular in case of the enforcement of either a default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee, or take any other action which may be desirable or necessary in connection therewith, it may be necessary or desirable that the Trustee appoint an additional individual or institution as a co-trustee or separate trustee, and the Trustee is hereby authorized to appoint such co-trustee or separate trustee.

(b) In the event that the Trustee appoints an additional individual or institution as a co-trustee or separate trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, title, interest and lien expressed or intended by this Indenture to be exercised by the Trustee with respect thereto shall be exercisable by such co-trustee or separate trustee but only to the extent necessary to enable such co-trustee or separate trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such co-trustee or separate trustee shall run to and be enforceable by either of them.

(c) Should any deed, conveyance or instrument in writing from the Issuer be required by the co-trustee or separate trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, then any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer.

(d) In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, all the properties, rights, powers, trusts, duties and obligations of such co-trustee or separate trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a successor to such co-trustee or separate trustee.

Section 10.12. Annual Accounting. The Trustee shall render an annual accounting to the Tenant, to the Issuer upon request, and to any Owner(s) of Bonds requesting the same in writing and remitting reasonable charges for preparing such copies, showing in reasonable detail all financial transactions relating to the Trust Estate during the accounting period and the balance in any funds or accounts created by this Indenture as of the beginning and close of such accounting period.

Section 10.13. Performance of Duties under the Lease and Guaranty Agreement. The Trustee hereby accepts and agrees to perform, in such manner as is consistent with the terms of those instruments and this Indenture, all duties and obligations assigned to it under the Lease and the Guaranty Agreement.

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 11.01. Supplemental Indentures Not Requiring Consent of Owner(s) of Bonds. The Issuer and the Trustee may from time to time, without the consent of any of the Owner(s) of Bonds, enter into such Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Indenture or to make any other change not prejudicial to the Owner(s) of Bonds;
- (b) To grant to or confer upon the Trustee for the benefit of the Owner(s) of Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owner(s) of Bonds or the Trustee or either of them;
- (c) To more precisely identify the Project or to add additional property thereto;
- (d) To subject to this Indenture additional revenues, properties or collateral;
- (e) To issue Additional Bonds as provided in *Section 2.09* hereof, and
- (f) To conform the provisions of this Indenture to the provisions of the Code as the same now exists or may be hereafter amended.

Section 11.02. Supplemental Indentures Requiring Consent of Owner(s) of Bonds.

(a) Exclusive of Supplemental Indentures described in *Section 11.01* hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Owner(s) of Bonds owning not less than 66-2/3% in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that except as provided in subparagraph (b) of this *Section 11.02*, nothing in this Section contained shall permit or be construed as permitting (1) an extension of the maturity of the principal of or the accrual of, or dates of payment of, interest on any Bond issued hereunder, or (2) a reduction in the principal amount of any Bond or the rate of interest thereon, or (3) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (4) a reduction in the aggregate principal amount of Bonds the Owners of which are required for consent to any such Supplemental Indenture.

(b) Any provision of this Indenture or the Bonds may be amended with the written consent of the Owners owning 100% in aggregate principal amount then Outstanding.

Section 11.03. Tenant's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article which affects any rights of the Tenant shall not become effective unless and until the Tenant shall have consented in writing to the execution and delivery of such Supplemental Indenture, provided that receipt by the Trustee of an amendment to the Lease executed by the Tenant in connection with the issuance of Additional Bonds under *Section 2.09* hereof shall be deemed to constitute consent of the Tenant to the execution of a Supplemental Indenture pursuant to *Section 2.09* hereof.

In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture (other than a Supplemental Indenture proposed to be executed and delivered pursuant to *Section 2.09* hereof) together with a copy of the proposed Supplemental Indenture to be mailed to the Tenant at least 15 days prior to the proposed date of execution and delivery of any such Supplemental Indenture.

ARTICLE XII

SATISFACTION AND DISCHARGE OF INDENTURE

Section 12.01. Satisfaction and Discharge of the Indenture.

(a) When the principal of, premium, if any, and interest on all Bonds shall have been paid in accordance with their terms or provision has been made for such payment, as provided in *Section 12.02* hereof, and provision shall also have been made for paying all other sums payable hereunder, including the fees and expenses of the Trustee and the Paying Agent to the date of retirement of the Bonds and the rebate of arbitrage rebate to the United States as required by this Indenture, then the duties of the Trustee under this Indenture shall cease. Thereupon the Trustee shall discharge and release this Indenture and shall execute, acknowledge and deliver to the Issuer such instruments of satisfaction and discharge or release as shall be requisite to evidence such release and the satisfaction and discharge of this Indenture, and shall assign and deliver to the Issuer any property at the time subject to this Indenture which may then be in its possession, except amounts in the Debt Service Fund required to be paid to the Tenant under *Section 6.07(d)* hereof and except funds or securities in which such funds are invested and held by the Trustee for the payment of the principal of, and interest accrued on, the Bonds or of arbitrage rebate to the United States. Notwithstanding anything otherwise provided herein, the provisions of this Indenture relating to compensation and indemnification of the Trustee shall survive satisfaction and discharge of the Indenture.

(b) The Issuer is hereby authorized to accept a certificate by the Trustee that the principal of, premium, if any, and interest due and payable upon all of the Bonds then Outstanding and all amounts required to be paid to the United States have been paid or such payment provided for in accordance with *Section 12.02* hereof as evidence of satisfaction of this Indenture, and upon receipt thereof shall deem this Indenture discharged.

Section 12.02. Bonds Deemed to be Paid.

(a) Bonds shall be deemed to be paid within the meaning of this Indenture when payment of the principal of and the applicable premium, if any, on such Bonds, plus interest 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 (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (1) moneys sufficient to make such payment or (2) non-callable Government Securities maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment. Bonds shall also be deemed paid if the Bond certificates(s) are surrendered to the Trustee, as paying agent, accompanied by a written communication from the Registered Owner waiving payment and directing that such certificates be cancelled without actual payment. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, it 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 Government Securities. As a condition to the Bonds being deemed paid, the Trustee shall have received an opinion of Bond Counsel to the effect that the conditions of this Section have been satisfied, and that the

actions taken hereunder will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(b) Notwithstanding the foregoing, in the case of the redemption of Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (ii) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until proper notice of such redemption shall have been given in accordance with *Article III* of this Indenture or irrevocable instructions shall have been given to the Trustee to give such notice.

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

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 13.01. Consents and Other Instruments by Owner(s) of Bonds.

(a) Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Owner(s) of Bonds may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owner(s) of Bonds in person or by agent appointed in writing. Proof of the execution of any such 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 of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

(1) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

(2) The fact of ownership of Bonds and the amount or amounts, number and other identification of such Bonds, and the date of holding the same shall be proved by the registration books of the Issuer maintained by the Trustee.

(b) In determining whether the Owner(s) of Bonds owning the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds owned by the Tenant or any affiliate of the Tenant shall be disregarded and deemed not to be Outstanding under this Indenture, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. For purposes of this paragraph, the word "affiliate" means any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Tenant; and for the purposes of this definition, "control" means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, Bonds so owned which have been pledged in good

faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Tenant or any affiliate of the Tenant.

Section 13.02. Limitation of Rights Under the Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be inferred from this Indenture or the Bonds is intended or shall be construed to give any person other than the parties hereto, and the Owner(s) of Bonds, any right, remedy or claim under or with respect to this Indenture, and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Tenant and the Owner(s) of Bonds as herein provided.

Section 13.03. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Indenture shall be in writing and shall be deemed duly given or filed if the same shall be duly mailed by registered or certified mail, postage prepaid, to the Notice Representative.

All notices given by certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed. A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Tenant to the other shall also be given to the Trustee. The Issuer, the Trustee and the Tenant may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

Section 13.04. Suspension of Mail Service. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Trustee shall constitute a sufficient notice.

Section 13.05. Severability. If any provision of this Indenture shall be held or deemed to be invalid, 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 statute 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 whatever.

Section 13.06. Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.07. Governing Law. This Indenture shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 13.08. Electronic Transactions. The transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

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IN WITNESS WHEREOF, the Issuer has caused this Indenture to be signed by an authorized official, such signature to be attested by an authorized officer and its official seal to be applied.

CITY OF PITTSBURG, KANSAS

[SEAL]

By: _____
Mayor

ATTEST:

City Clerk

“ISSUER”

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS:
COUNTY OF CRAWFORD)

This instrument was acknowledged before me on the _____ day of _____, 2017 by Michael Gray as Mayor of the City of Pittsburg, Kansas, a municipal corporation of the State of Kansas.

[SEAL]

Notary Public

My Appointment Expires:

IN WITNESS WHEREOF, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this Indenture to be signed in its name and behalf, and its corporate seal to be applied, all as of the date first above written.

SECURITY BANK OF KANSAS CITY

Kansas City, Kansas,

as Trustee

[SEAL]

By: _____

Name:

Title:

“TRUSTEE”

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF SEDGWICK)

This instrument was acknowledged before me on the ____ day of _____ 2017, by _____, Vice President and Trust Officer of Security Bank of Kansas City, a banking corporation or association organized under the laws of the United States of America or one of the states thereof.

[SEAL]

Notary Public

My Appointment Expires:

APPENDIX A-1

FORM OF SERIES A, 2017 BONDS

FACE OF THE BOND

THIS SERIES A, 2017 BOND IS NOT AN OBLIGATION ON WHICH THE INTEREST IS EXCLUDABLE FROM GROSS INCOME UNDER SECTION 103 OF THE INTERNAL REVENUE CODE OF THE UNITED STATES OF AMERICA, AS AMENDED. THE OWNER OF THIS SERIES A, 2017 BOND SHOULD NOT REGARD THE INTEREST HEREON AS BEING EXEMPT FROM FEDERAL INCOME TAXATION.

No. _____

\$5,650,000

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF CRAWFORD
CITY OF PITTSBURG, KANSAS
TAXABLE INDUSTRIAL REVENUE BOND
SERIES A, 2017
(LA QUINTA INN & SUITES PROJECT)**

Issue Date: December 21, 2017

Registered Owner: _____

Principal Amount: _____ Dollars

The City of Pittsburg, Kansas, a body politic and corporate, incorporated as a city of first class of the State of Kansas (the "Issuer"), for value received, promises to pay, but solely from the sources hereinafter referred to, to the Registered Owner identified above, or registered assigns, the principal sum shown above, unless called for redemption prior to maturity, plus interest on the unpaid balance hereof accruing from the Issue Date shown above until paid, in lawful money of the United States of America, at the rates and payable as follows:

- a. From the Issue Date of this Bond to the Amortization Commencement Redemption Date (herein defined), interest shall accrue on the principal amount of this Bond at the Initial Rate (herein defined) in effect on the Issue Date and shall be paid in arrears commencing on the First Payment Date (herein defined) and continuing on each Payment Date (herein defined) thereafter until the Amortization Commencement Date.
- b. On and after the Amortization Commencement Date, the then unpaid principal amount of this Bond, together with accrued interest at the Initial Rate shall be paid in installments equal to the Amortization Amount (herein defined), commencing on the Amortization Commencement Date and continuing on each Payment Date thereafter until the first Adjustment Date (herein defined) thereafter.

d. On and after the first Adjustment Date, monthly installments of the Amortization Amount, including interest accrued thereon at the Adjustable Rate as determined on the first Adjustment Date, and as subsequently adjusted on each succeeding Adjustment Date for the period of time between Adjustment Dates, shall be paid commencing on the first Payment Date after the first Adjustment Date and continuing on each Payment Date thereafter until the Final Maturity Date (herein defined).

e. One final payment in the amount of the entire unpaid balance hereunder (including all accrued and unpaid interest) on the Final Maturity Date.

The “*Adjustable Rate*” shall mean the prime rate of interest announced in the *Wall Street Journal* in the “Money Rates” section on the Adjustment Date, plus 1.00%, calculated on 365/360 day basis; provided, however, that the Adjustable Rate shall not be less than 5.00% per annum.

The “*Adjustment Date*” shall mean fifth anniversary of the Amortization Date and each fifth anniversary thereafter until the entire principal balance is paid in full.

The “*Amortization Amount*” shall mean an amount sufficient to fully amortize and pay, in substantially equal monthly installments of principal and interest over a period of 237 months commencing on the Amortization Commencement Date and ending on the Final Maturity Date, the entire unpaid balance of this Bond as of the Amortization Commencement Date. A schedule of anticipated payments calculated at the rate of interest in effect on the Amortization Commencement Date will be prepared by the Owner and attached to this Bond as *Schedule A*. The Amortization Amount will be modified on each Adjustment Date and a new *Schedule A* will be prepared by the Owner and attached to this Bond. Copies of each schedule of payments shall be sent by the Owner to the Issuer, the Tenant and the Trustee.

The “*Amortization Commencement Date*” shall mean April 1, 2018.

A “*Business Day*” shall mean a day on which the Trustee is open for business at its office in Wichita, Kansas.

The “*Final Maturity Date*” shall be December 1, 2037.

The “*First Payment Date*” shall mean January 1, 2018.

The “*Initial Rate*” shall mean 5.50% per annum, calculated on a 365/360 day basis.

The “*Issue Date*” shall mean the date endorsed by the Trustee on the Certificate of Authentication on this Bond.

The “*Payment Date*” shall be the first day of each calendar month following the First Payment Date.

“*Trustee*” shall mean Security Bank of Kansas City, Kansas City, Kansas, in its capacity as trustee, bond registrar and paying agent pursuant to the Indenture.

Payment of principal of and interest on this Bond shall be made by the Trustee on each Payment Date to the person appearing on the registration books of the Issuer maintained by the Trustee as the registered owner thereof by check or draft mailed to such Owner(s) of Bonds at the address appearing on such registration books, or at the written request of any Owner, by electronic transfer to the address specified by such Owner in writing to the Trustee at least 15 days prior to the applicable Payment Date. Any such written request for electronic transfer shall be signed by such Owner and shall include the name of the bank (which

shall be in the continental United States), its address, its ABA routing number, and the name, number, and contact name related to such Owner's account at such bank to which payment is to be credited. Notwithstanding the foregoing final payment of the principal of, and interest and redemption premium, if any, on all Bonds shall be made upon the presentation and surrender of the certificate(s) representing such Bonds at the stated maturity or earlier required redemption thereof at the principal office of the Trustee.

If there is a default in the payment of any item or installment when due, the item or installment so in default shall continue as an obligation hereunder until the same shall be fully paid, and such item or installment shall be payable upon demand with interest thereon.

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the hereinafter defined Indenture.

This Bond is issued pursuant to an Ordinance of the governing body of the Issuer and a Trust Indenture dated as of December 1, 2017 (the "Indenture"), between the Issuer and the Trustee, for the purpose of providing funds for the acquisition, construction and equipping of a hotel facility located in the City of Pittsburg, Kansas (the "Project"), to be made pursuant to a Lease, dated as of December 1, 2017 (the "Lease"), between the Issuer and Dharma Properties LLC, a Kansas limited liability company (the "Tenant") by the authority of and in conformity with the constitution and statutes of the state of Kansas, including particularly K.S.A. 12-1740 *et seq.*, as amended, and all other laws of said state applicable thereto.

This Bond and the interest and redemption premium, if any, hereon are payable solely out of the revenues derived by the Issuer from the Project and pursuant to the Lease. This Bond is payable on a priority lien basis with the Issuer's Taxable Industrial Revenue Bonds, Series B, 2017 (La Quinta Inn & Suites Project) authorized concurrently with this Bond, and the payment of, and the lien of this Bond on the Project and the earnings derived by the Issuer from the Project pursuant to the Lease and pursuant to the Guaranty Agreement (herein defined), is on a priority of lien basis with such Series B, 2017 Bonds. This Bond and the interest and redemption premium, if any, hereon do not constitute a debt of the Issuer, or of the State of Kansas, and neither the Issuer nor said state shall be liable thereon, and this Bond shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. To secure the payment of the principal of and redemption premium, if any, and interest on this Bond, the Issuer has assigned to the Trustee substantially all its rights under the Lease pursuant to an Assignment of Lease, dated as of December 1, 2017 (the "Assignment"). In addition, the payment of the principal of and redemption premium, if any, and interest on this Bond has been unconditionally guaranteed by the Tenant and the other Guarantors named pursuant to a Guaranty Agreement, dated as of December 1, 2017 (the "Guaranty Agreement"). Reference is hereby made to the Indenture, the Lease, the Assignment and the Guaranty Agreement for a further description of the Project, the rights, duties and obligations of the Issuer, the Tenant, the Trustee and any other owners of the Bonds, the security for this Bond and such obligations hereunder.

Optional Redemption. This Bond is subject to redemption and payment prior to the stated maturity thereof, in whole or in part, by the Issuer, at the option of and upon instructions from the Tenant to the Issuer, on any date, at the par value of the principal amount thereof, without premium, plus interest accrued to the date of redemption; provided, however, if this Bond is redeemed and paid from the proceeds of refunding bonds purchased by or a conventional loan provided by an entity other than the Original Purchaser, then the redemption price for this Bond shall be 102% of the par value of the principal amount thereof, plus interest accrued to the date of redemption.

Notice of any call for redemption at the option of the Tenant shall be given by the Issuer or the Tenant on behalf of the Issuer to each owner of the Bonds at its address as it appears on the records maintained by the Trustee by first class mail, postage prepaid, mailed not less than ten (10) days prior to the redemption date.

All portions of this Bond so called for redemption will cease to bear interest on the specified redemption date, provided funds or securities in which such funds are invested for their redemption are on deposit with the paying agent prior to the redemption date, and shall no longer be entitled to the benefits and protection of the Indenture and shall not be deemed to be outstanding.

If this Bond is redeemed in part, it need not be delivered to the Trustee or the Issuer to note such partial redemption, but the owner of the Bonds may note such partial redemption by endorsing the acknowledgment provided on this Bond. Any redemption in part of this Bond after the Amortization Commencement Date shall be applied to reduce the installments of principal hereof in inverse order of their maturity.

This Bond is issuable in the form of a fully registered Bond without coupons. Subject to the restrictions on transfer herein set forth, this Bond shall be transferable by the owner of this Bond upon the surrender of the certificate or certificates representing this Bond for transfer or exchange at the offices of the Trustee, accompanied, in the case of a transfer, by a written instrument of transfer executed by the owner of this Bond or its attorney or legal representative duly authorized in writing. Upon such surrender, the Trustee shall cause the Issuer to execute and deliver in the name of the transferee a new registered Bond certificate or certificates in an aggregate principal amount equal to the unpaid principal amount hereof. The Issuer, the Trustee and the Tenant may deem and treat the person in whose name this Bond certificate is registered as the absolute owner of the principal amount of the Bonds represented by this certificate for the purpose of receiving payment of, or on account of, the principal or interest due hereon and for all other purposes. Transfer of this Bond certificate is subject to certain further conditions and restrictions as further endorsed hereon.

Modifications or alterations of this Bond may be made only to the extent and in the circumstances permitted by the Indenture.

This Bond certificate 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 executed by the Trustee.

IT IS HEREBY CERTIFIED 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 the Bonds do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, Issuer has caused this Bond certificate to be executed in its name by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk and its official seal to be affixed hereto or imprinted hereon, and has caused the Bonds to be dated as of the Issue Date.

CITY OF PITTSBURG, KANSAS

(Facsimile Seal)

By: _____
Mayor

ATTEST:

City Clerk

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This Bond certificate evidences ownership of the City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series A, 2017 (La Quinta Inn & Suites Project), as described herein and in the within-mentioned Trust Indenture. The date of authentication of this Bond is _____.

Security Bank of Kansas City
Kansas City, Kansas,
Trustee

By: _____
Authorized Signature

(FORM OF ASSIGNMENT)

For value received, the undersigned hereby sells, assigns and transfers unto

Print or Type Name and Address of Transferee

the Bonds represented by this certificate and all rights thereunder, and hereby authorizes the transfer of the within Bond on the books kept by the Bond Registrar and Paying Agent for the registration and transfer of Bonds.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

[Seal of Bank]

(Name of Eligible Guarantor Institution)

By: _____
Title: _____

Signature must be guaranteed by an eligible guarantor institution as defined by S.E.C. Rule 17 Ad-15 (17 C.F.R. 240. 17-Ad-15)

THIS BOND MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS, OR IN A TRANSACTION EXEMPT FROM THE APPLICATION OF FEDERAL AND STATE SECURITIES LAWS.

**ACKNOWLEDGMENT OF PARTIAL REDEMPTION
RECORD OF PAYMENTS**

Partial prepayments of the principal of this Bond may be made directly to the registered owner hereof without surrender hereof to the Trustee, and each registered owner hereof may record such prepayment on the table set forth below. Accordingly, any purchaser or other transferee of this Bond should verify with the Trustee the principal hereof outstanding prior to such purchase or transfer, and the records of the Trustee shall be conclusive for such purposes.

Payment <u>Date</u>	Amount <u>Paid</u>	<u>Signature</u>	Payment <u>Date</u>	Amount <u>Paid</u>	<u>Signature</u>
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APPENDIX A-2

FORM OF SERIES B, 2017 BONDS

THIS SERIES B, 2017 BOND IS NOT AN OBLIGATION ON WHICH THE INTEREST IS EXCLUDABLE FROM GROSS INCOME UNDER SECTION 103 OF THE INTERNAL REVENUE CODE OF THE UNITED STATES OF AMERICA, AS AMENDED. THE OWNER OF THIS SERIES B, 2017 BOND SHOULD NOT REGARD THE INTEREST HEREON AS BEING EXEMPT FROM FEDERAL INCOME TAXATION.

No. R-__

\$1,903,357

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF CRAWFORD
CITY OF PITTSBURG, KANSAS
TAXABLE INDUSTRIAL REVENUE BOND
SERIES B, 2017
(LA QUINTA INN & SUITES PROJECT)**

Registered Owner: _____

Principal Amount: _____ Dollars

The City of Pittsburg, Kansas, a body politic and corporate, incorporated as a city of first class of the State of Kansas (the "Issuer"), for value received, promises to pay, but solely from the sources hereinafter referred to, to the Registered Owner identified above, or registered assigns, the principal sum shown above, unless called for redemption prior to maturity, plus interest on the unpaid balance hereof accruing from the Issue Date shown above until paid, in lawful money of the United States of America, at the rates and payable as follows:

- a. From the Issue Date of this Bond to the Final Maturity Date (herein defined), interest shall accrue at the Fixed Rate (herein defined) and shall be payable on the Final Maturity Date.
- b. One final payment in the amount of the entire unpaid principal balance hereunder (including all accrued and unpaid interest) shall be paid on the Final Maturity Date.

A "Business Day" shall mean a day on which the Trustee is open for business at its office in Wichita, Kansas.

The "Final Maturity Date" shall be December 31, 2037.

The "Fixed Rate" shall mean 5.00% per annum, computed on a 365/360 day basis.

The “*Issue Date*” shall mean the date endorsed by the Trustee on the Certificate of Authentication on this Bond.

The “*Payment Date*” shall be the Final Maturity Date.

“*Trustee*” shall mean Security Bank of Kansas City, Kansas City, Kansas in its capacity as trustee, bond registrar and paying agent pursuant to the Indenture (as hereinafter defined).

Payment of principal of and interest on this Bond shall be made by the Trustee on each Payment Date to the person appearing on the registration books of the Issuer maintained by the Trustee as the registered owner thereof by check or draft mailed to such Owner(s) of Bonds at the address appearing on such registration books, or at the written request of any Owner, by electronic transfer to the address specified by such Owner in writing to the Trustee at least 15 days prior to the applicable Payment Date. Any such written request for electronic transfer shall be signed by such Owner and shall include the name of the bank (which shall be in the continental United States), its address, its ABA routing number, and the name, number, and contact name related to such Owner's account at such bank to which payment is to be credited. Notwithstanding the foregoing final payment of the principal of, and interest and redemption premium, if any, on all Bonds shall be made upon the presentation and surrender of the certificate(s) representing such Bonds at the stated maturity or earlier required redemption thereof at the principal office of the Trustee. This Bond shall also be deemed paid if the Bond certificate is surrendered to the Trustee, as paying agent, accompanied by a written communication from the Registered Owner waiving payment and directing that this certificate be cancelled without actual payment.

If there is a default in the payment of any item or installment when due, the item or installment so in default shall continue as an obligation hereunder until the same shall be fully paid, and such item or installment shall be payable upon demand with interest thereon.

This Bond is issued pursuant to an Ordinance of the governing body of the Issuer and a Trust Indenture dated as of December 1, 2017 (the “*Indenture*”), between the Issuer and the Trustee, for the purpose of providing funds for the acquisition, construction and equipping of a hotel facility located in the City of Pittsburg, Kansas (the “*Project*”), to be made pursuant to a Lease, dated as of December 1, 2017 (the “*Lease*”), between the Issuer and Dharma Properties LLC, a Kansas limited liability company (the “*Tenant*”) by the authority of and in conformity with the constitution and statutes of the state of Kansas, including particularly K.S.A. 12-1740 *et seq.*, as amended, and all other laws of said state applicable thereto.

This Bond and the interest and redemption premium, if any, hereon are payable solely out of the revenues derived by the Issuer from the Project and pursuant to the Lease. This Bond is payable on a subordinate lien basis with the Issuer's Taxable Industrial Revenue Bonds, Series A, 2017 (La Quinta Inn & Suites Project) (the “*Series A, 2017 Bonds*”) authorized concurrently with this Bond, and the payment of, and the lien of this Bond on, the Project, the earnings derived by the Issuer from the Project, pursuant to the Lease are subordinate as to lien, payment and in all other respects to such Series A, 2017 Bonds. This Bond and the interest and redemption premium, if any, hereon do not constitute a debt of the Issuer, or of the State of Kansas, and neither the Issuer nor said state shall be liable thereon, and this Bond shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. To secure the payment of the principal of and redemption premium, if any, and interest on this Bond, the Issuer has assigned to the Trustee substantially all its rights under the Lease pursuant to an Assignment of Lease, dated as of December 1, 2017 (the “*Assignment*”). Reference is hereby made to the Indenture, the Lease and the Assignment, for a further description of the Project, the rights, duties and obligations of the Issuer, the Tenant, the Trustee and any other owners of the Bonds, the security for this Bond and such obligations hereunder.

This Bond is subject to redemption and payment prior to the stated maturity thereof, only with the prior written consent of 100% of the Owners of the Series A, 2017 Bonds and any Additional Bonds issued on a parity therewith, in whole or in part, by the Issuer, at the option of and upon instructions from the Tenant to the Issuer, on any date, at the par value of the principal amount thereof, without premium, plus interest accrued to the date of redemption. This Bond shall also be subject to mandatory redemption and payment prior to Stated Maturity from excess proceeds on deposit in the Project Fund upon completion of the Improvements and payment of all costs and expenses incident thereto.

Notice of any call for redemption at the option of the Tenant shall be given by the Issuer or the Tenant on behalf of the Issuer to each owner of the Bonds at its address as it appears on the records maintained by the Trustee as fiscal and paying agent by first class mail, postage prepaid, mailed not less than ten (10) days prior to the redemption date.

All portions of this Bond so called for redemption will cease to bear interest on the specified redemption date, provided funds or securities in which such funds are invested for their redemption are on deposit with the paying agent prior to the redemption date, and shall no longer be entitled to the benefits and protection of the Bond Agreement and shall not be deemed to be outstanding.

If this Bond is redeemed in part, it need not be delivered to the Trustee or the Issuer to note such partial redemption, but the owner of the Bonds may note such partial redemption by endorsing the acknowledgment provided on this Bond. Any redemption in part of this Bond shall be applied to reduce the installments of principal hereof in inverse order of their maturity.

This Bond is issuable in the form of a fully registered Bond without coupons. Subject to the restrictions on transfer herein set forth, this Bond shall be transferable by the owner of this Bond only with the prior written consent of 100% of the Owners of the Series A, 2017 Bonds, and upon the surrender of the certificate or certificates representing this Bond for transfer or exchange at the offices of the Trustee, accompanied, in the case of a transfer, by a written instrument of transfer executed by the owner of this Bond or its attorney or legal representative duly authorized in writing. Upon such surrender, the Trustee shall cause the Issuer to execute and deliver in the name of the transferee a new registered Bond certificate or certificates in an aggregate principal amount equal to the unpaid principal amount hereof. The Issuer, the Trustee, the Tenant and the Guarantor may deem and treat the person in whose name this Bond certificate is registered as the absolute owner of the principal amount of the Bonds represented by this certificate for the purpose of receiving payment of, or on account of, the principal or interest due hereon and for all other purposes. Transfer of this Bond certificate is subject to certain further conditions and restrictions as further endorsed hereon.

Modifications or alterations of this Bond may be made only to the extent and in the circumstances permitted by the Indenture.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the facsimile signature of the Mayor and attested by the facsimile signature of the City Clerk and its official seal to be affixed hereto or imprinted hereon, and has caused this Bond to be dated as of the Issue Date of this Bond.

CITY OF PITTSBURG, KANSAS

(Facsimile Seal)

By: _____
Mayor

ATTEST:

City Clerk

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This Bond certificate evidences ownership of the City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series B, 2017 (La Quinta Inn & Suites Project), as described herein and in the within-mentioned Trust Indenture. The date of authentication of this Bond is _____.

Security Bank of Kansas City
Kansas City, Kansas,
Trustee

By: _____
Authorized Signature

(FORM OF ASSIGNMENT)

For value received, the undersigned hereby sells, assigns and transfers unto

Print or Type Name and Address of Transferee

the Bonds represented by this certificate and all rights thereunder, and hereby authorizes the transfer of the within Bond on the books kept by the Bond Registrar and Paying Agent for the registration and transfer of Bonds.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

[Seal of Bank]

(Name of Eligible Guarantor Institution)

By: _____
Title: _____

Signature must be guaranteed by an eligible guarantor institution as defined by S.E.C. Rule 17 Ad-15 (17 C.F.R. 240. 17-Ad-15)

THIS BOND MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS, OR IN A TRANSACTION EXEMPT FROM THE APPLICATION OF FEDERAL AND STATE SECURITIES LAWS.

**ACKNOWLEDGMENT OF PARTIAL REDEMPTION
RECORD OF PAYMENTS**

Partial prepayments of the principal of this Bond may be made directly to the registered owner hereof without surrender hereof to the Trustee, and each registered owner hereof may record such prepayment on the table set forth below. Accordingly, any purchaser or other transferee of this Bond should verify with the Trustee the principal hereof outstanding prior to such purchase or transfer, and the records of the Trustee shall be conclusive for such purposes.

Payment <u>Date</u>	Amount <u>Paid</u>	<u>Signature</u>	Payment <u>Date</u>	Amount <u>Paid</u>	<u>Signature</u>
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CITY OF PITTSBURG, KANSAS

AS ISSUER

AND

DHARMA PROPERTIES LLC

AS TENANT

LEASE

DATED AS OF DECEMBER 1, 2017

\$7,553,357
TAXABLE INDUSTRIAL REVENUE BONDS
SERIES A, 2017 AND SERIES B, 2017
(LA QUINTA INN & SUITES PROJECT)

LEASE

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LEASE

THIS LEASE, made and entered into as of December 1, 2017 between the City of Pittsburg, Kansas (the "Issuer"), and Dharma Properties LLC, a Kansas limited liability company (the "Tenant").

WITNESSETH:

WHEREAS, the Issuer is a municipal corporation incorporated as a city of the first class, duly organized and existing under the laws of the State, with full lawful power and authority to enter into this Lease by and through its governing body; and

WHEREAS, the Issuer, in furtherance of the purposes and pursuant to the provisions of the laws of the State, particularly K.S.A. 12-1740 *et seq.* (the "Act"), and in order to provide for the economic development and welfare of the Issuer and its environs and to provide employment opportunities for its citizens and to promote the economic stability of the State, has proposed and does hereby propose that it shall:

- (a) Acquire the Project;
- (b) Lease the Project to the Tenant for the rentals and upon the terms and conditions hereinafter set forth; and
- (c) Issue, for the purpose of paying Project Costs, the Series 2017 Bonds under and pursuant to and subject to the provisions of the Act and the Indenture, said Indenture being incorporated herein by reference and authorized by an Ordinance of the governing body of the Issuer; and

WHEREAS, the Tenant, pursuant to the foregoing proposals of the Issuer, desires to lease the Project from the Issuer for the rentals and upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, Issuer and the Tenant do hereby covenant and agree as follows:

ARTICLE I

Section 1.1. Definitions. Capitalized terms not otherwise defined in this Lease shall have the meanings set forth in the Indenture. In addition to the words, terms and phrases defined in the Indenture and elsewhere in this Lease, the capitalized words, terms and phrases as used herein shall have the meanings set forth below, unless some other meaning is plainly intended:

"Additional Rent" means all fees, charges, costs and expenses of the Trustee or the Issuer (including reasonable attorney's fees), all Impositions, all Default Administration Costs, all other payments of whatever nature payable or to become payable pursuant to the Indenture or which the Tenant has agreed to pay or assume under the provisions of this Lease and any and all expenses (including reasonable attorney's fees) incurred by the Issuer or the Trustee in connection with the issuance of the Bonds or the administration or enforcement of any rights under this Lease or the Indenture. The fees, charges, costs and expenses of the Trustee shall include all costs incurred in connection with the issuance, transfer, exchange, registration, redemption or payment of the Bonds and the administration or enforcement of any rights or obligations under this Lease, the Indenture, the Limited Guaranty Agreement or the Guaranty Agreement except (a) the reasonable fees and expenses in connection with the replacement of a Bond or Bonds mutilated, stolen, lost or destroyed or (b) any tax or other government charge imposed on the Trustee in relation to the transfer, exchange, registration, redemption or payment of the Bonds. The fees, charges, costs and expenses of the

Issuer shall include, but not be limited to, any and all costs incurred by the Issuer in connection with the administration or enforcement of any rights, duties, or obligations under this Lease, the exercise or pursuit of any remedy upon an Event of Default, the amendment of this Lease, the granting of consents, easements or similar actions or any other action required of or available to the Issuer under the terms of this Lease.

"Additional Term" shall mean that term commencing on the last day of the Basic Term and terminating 5 years thereafter.

"Bankruptcy Code" means Title 11 of the United States Code, as amended.

"Basic Rent" means the monthly amount which, when added to Basic Rent Credits, will be sufficient to pay, on each Payment Date, all principal of, redemption premium, if any, and interest on all Outstanding Bonds which is due and payable on such Payment Date. If for any reason on any Payment Date the Trustee does not have on deposit in the Debt Service Fund sufficient moneys to pay all principal and interest due on the Bonds on such Payment Date, then the Tenant shall pay, as Basic Rent, on such Payment Date, the amount of such deficiency.

"Basic Rent Credits" means all funds on deposit in the Debt Service Fund and available for the payment of principal of, redemption premium, if any, and interest on the Bonds on any Basic Rent Payment Date.

"Basic Rent Payment Date" means February 1, 2018 and the first day of each month thereafter until the principal of, redemption premium, if any, and interest on all Outstanding Bonds have been fully paid or provision made for their payment in accordance with the provisions of the Indenture.

"Basic Term" means that term commencing as of the delivery of this Lease and ending when all of the principal of, redemption premium, if any, and interest on all Outstanding Bonds shall have been paid in full or provision made for their payment in accordance with the provisions of the Indenture.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601, et seq.

"Certificate of Completion" means a written certificate signed by the Authorized Tenant Representative stating that (1) the Improvements have been substantially completed in accordance with the plans and specifications prepared or approved by the Issuer or the Tenant, as the case may be; (2) the Improvements have been substantially completed in a good and workmanlike manner; (3) no mechanic's or materialmen's liens have been filed, nor is there any basis for the filing of such liens, with respect to the Project; (4) all Improvements constituting a part of the Project are located or installed upon the Land; and (5) if required by ordinances duly adopted by the Issuer or by applicable building codes, that an appropriate certificate of occupancy has been issued with respect to the Improvements. A form of Certificate of Completion is attached as *Appendix B*.

"Completion Date" means the date on which the Improvements are certified as substantially completed in accordance with *Section 5.5* of this Lease.

"Default" means any event or condition the occurrence of which, with the lapse of time or the giving of notice or both, may constitute an Event of Default.

"Environmental Assessment" means an environmental assessment with respect to the Project conducted by an independent consultant satisfactory to the Issuer and the Trustee which reflects the results of

such inspections, records reviews, soil tests, groundwater tests and other tests requested, which assessment and results shall be satisfactory in scope, form and substance to the Issuer and the Trustee.

"Environmental Law" means CERCLA, SARA, and any other federal, state or local environmental statute, regulation or ordinance presently in effect or coming into effect during the Term of this Lease.

"Event of Bankruptcy" means an event whereby the Tenant shall: (i) admit in writing its inability to pay its debts as they become due; or (ii) file a petition in bankruptcy or for reorganization or for the adoption of an arrangement under the Bankruptcy Code as now or in the future amended, or file a pleading asking for such relief; or (iii) make an assignment for the benefit of creditors; or (iv) consent to the appointment of a trustee or receiver for all or a major portion of its property; or (v) be finally adjudicated as bankrupt or insolvent under any federal or state law; or (vi) suffer the entry of a final and nonappealable court order under any federal or state law appointing a receiver or trustee for all or a major part of its property or ordering the winding-up or liquidation of its affairs, or approving a petition filed against it under the Bankruptcy Code, which order, if the Tenant has not consented thereto, shall not be vacated, denied, set aside or stayed within 60 days after the day of entry; or (vii) suffer a writ or warrant of attachment or any similar process to be issued by any court against all or any substantial portion of its property, and such writ or warrant of attachment or any similar process is not contested, stayed, or is not released within 60 days after the final entry or levy or after any contest is finally adjudicated or any stay is vacated or set aside.

"Event of Default" means any one of the following events:

(a) Failure of the Tenant to make any payment of Basic Rent at the time and in the amounts required hereunder; or

(b) Failure of the Tenant to make any payment of Additional Rent at the times and in the amounts required hereunder, or failure to observe or perform any other covenant, agreement, obligation or provision of this Lease on the Tenant's part to be observed or performed, and the same is not remedied within thirty (30) days after the Issuer or the Trustee has given the Tenant written notice specifying such failure (or such longer period as shall be reasonably required to correct such default; provided that (i) the Tenant has commenced such correction within said 30-day period, and (ii) the Tenant diligently prosecutes such correction to completion); or

(c) An Event of Bankruptcy; or

(d) Abandonment of the Project by the Tenant.

"Full Insurable Value" means full actual replacement cost less physical depreciation.

"Hazardous Substances" shall mean "hazardous substances" as defined in CERCLA.

"Impositions" means all taxes and assessments, general and special, which may be lawfully taxed, charged, levied, assessed or imposed upon or against or payable for or in respect of the Project or any part thereof, or any improvements at any time thereon or the Tenant's interest therein, including any new lawful taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and further including all water and sewer charges, assessments and other governmental charges and impositions whatsoever, foreseen or unforeseen, which, if not paid when due, would encumber the Issuer's title to the Project.

"Indenture" means the Trust Indenture delivered concurrently with this Lease, as from time to time amended and supplemented by Supplemental Indentures in accordance with the provisions of *Article XI* of the Indenture.

"Land" means the real property (or interests therein) described in *Schedule I* hereto.

"Lease" means this Lease between the Issuer and the Tenant, as from time to time supplemented and amended in accordance with the provisions hereof.

"Net Proceeds" means the gross proceeds from the insurance (including without limitation title insurance) or condemnation award with respect to which that term is used remaining after the payment of all expenses (including without limitation attorneys' fees and any expenses of the Issuer, the Tenant, the Trustee or any other owner of the Bonds) incurred in the collection of such gross proceeds.

The term **"Notice Address"** shall mean:

(1) With respect to the Tenant:

Dharma Properties LLC
3453 S. Sabin
Wichita, Kansas 67215
Attn: Dharmendra Bhakta and Manisha Bhakta, Members

(2) With respect to the Issuer:

City of Pittsburg, Kansas
201 W. 4th St.
P.O. Box 688
Pittsburg, Kansas 66763
Attn: City Clerk

(3) With respect to the Trustee:

Security Bank of Kansas City
200 W. Douglas, Suite 612
Wichita, Kansas 67202
Attn: Corporate Trust Department

With a copy to:

Security Bank of Kansas City
701 Minnesota Avenue, Suite 206
P.O. Box 171297
Kansas City, Kansas 66117
Attn: Corporate Trust Department

"Owner's Title Policy" means that certain owner's policy of title insurance insuring the Issuer's fee simple title in the Project as required by *Section 6.4* of the Lease.

"Permitted Encumbrances" easements and rights-of-way of record at the time of conveyance of the Land to the Issuer, and any mortgages, liens or other encumbrances or title exceptions referenced in the Owner's Title Policy, including the Mortgage from Dharma Properties LLC, to Girard National Bank, dated

November 19, 2015 and recorded November 20, 2015 in Book 621 at Page 442 in the office of the Register of Deeds of Crawford County, Kansas; the Assignment of Leases and Rents dated November 19, 2015 and recorded November 20, 2015 in Book 621 at Page 443 in the office of the Register of Deeds of Crawford County, Kansas; and the Mortgage from Dharma Properties LLC, to the Southeast Kansas Prosperity Foundation, Inc. dated May 31, 2016 and recorded June 15, 2016 in Book 623 at Page 996 in the office of the Register of Deeds of Crawford County, Kansas.

"Project Contracts" means a contract or contracts with respect to the acquisition and/or construction of the Improvements entered into by the Tenant or the Issuer.

"SARA" means the Superfund Amendments and Reauthorization Act of 1986, as now in effect and as hereafter amended.

"State" means the State of Kansas.

"Term" means, collectively, the Basic Term and any Additional Term of the Lease.

Section 1.2. Representations and Covenants by the Tenant. The Tenant makes the following covenants and representations as the basis for the undertakings on its part herein contained:

(a) The Tenant is a Kansas limited liability company, duly organized and existing under the laws of said state, and is duly authorized and qualified to do business in the State, with lawful power and authority to enter into this Lease, acting by and through its duly authorized officers.

(b) Except as otherwise permitted herein, the Tenant shall (1) maintain and preserve its existence and organization as a corporation and its authority to do business in the State and to operate the Project; and (2) not initiate any proceedings of any kind whatsoever to dissolve or liquidate without (A) securing the prior written consent thereto of the Issuer and (B) making provision for the payment in full of the principal of and interest and redemption premium, if any, on the Bonds. If, at any time during the term of this Lease or the Indenture, the Tenant changes its state of organization, changes its form of organization, changes its name, or takes any other action which could affect the proper location for filing Uniform Commercial Code financing statements or continuation statements or which could render existing filings seriously misleading or invalid, the Tenant shall immediately provide written notice of such change to the Trustee, and thereafter promptly deliver to the Trustee such amendments and/or replacement financing statements, together with an Opinion of Counsel to the effect that such amendments and/or replacement financing statements have been properly filed so as to create a perfected security interest in the collateral securing the Indenture, and such additional information or documentation regarding such change as the Trustee may reasonably request.

(c) Neither the execution and/or delivery of this Lease, the consummation of the transactions contemplated hereby or by the Indenture, nor the fulfillment of or compliance with the terms and conditions of this Lease contravenes in any material respect any provisions of its articles of organization or bylaws, or conflicts in any material respect with or results in a material breach of the terms, conditions or provisions of any mortgage, debt, agreement, indenture or instrument to which the Tenant is a party or by which it is bound, or to which it or any of its properties is subject, or would constitute a material default (without regard to any required notice or the passage of any period of time) under any of the foregoing, or would result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of the Tenant under the terms of any mortgage, debt, agreement, indenture or instrument, or violates in any material respect any existing law, administrative regulation or court order or consent decree to which the Tenant is subject.

(d) This Lease constitutes a legal, valid and binding obligation of the Tenant enforceable against the Tenant in accordance with its terms.

(e) The Tenant agrees to operate and will operate the Project, or cause the Project to be operated as a "facility," as that term is contemplated in the Act, from the date of the Issuer's acquisition of the Project to the end of the Term. The Tenant further agrees to maintain the Improvements as a La Quinta Inn franchise hotel through-out the Term, unless the Issuer and Original Purchaser of the Series A, 2017 Bonds give their prior written consent to a change in the franchise affiliation.

(f) The Tenant has obtained or will obtain any and all permits, authorizations, licenses and franchises necessary to construct the Improvements and to enable it to operate and utilize the Project for the purposes for which it was leased by the Tenant under this Lease.

(g) The estimated total cost of the Improvements to be financed by the proceeds of the Series 2017 Bonds, plus interest on the Series 2017 Bonds during acquisition, construction and installation of the Improvements, and Costs of Issuance of the Series 2017 Bonds, will not be less than the original aggregate principal amount of the Series 2017 Bonds.

(g) After reasonable inquiry and investigation, the Tenant is not aware of (i) any Hazardous Substances generated from or located on the Project; (ii) any prior use of the Land which might reasonably involve Hazardous Substances; or (iii) any investigations, complaints or inquiries of any kind, from any source, concerning Hazardous Substances with respect to the Project or properties adjoining the Project.

(h) The Tenant will not use or permit the Project to be used by any other person or entity in any manner which would involve the generation, storage, disposal or transportation of Hazardous Substances, except in strict compliance with applicable Environmental Laws.

(i) The proceeds of the Series 2017 Bonds are to be used to acquire, construct, install, equip and furnish the Project.

Section 1.3. Representations and Covenants by the Issuer. The Issuer represents, covenants and warrants, to the best of its knowledge and belief, as follows:

(a) It is a municipal corporation duly incorporated and existing as a city of the first class under the constitution and laws of the State. Under the provisions of the Act and the Ordinance, the Issuer has the power to enter into and perform the transactions contemplated by this Lease and the Indenture and to carry out its obligations hereunder and thereunder.

(b) It has not, in whole or in part, assigned, leased, hypothecated or otherwise created any other interest in, or disposed of, or caused or permitted any lien, claim or encumbrance to be placed against, the Project, except for this Lease, the assignment of this Lease to the Trustee, any Permitted Encumbrances, any Impositions, and the pledge of the Project pursuant to the Indenture.

(c) Except as otherwise provided herein or in the Indenture, it will not during the Term, in whole or in part, assign, lease, hypothecate or otherwise create any other interest in, or dispose of, or cause or permit any lien, claim or encumbrance to be placed against, the Project, except Permitted Encumbrances, this Lease, any Impositions and the pledge of the Project pursuant to the Indenture.

(d) It has pledged the Project and the net rentals therefrom generated under the Lease to payment of the Bonds in the manner prescribed by the Act, and has duly authorized the execution and delivery of this Lease and the Indenture and the issuance, sale and delivery of the Series 2017 Bonds.

(e) It has notified or obtained the consent to and/or approval of the issuance of the Series 2017 Bonds by each municipal corporation and political subdivision the notification, consent or approval of which is required by the provisions of the Act.

ARTICLE II

Section 2.1. Granting of Leasehold. The Issuer by these presents hereby rents, leases and lets the Project unto the Tenant and the Tenant hereby rents, leases and hires the Project for the Basic Term from the Issuer, for the rentals and upon and subject to the terms and conditions hereinafter set forth.

ARTICLE III

Section 3.1. Basic Rent. The Issuer reserves and the Tenant covenants and agrees to pay Basic Rent to the Trustee, as assignee of the Issuer, for the account of the Issuer, for deposit in the Debt Service Fund, on each Basic Rent Payment Date. Basic Rent shall be payable at the principal office of the Trustee in immediately available funds on each Basic Rent Payment Date.

Section 3.2. Additional Rent. Within 30 days after receipt of written notice thereof, the Tenant shall pay any Additional Rent required to be paid pursuant to this Lease not already paid.

Section 3.3. Rent Payable Without Abatement or Setoff. The Tenant covenants and agrees with and for the express benefit of the Issuer and the Owner(s) of Bonds that all payments of Basic Rent and Additional Rent shall be made by the Tenant as the same become due, and that the Tenant shall perform all of its obligations, covenants and agreements hereunder without notice or demand and without abatement, deduction, setoff, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Improvements shall have been acquired, started or completed, or whether the Issuer's title to the Project or any part thereof is defective or non-existent, and notwithstanding any failure of consideration or commercial frustration of purpose, the eviction or constructive eviction of the Tenant or any subtenant, any Change of Circumstances, any change in the tax or other laws of the United States of America, the State, or any municipal corporation of either, any change in the Issuer's legal organization or status, or any default of the Issuer hereunder, and regardless of the invalidity of any action of the Issuer or any other event or condition whatsoever, and regardless of the invalidity of any portion of this Lease, and the Tenant hereby waives the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under this Lease or which releases or purports to release the Tenant therefrom. Nothing in this Lease shall be construed as a waiver by the Tenant of any rights or claims the Tenant may have against the Issuer under this Lease or otherwise, but any recovery upon such rights and claims shall be had from the Issuer separately, it being the intent of this Lease that the Tenant shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Lease (including the obligation to pay Basic Rent and Additional Rent) for the benefit of the Owner(s) of Bonds.

Section 3.4. Prepayment of Basic Rent. The Tenant may at any time prepay all or any part of the Basic Rent. Prepayments of Basic Rent will be applied to redemption of Bonds (other than mandatory sinking fund redemption), including payment of redemption premium, as directed in writing by the Tenant, to the extent that Bonds are subject to optional redemption at the time of prepayment. Otherwise, prepayments of Basic Rent will be deposited in the Debt Service Fund to be applied to purchase of Bonds as provided in the Indenture, or to optional redemption of Bonds (including redemption premium and interest) at the earliest date on which Bonds are subject to optional redemption.

Section 3.5. Deposit of Rent by the Trustee. As assignee of the Issuer's rights hereunder, the Trustee shall deposit, use and apply all payments of Basic Rent and Additional Rent in accordance with the provisions of this Lease and the Indenture.

Section 3.6. Acquisition of Bonds. If the Tenant acquires any Outstanding Bonds, it may present the certificate(s) representing such part of the Bonds to the Trustee for cancellation, and upon such cancellation, the Tenant's obligation to pay Basic Rent shall be reduced in the same manner as provided for prepayments by the Tenant of Basic Rent. In no event, however, shall the Tenant's obligation to pay Basic Rent be reduced in such a manner that the Trustee shall not have on deposit in the Debt Service Fund, on the next succeeding Payment Date, immediately available funds sufficient to pay the maturing principal of, redemption premium, if any, and interest on Outstanding Bonds as and when the same shall become due and according to the terms of the Bonds.

ARTICLE IV

Section 4.1. Disposition of Original Proceeds; Project Fund. The Original Proceeds shall be paid over to the Trustee for the account of the Issuer and applied as set forth in *Section 5.02* of the Indenture. Notwithstanding any statement set forth in this Lease or in the Indenture to the contrary: (a) at the option of the Original Purchaser, the Series A, 2017 Bond may be issued in exchange for the cancellation of the Original Purchaser's construction loan in the same principal amount; and (b) in the event Tenant has completed the Project prior to Closing with its own funds, then Tenant shall not be required to deposit the Original Proceeds of the Series B, 2017 Bonds with the Trustee. In either such an event, at Closing Tenant shall certify to the Issuer and Trustee that the Project has been completed and paid in full, whereupon the Issuer and Trustee shall deliver the Bonds to the Tenant.

ARTICLE V

Section 5.1. Acquisition of Land and Improvements. The Tenant shall prior to or concurrently with the issuance of the Bonds, assign or cause to be conveyed to the Issuer by warranty deed, subject to Permitted Encumbrances, the Land as described in *Schedule I*, and by bill of sale such of the Improvements as are then completed, installed or in progress. The Tenant shall also concurrently with such conveyance make provisions for the discharge or subordination to the interests acquired by the Issuer of any liens or encumbrances incurred by it in connection with the construction, installation or development of the Improvements, other than Permitted Encumbrances.

Section 5.2. Project Contracts. Prior to the delivery of this Lease, the Tenant may have entered into a contract or contracts with respect to the acquisition and/or construction of the Improvements. Those contracts, and any such contracts entered into by the Tenant or the Issuer after delivery of this Lease, are hereinafter referred to as the "Project Contracts." Prior to the delivery hereof, certain work has been or may have been performed on the Improvements pursuant to said Project Contracts or otherwise. The Tenant hereby covenants with the Issuer to perform the Project Contracts for the benefit of the Issuer as holder of title to the Project as well as its own benefit as tenant under this Lease, and the Issuer hereby designates the Tenant as the Issuer's agent for the purpose of executing and performing the Project Contracts. After the execution hereof, the Tenant shall cause the Project Contracts to be fully performed by the contractor(s), subcontractor(s) and supplier(s) thereunder in accordance with the terms thereof, and the Tenant covenants to cause the Improvements to be acquired, constructed, installed and/or completed in accordance with the Project Contracts. The Tenant warrants that the construction and/or acquisition of the Improvements in accordance with said Project Contracts will result in the Project being suitable for use by the Tenant as a hotel facility. Any and all amounts received by the Issuer, the Trustee or the Tenant from any of the contractors or other

suppliers by way of breach of contract, refunds or adjustments shall become a part of and be deposited in the Project Fund. The Trustee may, at its option, appoint an agent to review the Project Contracts, and make periodic inspections of the Improvements during construction to determine the satisfactory progress and completion of the work. The reasonable fees and expenses of such agent shall be paid by the Tenant as Additional Rent.

Section 5.3. Payment of Project Costs for Buildings and Improvements. The Issuer hereby agrees to pay for the acquisition or construction of the Improvements or any repairs or replacements to be made pursuant to *Article XVIII* of this Lease, but solely from Original Proceeds of the Bonds (or Net Proceeds, as applicable) as deposited in the Project Fund, and hereby authorizes and directs the Trustee to pay for the same, but solely from the Project Fund, from time to time, after issuance of the Bonds while the Tenant is in compliance with the requirements of *Section 6.1* hereof, upon receipt by the Trustee of a requisition certificate signed by the Authorized Tenant Representative in the form set forth as *Appendix A* hereto which is incorporated herein by reference. With regard to materials and/or labor furnished to the Project at the order of the Tenant without formal contract, or by subcontract with the Tenant acting as general contractor, which could form the basis of a statutory mechanic's or subcontractor's lien, the Trustee may disburse payment therefor only upon receipt of releases or waivers of statutory mechanic's or subcontractor's liens by all vendors or subcontractors receiving payment or furnishing labor or materials as a subcontractor of the vendor or subcontractor receiving payment.

The sole obligation of the Issuer under this paragraph shall be to cause the Trustee to make such disbursements upon receipt of such certificates and releases or waivers. The Trustee may rely fully on any such certificates and shall not be required to make any investigation in connection therewith, except that the Trustee shall investigate requests for reimbursements directly to the Tenant and shall require such supporting evidence as would be required by a reasonable and prudent fiduciary.

Section 5.4. Payment of Project Costs for Machinery and Equipment. The Issuer hereby agrees to pay for the purchase and acquisition of any machinery and equipment constituting a part of the Improvements, but solely from the Project Fund, from time to time, upon receipt by the Trustee of a certificate signed by the Authorized Tenant Representative in the form provided by *Appendix A* hereto which is incorporated herein by reference and accompanied by the following specific information:

- (a) Name of seller;
- (b) Name of the manufacturer;
- (c) A copy of the seller's invoice, purchase order or other like document evidencing the purchase by the Tenant of such machinery and/or equipment;
- (d) Common descriptive name of machinery or equipment;
- (e) Serial number, if any;
- (f) Model number, if any; and
- (g) A written statement by the Seller that the machinery or equipment purchased is not subject to any liens or security interest, or, in the alternative, a bill of sale warranting title to be free of all liens, encumbrances or security interests.

The sole obligation of the Issuer under this Section shall be to cause the Trustee to make such disbursements upon receipt of said certificates and proof of mechanic's or subcontractor's lien waiver or release, if the item

is to become a fixture on the Land. The Trustee may rely fully on any such certificate and supporting documentation and shall not be required to make any independent investigation in connection therewith. All machinery, equipment and/or personal property acquired, in whole or in part, from funds deposited in the Project Fund pursuant to this Section will be considered a part of the Project. With respect to items of machinery and equipment constituting a part of the Improvements, the Tenant shall maintain a running master list of such machinery and equipment, and within 30 days after the Completion Date, the Tenant shall prepare an accurate detailed final list of machinery and equipment constituting a part of the Improvements (but not installed as fixtures therein or thereon), which list shall be filed with the Trustee, and shall constitute a part of this Lease by reference. All machinery and equipment constituting a part of the Improvements shall be appropriately identified by separate schedule or other means acceptable to the Trustee.

Section 5.5. Completion of Project. The Tenant warrants that the Project, when completed, will be occupied and used by the Tenant for its lawful business purposes. The Tenant covenants and agrees to proceed diligently to complete or acquire the Improvements. Upon completion of the Improvements, the Tenant shall cause the Authorized Tenant Representative to deliver a Certificate of Completion, in the form substantially as attached hereto as *Appendix B*, to the Trustee. In the event funds remain on hand in the Project Fund on the date the Certificate of Completion is furnished to the Trustee, such remaining funds shall be transferred by the Trustee to the Debt Service Fund on the Completion Date and shall be applied in accordance with the provisions of the Indenture.

Section 5.6. Deficiency of Project Fund. If Bond Proceeds in the Project Fund are insufficient to pay fully all Project Costs (including reimbursements to the Tenant for Project Costs advanced by the Tenant prior to issuance of the Bonds) and to fully complete the Improvements, lien free (except for Permitted Encumbrances), the Tenant covenants to pay the full amount of any such deficiency by making payments directly to the contractors and to the suppliers of materials, machinery, equipment, property and services as the same become due, and the Tenant shall save the Issuer and the Trustee whole and harmless from any obligation to pay such deficiency.

Section 5.7. Right of Entry by the Issuer and the Trustee. The duly authorized agents of the Issuer and/or the Trustee shall have the right (but shall not be required) at any reasonable time and upon reasonable notice to the Tenant prior to the completion of the Improvements to have access to the Project or any part thereof for the purpose of inspecting the acquisition, installation or construction thereof.

Section 5.8. Machinery and Equipment Purchased by the Tenant. If no part of the purchase price of an item of machinery, equipment or personal property is paid from Original Proceeds deposited in the Project Fund pursuant to the terms of this Lease, then such item of machinery, equipment or personal property will not be considered a part of the Project.

Section 5.9. Project Property of the Issuer. All Improvements, all work and materials on Improvements as such work progresses, any Project Additions, anything under this Lease which becomes, is deemed to be, or constitutes a part of the Project, and the Project as fully completed, repaired, rebuilt, rearranged, restored or replaced by the Tenant under the provisions of this Lease, except as otherwise specifically provided herein, shall immediately when erected or installed become the absolute property of the Issuer. Any Improvements which become a part of the real estate as fixtures shall remain separate from the Tenant's property unless and until purchased by the Tenant from the Issuer as provided in this Lease.

Section 5.10. Kansas Retailers' Sales Tax. The parties have entered into this Lease in contemplation that, under the existing provisions of K.S.A. 79-3606, subsections (b) and (d) and other applicable laws, sales of tangible personal property or services purchased in connection with construction of the Improvements are entitled to exemption from the tax imposed by the Kansas Retailers' Sales Tax Act. The parties agree that the Issuer shall, upon the request of and with the Tenant's assistance, promptly obtain

from the State and furnish to the contractors and suppliers a project exemption certificate for the construction of the Improvements. The Tenant covenants that said exemption certificate shall be used only in connection with the purchase of tangible personal property or services becoming a part of the Project. The Issuer shall not be responsible for any failure on the part of the State to issue such project exemption certificate.

ARTICLE VI

Section 6.1. Insurance as a Condition to Disbursement. As a condition precedent to payment of Costs of Issuance or disbursement of Project Costs (other than Costs of Issuance) from the Project Fund pursuant to *Article V* hereunder, the following policies of insurance shall be in full force and effect:

(a) General accident and public liability insurance covering the Tenant's operations in or upon the Project (including coverage for losses arising from the ownership, maintenance, use or operation of any automobile, truck or other vehicle in or upon the Project) under which the Tenant shall be insured and the Issuer and the Trustee shall be additional insureds or mortgagees, as their interests in the Project appear, in an amount not less than the then maximum liability of a governmental entity for claims arising out of a single occurrence as provided by the Kansas tort claims act or other similar future law (currently \$500,000 per occurrence); which policy shall provide that such insurance may not be canceled by the issuer thereof without at least 30 days' advance written notice to the Issuer, the Tenant and the Trustee, such insurance to be maintained throughout the Term of this Lease;

(b) Statutory workers' compensation insurance; and

(c) With regard to new buildings and improvements constituting a part of the Improvements, insurance insuring the Improvements while under construction against fire, lightning and all other risks covered by the broadest form extended coverage endorsement then and from time to time thereafter in use in the State to the Full Insurable Value of such Improvements. Such insurance coverage shall name the Tenant as insured and the Issuer and the Trustee as additional insureds or mortgagees and loss payees, as their respective interests appear, and all Net Proceeds received under such policy or policies by the Issuer or the Tenant shall be paid over to the Trustee and be applied as set forth in *Article XVIII* hereof.

In addition, Tenant shall provide to the Original Purchaser of the Series A, 2017 Bonds, a satisfactory flood hazard determination and a certification that the Project is not in a flood hazard area. If the Project is in a flood hazard area, Tenant will provide flood insurance on the Project in an amount not less than the aggregate principal amount of the Bonds.

Section 6.2. Insurance After Completion. The Tenant shall and covenants and agrees that it will, prior to or simultaneously with the expiration of the insurance provided for in the preceding section and throughout the Term at its sole cost and expense, keep the Improvements continuously insured against loss or damage by fire, lightning and all other risks covered by the broadest form extended coverage insurance endorsement then in use in the State in an amount equal to the Full Insurable Value thereof in such insurance company or companies as it may select and shall at all times maintain general accident and public liability insurance required pursuant to *Section 6.1(a)*, all of which policies shall name the Tenant, the Issuer, the Trustee and the Original Purchaser of the Series A, 2017 Bonds as insureds or mortgagees, as their interests appear.

Section 6.3. General Insurance Provisions.

(a) Within 30 days of renewal dates of expiring policies, certificates of the insurance provided for in this Article shall be delivered by the Tenant to the Trustee. All policies of such insurance and all

renewals thereof shall name the Tenant as insured and the Issuer, the Trustee and the Original Purchaser of the Series A, 2017 Bonds as additional insureds or mortgagees and loss payees as their respective interests may appear; shall contain a provision that such insurance may not be canceled or amended by the issuer thereof without at least 30 days' written notice to the Issuer, the Tenant, the Trustee and the Original Purchaser of the Series A, 2017 Bonds; and shall be payable to the Issuer, the Tenant, the Trustee and the Original Purchaser of the Series A, 2017 Bonds, as their respective interests appear. The Issuer and the Tenant each hereby agree to do anything necessary, be it the endorsement of checks or otherwise, to cause any payment of insurance proceeds to be made to the Trustee, as long as such payment is required by this Lease to be made to the Trustee. Any charges made by the Trustee for its services in connection with insurance payments shall be paid by the Tenant.

(b) Each policy of insurance hereinabove referred to shall be issued by a nationally recognized responsible insurance company authorized under the laws of the State to assume the risks covered therein, except that the Tenant may be self-insured as to any required insurance coverages under a program of self-insurance approved by the State Commissioner of Insurance or other applicable State regulatory authority.

(c) Certificates of insurance evidencing the insurance coverages herein required shall be filed with the Trustee continuously during the term of this Lease.

(d) Each policy of insurance hereinabove referred to may be subject to a reasonable deductible or self-insured retention.

(e) Each policy of insurance required herein may be provided through blanket policies maintained by the Tenant.

(f) Anything in this Lease to the contrary notwithstanding, the Tenant shall be liable to the Issuer and the Trustee pursuant to the provisions of this Lease or otherwise, as to any loss or damage which may have been occasioned by the negligence of the Tenant, its agents, licensees, contractors, invitees or employees.

Section 6.4. Evidence of Title. The Tenant shall furnish evidence of title in the form of a policy of owner's title insurance, insuring the Issuer's fee simple title to the Land, as of the date and time immediately prior to conveyance to the Issuer, subject to Permitted Encumbrances, in an amount equal to \$7,553,357. Such title insurance policy shall contain no exceptions, other than the title insurance company's standard printed exceptions, Permitted Encumbrances, and the encumbrance created by this Lease. The Issuer and the Tenant agree that any and all proceeds therefrom during the Basic Term (a) if received before the completion of the building Improvements shall be paid into and become a part of the Project Fund, (b) if received thereafter but before the Bonds and interest thereon have been paid in full, shall be paid into and become a part of the Debt Service Fund, and (c) if received after the Bonds, redemption premium, if any, and interest thereon have been paid in full, shall belong and be paid to the Tenant.

Section 6.5. Life Insurance. The Tenant covenants and agrees to obtain on or before the Issue Date of the Series 2017 Bonds, and keep in force at all times during the Lease Term, "key man" life insurance policies covering the lives of Dharmendra Bhakta in the original face amount of not less than \$5,000,000 and Manisha Bhakta in the original face amount of not less than \$2,000,000. Said policies shall designate the Original Purchaser of the Series A, 2017 Bonds as beneficiary. The premiums for the policies shall be paid in full by the Tenant, and the Tenant shall annually deliver to the Original Purchaser such evidence as the Original Purchaser shall require as to the Tenant's compliance with this covenant. In the event of the death of an insured, the Original Purchaser may deposit the insurance proceeds with the Trustee to be applied by the Trustee in the manner provided in the Indenture.

ARTICLE VII

Section 7.1. Impositions. The Tenant shall, during the Term of this Lease, bear, pay and discharge, before the delinquency thereof, any and all Impositions. In the event any Impositions may be lawfully paid in installments, the Tenant shall be required to pay only such installments thereof as become due and payable during the term of this Lease as and when the same become due and payable.

Section 7.2. Receipted Statements. Unless the Tenant exercises its right to contest any Impositions in accordance with *Section 7.3* hereof, the Tenant shall, within 30 days after the last day for payment without penalty or interest of an Imposition which the Tenant is required to bear, pay and discharge pursuant to the terms hereof, deliver to the Trustee a copy of the statement issued therefor duly receipted to show the payment thereof.

Section 7.3. Contest of Impositions. The Tenant shall have the right, in its own or the Issuer's name or both, to contest the validity or amount of any Imposition by appropriate legal proceedings instituted before the Imposition complained of becomes delinquent if, and provided, the Tenant (i) before instituting any such contest, shall give the Issuer and the Trustee written notice of its intention to do so and, if requested in writing by the Issuer or the Trustee, shall deposit with the Trustee a surety bond of a surety company acceptable to the Issuer as surety, in favor of the Issuer and the Trustee, as their interests may appear, or cash, in a sum of at least the amount of the Imposition so contested, assuring the payment of such contested Impositions together with all interest and penalties to accrue thereon and court costs, (ii) diligently prosecutes any such contest and at all times effectively stays or prevents any official or judicial sale therefor, under execution or otherwise, and (iii) promptly pays any final judgment enforcing the Imposition so contested and thereafter promptly procures record release or satisfaction thereof. The Tenant shall indemnify and hold the Issuer whole and harmless from any costs and expenses the Issuer may incur related to any such contest.

Section 7.4. Ad Valorem 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. Subject to the provisions of *Section 7.5* of this Lease, and to the provisions of the Agreement for Payment in Lieu of Taxes referred to therein, the Issuer will, at the Tenant's request, with information furnished by Tenant 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 Tenant in pursuing such litigation, but all litigation costs and reasonable attorney fees must be paid by Tenant, either directly or as Additional Rent.

Section 7.5. Payment in Lieu of Taxes. The Tenant agrees to pay to the Issuer payments in lieu of taxes on the Project for each year that the Project is exempt from *ad valorem* taxes and to pay as an Imposition hereunder taxes for any year in which the Project did not, or does not qualify, in accordance with the separate Agreement for Payment in Lieu of Taxes delivered concurrently with this Lease.

ARTICLE VIII

Section 8.1. Use of Project. Subject to the provisions of this Lease, the Tenant shall have the right to use the Project for any and all purposes allowed by law and contemplated by the constitution of the State and the Act. The Tenant shall comply in all material respects with all statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Project or to any adjoining public ways, as to the manner of use or the condition of the Project or of adjoining public ways. The Tenant shall comply with the mandatory requirements, rules and regulations of all insurers under the policies required to be carried under the provisions of this Lease. The Tenant shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the Tenant to comply with the provisions of this Article.

Section 8.2. Environmental Matters.

(a) The Tenant hereby covenants that it will not cause and will use reasonable efforts and take such reasonable action as may be necessary so as to not permit any Hazardous Substances (as defined herein) to be placed, held, located or disposed of, on, under or at the Facility, other than in the ordinary course of business and in compliance with all applicable Environmental Laws.

(b) In furtherance and not in limitation of any indemnity elsewhere provided to the Issuer hereunder and in the Indenture, the Tenant hereby agrees to indemnify and hold harmless the Issuer, the Trustee and the Owner(s) of Bond(s) from time to time from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment, costs of investigation, consultants, testing, sampling, cleanup, or defense, and claims of any and every kind paid, incurred or suffered, with respect to, or as a direct or indirect result of, the actual or alleged presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the Facility of any Hazardous Substance (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under any federal, state or local Environmental Law or so-called "Superfund" or "Super lien" law, or any other applicable Environmental Law, rule, regulation, order or decree regulating, relating to or imposing liability, including strict liability, or standard of conduct concerning, any Hazardous Substance) regardless of whether or not caused by or within the control of the Tenant.

(c) The provisions of this *Section 8.2* shall survive the termination of this Lease or exercise of the Tenant's option to purchase the Facility, except with respect to obligations which arise solely and exclusively as a result of the use, spill, release, leak, seepage or discharge of Hazardous Substances on the Facility after the Facility is no longer occupied by the Tenant.

ARTICLE IX

Section 9.1. Sublease by the Tenant. The Tenant may sublease the Project to a single party or entity, with the prior written consent of the Issuer. The Tenant may sublease portions of the Project for use by others in the normal course of its business without the Issuer's prior consent or approval. In the event of any such subleasing, the Tenant shall remain fully liable for the performance of its duties and obligations hereunder, and no such subleasing and no dealings or transactions between the Issuer or the Trustee and any such subtenant shall relieve the Tenant of any of its duties and obligations hereunder. Any such sublease shall be subject and subordinate in all respects to the provisions of this Lease.

Section 9.2. Assignment by the Tenant. The Tenant may assign, mortgage, sell, or otherwise transfer its interest in this Lease only with the prior written consent of the Issuer. Collateral assignment by the Tenant of its leasehold interest in this Lease to the Owner(s) of Bonds is hereby acknowledged and approved by the Issuer. In the event of any such assignment, the Tenant shall remain fully liable for the performance of its duties and obligations hereunder, except to the extent hereinafter provided, and no such assignment and no dealings or transactions between the Issuer or the Trustee and any such assignee shall relieve the Tenant of any of its duties and obligations hereunder, except as may be otherwise provided in the following Section.

Section 9.3. Release of the Tenant. If, in connection with an assignment by the Tenant of its interest in this Lease, (a) the Issuer and the Owners of at least seventy-five percent (75%) in aggregate principal amount of the Outstanding Priority Bonds (including any Additional Bonds) shall file with the Trustee their prior written consent to such assignment, and (b) the proposed assignee shall expressly assume and agree to perform all of the obligations of the Tenant under this Lease and the Guaranty Agreement with regard to the Bonds; then the Tenant shall be fully released from all obligations accruing hereunder after the date of such assignment.

Section 9.4. Mergers and Consolidations. Notwithstanding the provisions of *Sections 9.2 and 9.3* above, if the Tenant shall assign or transfer, by operation of law or otherwise, its interests in this Lease in connection with a transaction involving the merger or consolidation of the Tenant with or into, or a sale, lease or other disposition of all or substantially all of the property of the Tenant as an entirety to another person, association, corporation or other entity, and (a) the Issuer and the Owners of at least seventy-five percent (75%) in aggregate principal amount of the Outstanding Priority Bonds (including any Additional Bonds) shall file with the Trustee their prior written consent to such assignment, transfer or merger, (b) the proposed assignee, transferee or surviving entity shall expressly assume and agree to perform all of the obligations of the Tenant under this Lease and the Guaranty Agreement with regard to the Bonds, and (c) the Tenant shall furnish the Trustee and the Issuer with evidence in the form of financial statements accompanied by a proforma balance sheet prepared by an independent certified public accountant of recognized standing showing that the net worth of such proposed assignee, transferee or surviving entity immediately following such assignment, transfer or merger will be at least equal to the net worth of the Tenant as shown by the most recent financial statements of the Tenant furnished to the Trustee pursuant to this Lease; then and in such event the Tenant shall be fully released from all obligations accruing hereunder after the date of such assignment, transfer or merger.

Section 9.5. Covenant Against Other Assignments. The Tenant will not assign or in any manner transfer its interests under this Lease, nor will it suffer or permit any assignment thereof by operation of law, except in accordance with the limitations, conditions and requirements set forth in this *Article IX*.

ARTICLE X

Section 10.1. Repairs and Maintenance. The Tenant covenants and agrees that it will, during the Term of this Lease, at its own expense, keep and maintain the Project and all parts thereof in good condition and repair (ordinary wear and tear excepted), including but not limited to the furnishing of all parts, mechanisms and devices required to keep the machinery, equipment and personal property constituting a part of the Project in good mechanical and working order (ordinary wear and tear excepted).

Section 10.2. Removal, Disposition and Substitution of Machinery or Equipment. The Tenant shall have the right, provided the Tenant is not in Default, to remove and sell or otherwise dispose of any machinery or equipment which constitutes a part of the Project and which is no longer used by the Tenant or, in the opinion of the Tenant, is no longer useful to the Tenant in its operations (whether by reason of changed

processes, changed techniques, obsolescence, depreciation or otherwise), subject, however, to the following conditions:

(a) With respect only to such items of machinery or equipment that originally cost \$1,000 or more, to the following:

(1) Prior to any such removal, the Tenant shall deliver to the Trustee a certificate signed by the Authorized Tenant Representative (A) containing a complete description, including the make, model and serial numbers, if any, of any machinery and equipment constituting a part of the Project which it proposes to remove, (B) stating the reason for such removal, (C) stating what disposition, if any, of the machinery or equipment is to be made by the Tenant after such removal and the names of the party or parties to whom such disposition is to be made and any consideration to be received by the Tenant therefor, if any, and (D) setting forth the original cost and the current fair market value of such machinery and equipment.

(2) Prior to any such removal, the Tenant shall pay the current fair market value of such machinery or equipment as set forth in said certificate to the Trustee, provided, however, that in no event shall the amount paid be less than the consideration to be received by the Tenant upon the disposition thereof and the Trustee shall deposit such amount in the Debt Service Fund. Any money deposited in the Debt Service Fund pursuant to this Section shall be used to redeem Outstanding Bonds at their earliest optional redemption date.

(3) The Tenant may remove any machinery or equipment constituting a part of the Project without first complying with the provisions of subparagraph (2) above if the Tenant promptly replaces any such machinery or equipment so removed with machinery or equipment of the same or a different kind but which is capable of performing the same function, efficiently, as the machinery or equipment so removed. The machinery or equipment so acquired by the Tenant to replace such machinery or equipment thereafter shall be deemed a part of the Project. Within 30 days after any such replacement by the Tenant, the Tenant shall deliver to the Trustee a certificate of the Authorized Tenant Representative setting forth a complete description, including make, model and serial numbers, if any, of the machinery or equipment which the Tenant has acquired to replace the machinery or equipment so removed by the Tenant, the cost thereof and that said machinery and equipment have been installed.

(b) With respect to such items of machinery or equipment that originally cost less than \$1,000 the Tenant may obtain release of any such items without any payment to the Trustee upon delivery of a certificate setting forth the facts provided for in subparagraph (a)(1) above. In no event shall the Tenant pursuant to the preceding sentence remove an aggregate amount of machinery or equipment having an aggregate original cost of more than \$1,000 without making payment for it.

All machinery or equipment constituting a part of the Project and removed by the Tenant in compliance with this Section shall become the absolute property of the Tenant and may be sold or otherwise disposed of by the Tenant without otherwise accounting to the Issuer. In all cases, the Tenant shall pay all the costs and expenses of any such removal and shall immediately repair at its expense all damage caused thereby. The Tenant's rights under this Section to remove machinery or equipment constituting a part of the Project is intended only to permit the Tenant to maintain an efficient operation by the removal of such machinery and equipment no longer suitable to the Tenant's use for any of the reasons set forth in this Section and such right is not to be construed to permit a removal under any other circumstances and shall not be construed to permit the wholesale removal of such machinery or equipment by the Tenant.

ARTICLE XI

Section 11.1. Alteration of Project. The Tenant shall have and is hereby given the right, at its sole cost and expense, to make such additions, changes and alterations in and to any part of the Project as the Tenant from time to time may deem necessary or advisable, provided however, the Tenant shall not make any major addition, change or alteration which will adversely affect the intended use or structural strength or value of any part of the Improvements. All additions, changes and alterations made by the Tenant pursuant to the authority of this Article shall (a) be made in a workmanlike manner and in strict compliance with all laws and ordinances applicable thereto, (b) when commenced, be prosecuted to completion with due diligence, and (c) when completed, shall be deemed a part of the Project; provided, however, that additions of machinery, equipment and/or personal property of the Tenant, not purchased or acquired from proceeds of the Bonds and not constituting a part of the Project shall remain the separate property of the Tenant and may be removed by the Tenant prior to or as provided in *Section 22.1* hereof.

ARTICLE XII

Section 12.1. Additional Improvements. The Tenant shall have and is hereby given the right, at its sole cost and expense, to construct on the Land or within areas occupied by the Improvements, or in airspace above the Project, such additional buildings and improvements as the Tenant from time to time may deem necessary or advisable. All additional buildings and improvements constructed by the Tenant pursuant to the authority of this Article shall, during the Term, remain the property of the Tenant and may be added to, altered or razed and removed by the Tenant at any time during the Term hereof. The Tenant covenants and agrees (a) to make all repairs and restorations, if any, required to be made to the Project because of the construction of, addition to, alteration or removal of, said additional buildings or improvements, (b) to keep and maintain said additional buildings and improvements in good condition and repair, ordinary wear and tear excepted, (c) to promptly and with due diligence either raze and remove from the Land, in a good, workmanlike manner, or repair, replace or restore such of said additional buildings or improvements as may from time to time be damaged by fire or other casualty, and (d) that all additional buildings and improvements constructed by the Tenant pursuant to this Article which remain in place after the termination of this Lease for any cause other than the purchase of the Project pursuant to *Article XVII* hereof shall, upon and in the event of such termination, become the separate and absolute property of the Issuer.

ARTICLE XIII

Section 13.1. Securing of Permits and Authorizations. The Tenant shall not do or permit others under its control to do any work in or in connection with the Project or related to any repair, rebuilding, restoration, replacement, alteration of or addition to the Project, or any part thereof, unless all requisite municipal and other governmental permits and authorizations shall have first been procured and paid for. All such work shall be done in a good and workmanlike manner and in compliance with all applicable building, zoning and other laws, ordinances, governmental regulations and requirements and in accordance with the requirements, rules and regulations of all insurers under the policies required to be carried under the provisions of this Lease.

Section 13.2. Mechanic's Liens. The Tenant shall not do or suffer anything to be done whereby the Project, or any part thereof, is encumbered by any mechanic's or other similar lien. Should any mechanic's or other similar lien ever be filed against the Project, or any part thereof, the Tenant shall discharge the same of record within 30 days after the date of filing. Notice is hereby given that the Issuer does not authorize or consent to and shall not be liable for any labor or materials furnished to the Tenant or anyone claiming by,

through or under the Tenant upon credit, and that no mechanic's or similar liens for any such labor, services or materials shall attach to or affect the reversionary or other estate of the Issuer in and to the Project, or any part thereof.

Section 13.3. Contest of Liens. The Tenant, notwithstanding the above, shall have the right to contest any such mechanic's or other similar lien if within said 30-day period stated above it (a) notifies the Issuer and the Trustee in writing of its intention so to do, and if requested by the Trustee or the Issuer, deposits with the Trustee a surety bond issued by a surety company acceptable to the Issuer as surety, in favor of the Issuer, or cash, in the amount of the lien claim so contested, indemnifying and protecting the Issuer from and against any liability, loss, damage, cost and expense of whatever kind or nature growing out of or in any way connected with said asserted lien and the contest thereof, (b) diligently prosecutes such contest, at all times effectively staying or preventing any official or judicial sale of the Project or any part thereof or interest therein, under execution or otherwise, and (c) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim and thereafter promptly procures record release or satisfaction thereof.

Section 13.4. Utilities. All utilities and utility services used by the Tenant in, on or about the Project shall be contracted for by the Tenant in the Tenant's own name and the Tenant shall, at its sole cost and expense, procure any and all permits, licenses or authorizations necessary in connection therewith.

ARTICLE XIV

Section 14.1. Indemnity. The Tenant agrees, whether or not the transactions contemplated by this Lease, the Bonds or the Indenture are consummated, to indemnify and hold harmless the Issuer and its officers, directors, officials, employees and agents, including the Trustee as assignee of the Issuer's rights under this Lease, and the Original Purchaser and each of its officers, directors, employees and agents (any or all of the foregoing referred to hereafter as "Indemnified Persons"), from and against all claims, actions, suits, proceedings, expenses, judgments, damages, penalties, fines, assessments, liabilities, charges or other costs (including, without limitation, all attorneys' fees and expenses incurred in connection with enforcing this Lease or collecting any sums due hereunder and any claim or proceeding or any investigations undertaken hereunder) relating to, resulting from, or in connection with (a) any cause in connection with the Project, including, without limitation, the acquisition, design, construction, installation, equipping, operating, maintenance or use thereof; (b) any act or omission of the Tenant or any of its agents contractors, servants, employees or licenses in connection with the use or operation of the Project; (c) any cause in connection with the issuance and sale of the Bonds, (d) a misrepresentation or breach of warranty by the Tenant hereunder or under any of the documents executed by the Tenant in connection with this Lease, or (e) any violation by the Tenant of any of its covenants hereunder or under any of the other documents executed by the Tenant in connection with the Bonds or this Lease. This indemnity is effective only with respect to any loss incurred by any Indemnified Person not due to willful misconduct, gross negligence, or bad faith on part of such Indemnified Person. In case any action or proceeding shall be brought against one or more Indemnified Person and with respect to which such Indemnified Person may seek indemnity as provided herein, such Indemnified Person shall promptly notify the Tenant in writing and the Tenant shall promptly assume the defense thereof, including the employment of counsel reasonable satisfactory to such Indemnified Person or Indemnified Persons, the payment of all expenses and the right to negotiate and consent to settlement; but the failure to notify the Tenant as provided shall not relieve Tenant from any liability of duty under this Section, so long as Tenant is given reasonable opportunity to defend such claim.

ARTICLE XV

Section 15.1. Access to Project. The Issuer, for itself and its duly authorized representatives and agents, including the Trustee, reserves the right to enter the Project at all reasonable times during usual business hours throughout the Term, upon reasonable notice, for the purpose of (a) examining and inspecting the same, (b) performing such work made necessary by reason of the Tenant's default under any of the provisions of this Lease, and (c) after an Event of Default, for the purpose of exhibiting the Project to prospective purchasers, lessees or mortgagees. The Issuer may, during the progress of said work mentioned in (b) above, keep and store on the Project all necessary materials, supplies and equipment and shall not be liable for inconvenience, annoyances, disturbances, loss of business or other damage suffered by reason of the performance of any such work or the storage of such materials, supplies and equipment.

ARTICLE XVI

Section 16.1. Option to Extend Basic Term. The Tenant shall have and is hereby given the right and option to extend the Basic Term of this Lease for the Additional Term provided that (a) the Tenant shall give the Issuer written notice of its intention to exercise the option at least 30 days prior to the expiration of the Basic Term and (b) the Tenant is not in Default hereunder at the time it gives the Issuer such notice or at the time the Additional Term commences. In the event the Tenant exercises such option, the terms, covenants, conditions and provisions set forth in this Lease shall be in full force and effect and binding upon the Issuer and the Tenant during the Additional Term except that the Basic Rent during any extended term herein provided for shall be the sum of \$100.00 per year, payable in advance on the first Business Day of such Additional Term.

ARTICLE XVII

Section 17.1. Option to Purchase Project. Subject to the provisions of this Article, the Tenant shall have the right and option to purchase the Project at any time during the Term hereof and for 120 days thereafter. The Tenant shall exercise its option by giving the Issuer written notice of the Tenant's election to exercise its option and specifying the date, time and place of closing, which date (the "Purchase Date") shall neither be earlier than 30 days nor later than 180 days after the notice is given. The Tenant may not, however, exercise such option if the Tenant is in Default hereunder on the Purchase Date unless all Defaults are cured upon payment of the purchase price specified in *Section 17.2*.

Section 17.2. Quality of Title and Purchase Price. If said notice of election to purchase is given, the Issuer shall sell and convey all of its interests in the Project to the Tenant on the Purchase Date free and clear of all liens and encumbrances except (a) Permitted Encumbrances, (b) those to which title was subject on the date of conveyance to the Issuer of the Land, or to which title became subject with the Tenant's written consent, or which resulted from any failure of the Tenant to perform any of its covenants or obligations under this Lease, (c) taxes and assessments, general and special, if any, and (d) the rights of any party having condemned or who is attempting to condemn title to, or the use for a limited period of, all or any part of the Project, for a price determined as follows (which the Tenant agrees to pay in cash at the time of delivery of the Issuer's deed or other instrument or instruments of transfer of the Project to the Tenant as hereinafter provided):

(1) The full amount which is required to provide the Issuer and the Trustee with funds sufficient, in accordance with the provisions of the Indenture, to pay at maturity or to redeem and pay

in full (A) the principal of all of the Outstanding Bonds, (B) all interest due thereon to date of maturity or redemption, whichever first occurs, and (C) all costs, expenses and premiums incident to the redemption and payment of said Bonds in full, plus

(2) \$100.00.

Nothing in this Article shall release or discharge the Tenant from its duty or obligation under this Lease to make any payment of Basic Rent or Additional Rent which, in accordance with the terms of this Lease, becomes due and payable prior to the Purchase Date, or its duty and obligation to fully perform and observe all covenants and conditions herein stated to be performed and observed by the Tenant prior to the Purchase Date.

Section 17.3. Closing of Purchase. On the Purchase Date the Issuer shall deliver to the Tenant its special warranty deed and/or other appropriate instrument or instruments of conveyance or assignment, properly executed and conveying the Project to the Tenant free and clear of all liens and encumbrances except as set forth in the preceding section above, or conveying such other title to the Project as may be acceptable to the Tenant, and the Tenant shall pay the full purchase price for the Project as follows: (a) the amount specified in clause (1) of *Section 17.2* shall be paid to the Trustee for deposit in the Debt Service Fund to be used to pay or redeem Bonds and the interest thereon as provided in the Indenture, and (b) the amount specified in clause (2) of said *Section 17.2* shall be paid to the Issuer; provided, however, nothing herein shall require the Issuer to deliver its appropriate instrument or instruments of assignment or conveyance to the Tenant until after all duties and obligations of the Tenant under this Lease to the date of such delivery have been fully performed and satisfied or adequate provision made for such performance and satisfaction. Upon the delivery to the Tenant of the Issuer's appropriate instrument or instruments of assignment or conveyance, payment of the purchase price by the Tenant and legal defeasance of the Bonds, this Lease shall *ipso facto* terminate, subject to the provisions of *Section 20.2* hereof.

Section 17.4. Effect of Failure to Complete Purchase. If, for any reason, the purchase of the Project by the Tenant pursuant to valid notice of election to purchase is not effected on the Purchase Date, this Lease shall be and remain in full force and effect according to its terms the same as though no notice of election to purchase had been given, except that if such purchase is not effected on the Purchase Date because the Issuer does not have or is unable to convey to the Tenant such title to the Project as the Tenant is required to accept, the Issuer shall use its best efforts to cure any such defect in its title to the Project. In the event the Issuer is unable to cure such defect in its title to the Project, or if the Issuer's failure to close would be a breach of its obligations hereunder, the Tenant shall have the right to cancel this Lease forthwith if, but only if, the principal of and interest on the Bonds and all costs incident to the redemption and payment of the Bonds have been paid in full. The Tenant shall also have the right to exercise any legal or equitable remedies, in its own name or in the name of the Issuer, to obtain acceptable title to the Project.

Section 17.5. Application of Condemnation Awards if the Tenant Purchases Project. The right of the Tenant to exercise its option to purchase the Project under the provisions of this Article shall remain unimpaired notwithstanding any condemnation of title to, or the use for a limited period of, all or any part of the Project. If the Tenant shall exercise its option and pay the purchase price as provided in this Article, all of the condemnation awards received by the Issuer after the payment of said purchase price, less all attorneys' fees and other expenses and costs incurred by the Issuer as the owner of the Project in connection with such condemnation, shall belong and be paid to the Tenant.

Section 17.6. Option to Purchase Unimproved Portions of Land. The Tenant shall have the option to purchase at any time and from time to time during the Term any vacant part or vacant parts of the unimproved Land constituting a part of the Project; provided, however, the Tenant shall furnish the Issuer and the Trustee with a certificate of an Authorized Tenant Representative, dated not more than thirty (30) days

prior to the date of the purchase and stating that, in the opinion of the Authorized Tenant Representative, (a) the portion of said Land with respect to which the option is exercised is not needed for the operation of the Project for the purposes herein stated, (b) the purchase will not impair the usefulness or operating efficiency or materially impair the value of the Project and will not destroy or materially impair the means of ingress thereto and egress therefrom, and (c) the purchase will not materially adversely affect compliance of the remaining Land and any Improvements with applicable zoning laws or regulations. The Tenant shall exercise this option by giving the Issuer and the Trustee written notice of the Tenant's election to exercise its option and specifying (i) the legal description, (ii) the date, time and place of closing, which date shall neither be earlier than 45 days nor later than 60 days after the notice is given, (iii) the appraised current fair market value of the portions of the Land with respect to which the Tenant's option is exercised as determined by an independent, qualified appraiser whose report shall be furnished to the Trustee together with the Tenant's notice of election to purchase, and (iv) a certificate signed by the chief executive or chief financial officer of the Tenant stating that no event has occurred and is continuing which, with notice or lapse of time or both, would constitute an Event of Default; provided, however, that the Tenant may not exercise this option if there has occurred and is continuing any event which, with notice or lapse of time or both, would constitute an Event of Default at the time said notice is given and may not purchase said real property on the specified closing date if any such event has occurred and is continuing on said date unless all defaults are cured. The option hereby given shall include the right to purchase a perpetual easement for right-of-way to and from the public roadway and the right to purchase such land as is necessary to assure that there will always be access between the real property purchased pursuant to these *Sections 17.6 through 17.10* and the public roadway.

Section 17.7. Quality of Title - Purchase Price. If said notice of election to purchase is given as provided in *Section 17.6* the Issuer shall convey the real property described in the Tenant's notice to the Tenant on the specified date free and clear of all liens and encumbrances except (a) Permitted Encumbrances, (b) those to which the title was subject on the date of conveyance to the Issuer of the Land, or to which title became subject with the Tenant's written consent, or which resulted from any failure of the Tenant to perform any of its covenants or obligations under this Lease, (c) taxes and assessments, general and special, if any, and (d) the interests of any party having condemned or who is attempting to condemn title to, or the use for a limited period of, all or any part of the real property described in the Tenant's notice. The purchase price shall be an amount equal to the then current fair market value thereof, as determined with reference to the independent appraiser's report furnished to the Trustee.

Section 17.8. Closing of Purchase. If the Issuer has title to such vacant real property free and clear of all liens and encumbrances except as stated above or has such other title to the such real property as may be acceptable to the Tenant, then on the specified date, the Issuer shall deliver to the Tenant its special warranty deed, properly executed and conveying such real property to the Tenant free and clear of all liens and encumbrances except as stated above, and the Tenant shall pay the purchase price for such real property, said purchase price to be paid to the Trustee for the account of the Issuer and deposited by the Trustee in the Debt Service Fund and shall be used to redeem Bonds on any date the Bonds are subject to optional redemption as provided in the Indenture. Nothing herein shall require the Issuer to deliver its special warranty deed to the Tenant until after all duties and obligations of the Tenant under this Lease to the date of such delivery have been fully performed and satisfied.

Section 17.9. Effect of Purchase on Lease. The exercise by the Tenant of the option granted under these *Sections 17.6 to 17.10* and the purchase and sale and conveyance of a portion or portions of the Land constituting a part of the Project pursuant hereto shall in no way whatsoever affect this Lease, and all the terms and provisions hereof shall remain in full force and effect the same as though no notice of election to purchase had been given, and specifically, but not in limitation of the generality of the foregoing, exercise of such option shall not affect, alter, diminish, reduce or abate the Tenant's obligations to pay all Basic Rent and Additional Rent required hereunder.

Section 17.10. Effect of Failure to Complete Purchase. If, for any reason whatsoever, the purchase by the Tenant of the real property described in said notice is not effected on the specified date, this Lease shall be and remain in full force and effect according to its terms the same as though no notice of election to purchase had been given.

ARTICLE XVIII

Section 18.1. Damage and Destruction.

(a) If, during the Term, any Improvements are damaged or destroyed, in whole or in part, by fire or other casualty, the Tenant shall promptly notify the Issuer and the Trustee in writing as to the nature and extent of such damage or loss and whether it is practicable and desirable to rebuild, repair, restore or replace such damage or loss.

(b) If the Tenant shall determine that such rebuilding, repairing, restoring or replacing is practicable and desirable, the Tenant shall forthwith proceed with and complete with reasonable dispatch such rebuilding, repairing, restoring or replacing. In such case, any Net Proceeds of property and/or casualty insurance required by this Lease and received with respect to any such damage or loss to the Improvements shall be paid to the Trustee and shall be deposited in the Project Fund and shall be used and applied for the purpose of paying the cost of such rebuilding, repairing, restoring or replacing such damage or loss. Any amount remaining in the Project Fund after such rebuilding, repairing, restoring or replacing shall be paid to the Tenant.

(c) If the Tenant shall reasonably determine that rebuilding, repairing, restoring or replacing the Improvements is not practicable and desirable, any Net Proceeds of property and/or casualty insurance required by this Lease and received with respect to any such damage or loss to the Project shall be paid into the Debt Service Fund. Such moneys shall be used to redeem Bonds at their earliest optional redemption date. The Tenant agrees that it shall be reasonable in exercising its judgment pursuant to this subsection (c).

(d) The Tenant shall not, by reason of its inability to use all or any part of the Improvements during any period in which the Improvements are damaged or destroyed, or are being repaired, rebuilt, restored or replaced nor by reason of the payment of the costs of such rebuilding, repairing, restoring or replacing, be entitled to any reimbursement or any abatement or diminution of the Basic Rent or Additional Rent payable by the Tenant under this Lease nor of any other obligations of the Tenant under this Lease except as expressly provided in this Section.

Section 18.2. Condemnation.

(a) If, during the Term title to, or the temporary use of, all or any part of the Project shall be condemned by any authority exercising the power of eminent domain (other than the Issuer), the Tenant shall, within 30 days after the date of entry of a final order in any eminent domain proceedings granting condemnation, notify the Issuer and the Trustee in writing as to the nature and extent of such condemnation and whether it is practicable and desirable to acquire substitute land or construct substitute Improvements.

(b) If the Tenant shall determine that such substitution is practicable and desirable, the Tenant shall forthwith proceed with and complete with reasonable dispatch the acquisition or construction of such substitute Land or Improvements. In such case, any Net Proceeds received from any award or awards with respect to the Project or any part thereof made in such condemnation or eminent domain proceedings shall be paid to the Trustee for the account of the Tenant and shall be deposited in the Project Fund and shall

be used and applied for the purpose of paying the cost of such substitution. Any amount remaining in the Project Fund after such acquisition or construction shall be paid to Tenant.

(c) If the Tenant shall reasonably determine that it is not practicable and desirable to acquire or construct substitute Improvements, any Net Proceeds of condemnation awards received by the Tenant shall be paid into the Debt Service Fund. Such moneys shall be used to redeem Bonds at their earliest optional redemption date. The Tenant agrees that it shall be reasonable in exercising its judgment pursuant to this subsection.

(d) The Tenant shall not, by reason of its inability to use all or any part of the Improvements during any such period of restoration or acquisition nor by reason of the payment of the costs of such restoration or acquisition, be entitled to any reimbursement or any abatement or diminution of the Basic Rent or Additional Rent nor of any other obligations hereunder payable by the Tenant under this Lease.

(e) The Issuer shall cooperate fully with the Tenant in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project or any part thereof so long as the Issuer is not the condemning authority. In no event will the Issuer voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Tenant and the Trustee.

Section 18.3. Effect of Tenant's Defaults. Anything in this Article to the contrary notwithstanding, the Issuer and the Trustee shall have the right at any time and from time to time to withhold payment of all or any part of the Net Proceeds from the Project Fund attributable to damage, destruction or condemnation of the Project to the Tenant or any third party if an Event of Default has occurred and is continuing, or the Issuer or the Trustee has given notice to the Tenant of any Default which, with the passage of time, will become an Event of Default. In the event the Tenant shall cure any Defaults specified herein, the Trustee shall make payments from the Net Proceeds to the Tenant in accordance with the provisions of this Article. However, if this Lease is terminated or the Issuer or the Trustee otherwise re-enters and takes possession of the Project without terminating this Lease, the Trustee shall pay all the Net Proceeds held by it into the Debt Service Fund and all rights of the Tenant in and to such Net Proceeds shall cease.

ARTICLE XIX

Section 19.1. Change of Circumstances. If at any time during the Basic Term, a Change of Circumstances occurs, then the Tenant shall have the option to purchase the Project pursuant to *Article XVII* or the option to terminate this Lease by giving the Issuer notice of such termination within 90 days after the Tenant has actual knowledge of the event giving rise to such option. Such termination shall become effective when all of the Bonds Outstanding are paid or payment is provided for pursuant to the Indenture.

ARTICLE XX

Section 20.1. Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Trustee (acting on behalf of the Issuer, as assignee of the Issuer's rights hereunder) may take any legal action, including but not limited to, one or more of the following remedial actions:

(a) By written notice to the Tenant upon acceleration of maturity of the Bonds as provided in the Indenture, the Trustee acting on behalf of the Issuer may declare the aggregate amount of all unpaid Basic Rent or Additional Rent then or thereafter required to be paid under this Lease by the Tenant to be

immediately due and payable as liquidated damages from the Tenant, whereupon the same shall become immediately due and payable by the Tenant.

(b) The Trustee acting on behalf of the Issuer may give the Tenant written notice of intention to terminate this Lease on a date specified therein, which date shall not be earlier than 30 days after such notice is given and, if all Events of Default have not then been cured on the date so specified, the Tenant's rights to possession of the Project shall cease, and this Lease shall thereupon terminate. The Trustee acting on behalf of the Issuer may thereafter re-enter and take possession of the Project and pursue all its available remedies, including sale of the Project and judgment against the Tenant for possession of the Project and/or all Basic Rent and Additional Rent then owing, including costs and attorney fees.

(c) Without terminating the Term hereof, or this Lease, the Trustee acting on behalf of the Issuer may conduct inspections or an Environmental Assessment of the Project, and re-enter the Project or take possession thereof pursuant to legal proceedings or any notice provided for by law and this Lease. The Issuer or the Trustee acting on behalf of the Issuer may refuse to re-enter or take possession of the Project if it has reasonable cause for such refusal. "Reasonable cause" shall include the presence on the Project of conditions which are in violation of any Environmental Law or the existence or threat of a remedial action against the Tenant under any Environmental Law resulting from conditions on the Project.

(d) Having elected to re-enter or take possession of the Project pursuant to subsection 20.1(c), the Trustee acting on behalf of the Issuer may relet the Project, or parts thereof, for such term or terms and at such rental and upon such other terms and conditions as are deemed advisable, with the right to make alterations and repairs to the Project, and no such re-entry or taking of possession of the Project shall be construed as an election to terminate this Lease, and no such re-entry or taking of possession shall relieve the Tenant of its obligation to pay Basic Rent or Additional Rent (at the time or times provided herein), or of any of its other obligations under this Lease, all of which shall survive such re-entry or taking of possession. The Tenant shall continue to pay the Basic Rent and Additional Rent provided for in this Lease until the end of the Term, whether or not the Project shall have been relet, less the net proceeds, if any, of reletting the Project.

(e) Having elected to reenter or take possession of the Project pursuant to subsection 20.1(c), the Trustee acting on behalf of the Issuer may (subject, however, to any restrictions against termination of this Lease in the Indenture), by notice to the Tenant given at any time thereafter while the Tenant is in Default in the payment of Basic Rent or Additional Rent or in the performance of any other obligation under this Lease, elect to terminate this Lease in accordance with subsection 20.1(b) and thereafter proceed to exercise any remedies lawfully available.

(f) If, in accordance with any of the foregoing provisions of this Article, the Issuer shall have the right to elect to re-enter and take possession of the Project, the Issuer or the Trustee acting on behalf of the Issuer, may enter and expel the Tenant and those claiming through or under the Tenant and remove the property and effects of both or either by all lawful means without being guilty of any manner of trespass and without prejudice to any remedies for arrears of Basic Rent or Additional Rent or preceding breach of contract by the Tenant.

(g) Net proceeds of any reletting or sale of the Project shall be deposited in the Debt Service Fund for application to pay the Bonds and interest thereon. "Net proceeds" shall mean the receipts obtained from reletting or sale after deducting all expenses incurred in connection with such reletting or sale, including without limitation, all repossession costs, brokerage commissions, legal fees and expenses, expenses of employees, alteration costs and expenses of preparation of the Project for reletting or sale.

(h) The Issuer or the Trustee acting on behalf of the Issuer may recover from the Tenant any attorney fees or other expense incurred in exercising any of its remedies under this Lease.

Section 20.2. Survival of Obligations. The Tenant covenants and agrees with the Issuer and the Owner(s) of Bonds that until all Bonds and the interest thereon and redemption premium, if any, are paid in full or provision is made for the payment thereof in accordance with the Indenture, its obligations under this Lease shall survive the cancellation and termination of this Lease for any cause and/or sale of the Project, and that the Tenant shall be obligated to pay Basic Rent and Additional Rent (reduced by any net income the Issuer or the Trustee may receive from the Project after such termination) and perform all other obligations provided for in this Lease, all at the time or times provided in this Lease. Notwithstanding any provision of this Lease or the Indenture, the Tenant's obligations under *Sections 8.2 and 14.1* hereof shall survive any termination, release or assignment of this Lease, the Indenture or Guaranty Agreement and payment or provision for payment of the Bonds.

Section 20.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer 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 Lease or now or hereafter existing at law or in equity or by statute, subject to the provisions of the Indenture. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice required herein.

ARTICLE XXI

Section 21.1. Performance of the Tenant's Obligations by the Issuer. If the Tenant shall fail to keep or perform any of its obligations as provided in this Lease, then the Issuer may (but shall not be obligated to do so) upon the continuance of such failure on the Tenant's part for 90 days after notice of such failure is given the Tenant by the Issuer or the Trustee and without waiving or releasing the Tenant from any obligation hereunder, as an additional but not exclusive remedy, make any such payment or perform any such obligation, and the Tenant shall reimburse the Issuer for all sums so paid by the Issuer and all necessary or incidental costs and expenses incurred by the Issuer in performing such obligations through payment of Additional Rent. If such Additional Rent is not so paid by the Tenant within 10 days of demand, the Issuer shall have the same rights and remedies provided for in *Article XX* in the case of Default by the Tenant in the payment of Basic Rent.

ARTICLE XXII

Section 22.1. Surrender of Possession. Upon accrual of the Issuer's right of reentry as the result of the Tenant's Default hereunder or upon the cancellation or termination of this Lease by lapse of time or otherwise (other than as a result of the Tenant's purchase of the Project), the Tenant shall peacefully surrender possession of the Project to the Trustee, as assignee of the Issuer in good condition and repair, ordinary wear and tear excepted; provided, however, the Tenant shall have the right, prior to or within 30 business days after the termination of this Lease, to remove from on or about the Project the buildings, improvements, machinery, equipment, personal property, furniture and trade fixtures which the Tenant owns under the provisions of this Lease and are not a part of the Project. All repairs to and restorations of the Project required to be made because of such removal shall be made by and at the sole cost and expense of the Tenant. All buildings, improvements, machinery, equipment, personal property, furniture and trade fixtures owned by the Tenant and which are not so removed from on or about the Project prior to or within 30 business days after such termination of this Lease shall become the separate and absolute property of the Issuer.

ARTICLE XXIII

Section 23.1. Notices. All notices required or desired to be given hereunder shall be in writing and shall be delivered in person to the Notice Representative or mailed by registered mail to the Notice Address. All notices given by registered mail as aforesaid shall be deemed duly given as of the date three days after they are so mailed. When mailed notices are given, the party giving notice will use reasonable diligence to contact the party being notified by telephone, electronic mail or facsimile on or before the date such notice is mailed.

ARTICLE XXIV

Section 24.1. Triple-Net Lease. The parties hereto agree (a) that this Lease is intended to be a triple-net lease, (b) that the payments of Basic Rent and Additional Rent are designed to provide the Issuer and the Trustee with funds adequate in amount to pay all principal of and interest on all Bonds as the same become due and payable and to pay and discharge all of the other duties and requirements set forth herein, and (c) that to the extent that the payments of Basic Rent and Additional Rent are not adequate to provide the Issuer and the Trustee with funds sufficient for the purposes aforesaid, the Tenant shall be obligated to pay, and it does hereby covenant and agree to pay, upon demand therefor, as Additional Rent, such further sums of money as may from time to time be required for such purposes.

Section 24.2. Funds Held by the Trustee After Payment of Bonds. If, after the principal of and interest on all Bonds and all costs incident to the payment of Bonds have been paid in full, the Trustee holds unexpended funds received in accordance with the terms hereof, such unexpended funds shall, except as otherwise provided in this Lease and the Indenture and after payment therefrom to the Issuer of any sums of money then due and owing by the Tenant under the terms of this Lease, be the absolute property of and be paid over forthwith to the Tenant.

ARTICLE XXV

Section 25.1. Rights and Remedies. The rights and remedies reserved by the Issuer and the Tenant hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. The Issuer and the Tenant shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Lease, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity.

Section 25.2. Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the nondefaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such Default or Defaults which were in existence at the time such payment or payments or performance were accepted by it.

Section 25.3. The Issuer Shall Not Unreasonably Withhold Consents and Approvals. Wherever in this Lease it is provided that the Issuer shall, may or must give its approval or consent, or execute supplemental agreements, exhibits or schedules, the Issuer shall not unreasonably or

arbitrarily withhold or refuse to give such approvals or consents or refuse to execute such supplemental agreements, exhibits or schedules.

ARTICLE XXVI

Section 26.1. The Issuer May Not Sell. The Issuer covenants that unless an Event of Default under this Lease has occurred and is continuing, and the remaining Term of this Lease has been terminated, it will not, without the Tenant's written consent, unless required by law, sell or otherwise part with or encumber its fee title interest in the Project at any time during the Term of this Lease.

Section 26.2. Quiet Enjoyment and Possession. The Tenant shall enjoy peaceable and quiet possession of the Project as long as no Event of Default has occurred and is continuing.

Section 26.3. Financial Report; Furnishing of Financial Information. So long as any Bonds are Outstanding and unpaid and subject to the terms of the Indenture, the Tenant shall furnish or cause to be furnished to the Trustee the financial statements and other financial information required by *Article V* of the Guaranty Agreement.

Section 26.4. Issuer's Obligations Limited. Except as otherwise expressly provided in this Lease, no recourse upon any obligation or agreement contained in this Lease or in any Bond or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise under any circumstances, under or independent of the Indenture, shall be had against the Issuer and its officers, employees and agents.

Notwithstanding anything in this Lease to the contrary, it is expressly understood and agreed by the parties hereto that (a) the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Tenant, an Owner(s) of Bonds or the Trustee as to the existence of any fact or state of affairs required to be noticed by the Issuer hereunder; (b) the Issuer shall not be under any obligation to perform any record-keeping or to provide any legal services, it being understood that such services shall be performed or provided either by the Tenant, the Trustee or the Owner(s) of Bonds; and (c) that none of the provisions of this Lease shall require the Issuer to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless it shall have first been adequately indemnified to its satisfaction against the costs, expenses and liability which may be incurred by such action.

Notwithstanding anything in this Lease to the contrary, any obligation the Issuer may incur under this Lease or under any instrument or document executed by the Issuer in connection with this Lease that entails the expenditure of any money by the Issuer shall be only a limited obligation of the Issuer payable solely from the revenues derived by the Issuer under the Lease and shall not be, under any circumstances, a general obligation of the Issuer.

ARTICLE XXVII

Section 27.1. Investment Tax Credit; Depreciation. The Tenant shall be entitled to claim the full benefit of (1) any investment credit against federal or state income tax allowable with respect to expenditures of the character contemplated hereby under any federal or state income tax laws now or from time to time hereafter in effect, and (2) any deduction for depreciation with respect to the Project from federal or state income taxes. The Issuer agrees that it will upon the Tenant's request execute all such elections,

returns or other documents which may be reasonably necessary or required to more fully assure the availability of such benefits to the Tenant.

ARTICLE XXVIII

Section 28.1. Amendments. This Lease may be amended, changed or modified in writing in the following manner:

(a) With respect to an amendment, change or modification which reduces the Basic Rent or Additional Rent, or any amendment which reduces the percentage of Owner(s) of Bonds whose consent is required for any such amendment, change or modification, by an agreement in writing executed by the Issuer and the Tenant and consented to in writing by the Trustee and by Owner(s) of Bonds owning at least 90% of the aggregate principal amount of the Priority Bonds then Outstanding;

(b) With respect to any other amendment, change or modification which will materially adversely affect the security or rights of the Owner(s) of Bonds, by an agreement in writing executed by the Issuer and the Tenant and consented to in writing by the Trustee and by Owner(s) of Bonds owning at least 66-2/3% of the aggregate principal amount of the Priority Bonds then Outstanding; and

(c) With respect to all other amendments, changes, or modifications, by an agreement in writing executed by the Issuer and the Tenant.

At least 30 days prior to the execution of any agreement pursuant to (c) above, the Issuer and the Tenant shall furnish the Trustee and the Original Purchaser of the Bonds with a copy of the amendment, change or modification proposed to be made.

Section 28.2. Granting of Easements. If no Event of Default under this Lease shall have happened and be continuing, the Tenant may, at any time or times, (a) grant easements, licenses and other rights or privileges in the nature of easements with respect to any property included in the Project, free from any rights of the Issuer or the Owner(s) of Bonds, or (b) release existing easements, licenses, rights-of-way and other rights or privileges, all with or without consideration and upon such terms and conditions as the Tenant shall determine, and the Issuer agrees, to the extent that it may legally do so, that it will execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege or any such agreement or other arrangement, upon receipt by the Issuer of: (1) a copy of the instrument of grant or release or of the agreement or other arrangement, (2) a written application signed by the Authorized Tenant Representative requesting such instrument, and (3) a certificate executed by the Tenant stating (A) that such grant or release is not detrimental to the proper conduct of the business of the Tenant, and (B) that such grant or release will not impair the effective use or interfere with the efficient and economical operation of the Project and will not materially adversely affect the security of the Owner(s) of Bonds. Any consideration received by the Tenant for the grant or release must be paid to the Trustee to be deposited in the Debt Service Fund and used to redeem Bonds at the earliest practicable date, at their principal amount, plus accrued interest, without premium. If the instrument of grant shall so provide, any such easement or right and the rights of such other parties thereunder shall be superior to the rights of the Issuer and the Owner(s) of Bonds and shall not be affected by any termination of this Lease or default on the part of the Tenant hereunder. If no Event of Default shall have happened and be continuing, any payments or other consideration received by the Tenant for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of the Tenant, but, in the event of the termination of this Lease because of an Event of Default, all rights then existing of the Tenant with respect to or under such grant shall inure to the benefit of and be exercisable by the Issuer.

Section 28.3. Security Interests. (a) The Issuer and the Tenant agree to execute and deliver all instruments (including financing statements and statements of continuation thereof) necessary for perfection of and continuance of the security interest of the Issuer in and to the Project. The Tenant hereby authorizes the Issuer to file or cause to be filed all such instruments required to be so filed and the Trustee to continue or cause to be continued the filings or liens of such instruments for so long as the Bonds shall be Outstanding.

(b) Under the Indenture, the Issuer will, as additional security for the Bonds assign, transfer, pledge and grant a security interest in its rights under this Lease to the Trustee. The Issuer hereby authorizes the Trustee to file financing statements or any other instruments necessary to perfect its security interest. The Trustee is hereby given the right to enforce, either jointly with the Issuer or separately, the performance of the obligations of the Tenant, and the Tenant hereby consents to the same and agrees that the Trustee may enforce such rights as provided in the Indenture and the Tenant will make payments required hereunder directly to the Trustee.

Section 28.4. Construction and Enforcement. This Lease shall be construed and enforced in accordance with the laws of the State. The provisions of this Lease shall be applied and interpreted in accordance with the rules of interpretation set forth in the Indenture. Wherever in this Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

Section 28.5. Invalidity of Provisions of Lease. If, for any reason, any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

Section 28.6. Covenants Binding on Successors and Assigns. The covenants, agreements and conditions herein contained shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 28.7. Section Headings. The section headings hereof are for the convenience of reference only and shall not be treated as a part of this Lease or as affecting the true meaning of the provisions hereof. The reference to section numbers herein or in the Indenture shall be deemed to refer to the numbers preceding each section.

Section 28.8. Execution of Counterparts; Electronic Transactions. This Lease may be executed simultaneously in multiple counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument. The transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Issuer has caused this Lease to be signed by an authorized official, such signature to be attested by an authorized officer, and its official seal to be applied, as of the date first above written.

CITY OF PITTSBURG, KANSAS

By: _____
Mayor

[SEAL]

ATTEST:

By: _____
City Clerk

"ISSUER"

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS:
COUNTY OF CRAWFORD)

This instrument was acknowledged before me on _____, 2017, by Michael Gray, Mayor, and Tammy Nagel, City Clerk, of the City of Pittsburg, Kansas, a municipal corporation.

[SEAL]

Notary Public

My Appointment Expires:

IN WITNESS WHEREOF, the Tenant has caused this Lease to be signed by an authorized officer, as of the date first above written.

DHARMA PROPERTIES LLC

By: _____
Dharmendra Bhakta, Member

By: _____
Manisha Bhakta, Member

"TENANT"

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS:
COUNTY OF CRAWFORD)

This instrument was acknowledged before me on _____, 2017, by Dharmendra Bhakta and Manisha Bhakta, members of Dharma Properties LLC, a Kansas limited liability company.

[SEAL]

Notary Public

My Appointment Expires:

APPENDIX A

FORM OF REQUISITION FOR PAYMENT OF PROJECT COSTS

CITY OF PITTSBURG, KANSAS
Project Fund
(La Quinta Inn & Suites Project)
Payment Order No. _____

Security Bank of Kansas City
Wichita, Kansas
Attn: Corporate Trust Department

You are hereby authorized and directed by the undersigned, the Authorized Tenant Representative, acting on behalf of Dharma Properties LLC (the "Tenant") to disburse funds held by you as Trustee in the above mentioned Project Fund for the purposes and in the amounts set forth in the Payment Schedules attached hereto and incorporated herein by reference (the "Payment Schedules").

I hereby certify that the amounts requested in the attached Payment Schedules have either been advanced by the Tenant or are justly due to contractors, subcontractors, suppliers, vendors, materialmen, engineers, architects or other persons named in the Payment Schedules who have performed necessary and appropriate work in connection with any installation of machinery, equipment or personal property, or have furnished necessary and appropriate materials in the construction or acquisition of land, buildings and improvements constituting a part of the Project. I further certify that the fair value of such work or materials, machinery and equipment, is not exceeded by the amount requested, and such cost is one which may be capitalized for federal income tax purposes.

I further certify that, except for the amounts set forth in the Payment Schedules, there are no outstanding debts now due and payable for labor, wages, materials, supplies or services in connection with the construction of said buildings and improvements or the purchase and/or installation of machinery, equipment and personal property which, if unpaid, might become the basis of a vendor's, mechanic's, laborer's or materialmen's statutory or other similar lien upon the Land, the Project or any part thereof.

I further certify that no part of the amounts set forth in the Payment Schedules have been the basis for any previous withdrawal of any moneys from the said Project Fund.

I further certify that each of the representations and covenants on the part of the Tenant contained in the Lease dated as of December 1, 2017 by and between the City of Pittsburg, Kansas, as the Issuer, and the Tenant are now true and correct in all material respects and are now being materially complied with.

I further certify that the amounts set forth in the Payment Schedules constitute Project Costs, as said term is defined in the Lease, and that all insurance policies which are required to be in force as a condition precedent to disbursement of funds from the Project Fund pursuant to the provisions of *Section 6.1* of the Lease are in full force and effect.

I acknowledge that the Tenant, as Purchaser of the Series B, 2017 Bond, will be receiving such Series B, 2017 Bond in compensation for the expenditures set forth in the Payment Schedules to acquire, construct and equip a portion of the Project and that the Series B, 2017 Bond will constitute full payment for these costs.

DATED _____, 20__.

Authorized Tenant Representative

EXHIBIT A - Payment Order No. _____

**PAYMENT SCHEDULE
FOR BUILDINGS, IMPROVEMENTS AND
MISCELLANEOUS PROJECT COSTS**

I hereby request payment of the amounts specified below to the payees whose names and addresses are stated below, and I certify that the description of the purchase or nature of each payment is reasonable, accurate and complete:

PAYMENT SCHEDULE

Payee Name	Purpose of Payment	Amount
------------	--------------------	--------

Initials

EXHIBIT B - Payment Order No. _____

**PAYMENT SCHEDULE
FOR MACHINERY AND EQUIPMENT**

I hereby request payment of the amounts specified below to the payees whose names and addresses are stated below. I certify that the description of the purchase or nature of each payment is reasonable, accurate and complete. I further certify that the items described are free and clear of any liens or security interests. I have attached to this schedule a copy of the purchase order or seller's invoice for each item, and, to the extent any payment is a reimbursement to the Tenant, a copy of the check tendered in payment for such item.

PAYMENT SCHEDULE

<u>Payee Name</u>	<u>Description of Equipment</u>	<u>Amount</u>
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Initials

APPENDIX B

FORM OF CERTIFICATE OF COMPLETION

CERTIFICATE OF COMPLETION

The undersigned, being the Authorized Tenant Representative for Dharma Properties LLC (the "Tenant"), as tenant under a certain Lease dated as of December 1, 2017 (the "Lease") between the City of Pittsburg, Kansas (the "Issuer") and the Tenant, and as beneficiary of the Issuer's Taxable Industrial Revenue Bonds, Series 2017 (La Quinta Inn & Suites Project) issued pursuant to a certain Indenture dated as of December 1, 2017 (the "Indenture"), hereby certifies as follows. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture and Lease.

1. The Improvements have been substantially completed in accordance with the plans and specifications prepared at the Tenant's direction.
2. Such Improvements have been substantially completed in a good and workmanlike manner.
3. There are no mechanic's, materialmen's liens or other statutory liens on file encumbering title to the Land; all bills for labor and materials furnished for the Improvements which could form the basis of a mechanic's, materialmen's or other statutory lien against the Land have been paid in full, and within the past four months no such labor or materials have been furnished which have not been paid for.
4. All Improvements are located or installed upon the Land.
5. All material provisions of applicable building codes have been complied with and, if applicable, a certificate of occupancy has been issued with respect to the Project.
6. All moneys remaining in the Project Fund being held by the Trustee under the Indenture should be transferred to the Debt Service Fund being held by the Trustee under the Indenture as required by *Section 5.04* of the Indenture, to be applied as provided therein.

IN WITNESS WHEREOF, the undersigned Authorized Tenant Representative has signed this Certificate, and states, under penalty of perjury, that the statements of fact made in this Certificate are true and correct.

DATED _____, 2017.

Authorized Tenant Representative

APPENDIX C

FORM OF REQUISITION FOR PAYMENT OF COSTS OF ISSUANCE

Request No. _____

Date: _____

**WRITTEN REQUEST FOR DISBURSEMENT FROM
CITY OF PITTSBURG, KANSAS
(LA QUINTA INN & SUITES PROJECT)
PROJECT FUND**

To: Security Bank of Kansas City
Wichita, Kansas
Attention: Corporate Trust Department,
As Trustee under the Indenture,
dated as of December 1, 2017

Capitalized terms not otherwise defined herein shall have the meanings set forth in such Indenture.

The undersigned hereby requests payment to the following payees the following amounts for the following Cost of Issuance:

<u>Payee</u>	<u>Amount</u>	<u>Description of Cost of Issuance</u>
--------------	---------------	--

The amount of this requisition is justly due and owing and has not been the subject of another requisition which was paid and is a proper Cost of Issuance incurred in connection with the issuance of the Series 2017 Bonds.

Invoices, statements, vouchers or bills for the amounts requested are attached hereto.

DHARMA PROPERTIES LLC

By: _____
Authorized Tenant Representative

SCHEDULE I

PROPERTY SUBJECT TO LEASE

(A) The following described real estate located in Crawford County, Kansas, to wit:

Tract I: South Tract: Part of the Southeast Quarter (SE ¼) of the Southeast Quarter (SE ¼) of Section Thirty One (31), Township Thirty (30) South, Range Twenty Five (25) East of the Sixth Principal Meridian, Crawford County, Kansas, according to the United States Government Survey thereof bounded and described as follows:

Commencing at the Southeast corner of said Section Thirty One (31); Thence North 00 degrees 00 minutes 00 seconds West (assumed bearings) along the East line of said Section Thirty One (31), a distance of Three Hundred Thirty Nine and Forty Five Hundredths (339.45) feet; Thence South 89 degrees 37 minutes 58 seconds West parallel to the South line of said Section Thirty One (31), a distance of Thirty (30) feet to a point in the Westerly right of way of Broadway and the point of beginning of the following described tract:

Thence North 00 degrees 00 minutes 00 seconds East along said Westerly right of way One Hundred Fifty Four and Eighty Three Hundredths (154.83) feet; Thence South 71 degrees 47 minutes 59 seconds West One Hundred Ninety Two and Four Hundredths (192.04) feet to a 1/2 inch rebar; Thence South 78 degrees 24 minutes 21 seconds West Eighty Six and Sixty One Hundredths (86.61) feet to a 1/2 inch rebar; Thence North 04 degrees 50 minutes 35 seconds West Twenty One and Sixty One Hundredths (21.61) feet to a 1/2 inch rebar; Thence South 82 degrees 47 minutes 34 seconds West Seventy Six and Seventy Hundredths (76.70) feet to a 1/2 inch rebar; Thence South 05 degrees 26 minutes 53 seconds East Eighteen and Fifty Four Hundredths (18.54) feet to a 1/2 inch rebar; Thence South 81 degrees 41 minutes 47 seconds West Eighty Five and Fifty Hundredths (85.50) feet to a point in the Easterly right of way of U.S. 69 by-pass as described by Condemnation Proceedings in the District Court of Crawford County, Kansas, sitting at Pittsburg, in Case No. 19442 as described in Parcel No. 58(a) and (b) thereof, said point being Four Hundred and Seventy Four Hundredths (400.74) feet North and Four Hundred Fifty Eight and Three Hundredths (458.03) feet West of the Southeast corner of said Section Thirty One (31); Thence Southeasterly along said right of way on a curve of 2142.41 feet radius to the right a chord distance of One Hundred Eighty Four and Eighty Five Hundredths (184.85) feet said chord having a bearing of South 11 degrees 33 minutes 34 seconds East to a point being Two Hundred Nineteen and Forty Hundredth (219.40) feet North and Four Hundred Twenty One (421) feet West of the Southeast corner of said Section Thirty One (31); Thence South 27 degrees 38 minutes 00 seconds East along said right of way One Hundred Ninety Six and Seven Tenths (196.7) feet to a point Three Hundred Thirty (330) feet West and Forty Five (45) feet North of the Southeast corner of said Section Thirty One (31); Thence South 00 degrees 00 minutes 00 seconds West parallel to the Base line of said Section Thirty One (31) a distance of Forty Five (45) feet to a point in the South line of said Section Thirty One (31), said point being Three Hundred Thirty (330) feet West of the Southeast corner of said Section Thirty One (31); Thence North 89 degrees 37 minutes 58 seconds East along said South line One Hundred Eighty (180) feet; Thence North 00 degrees 00 minutes 00 seconds West parallel to the East line of said Section Thirty One (31) a distance of One Hundred Eighty Two and Ninety Hundredths (182.90) feet; Thence South 89 degrees 37 minutes 58 seconds West One Hundred Five (105) feet; Thence North

00 degrees 00 minutes 00 seconds West One Hundred Forty Seven (147) feet; Thence North 87 degrees 12 minutes 11 seconds East Two Hundred Twenty Five and Nineteen Hundredths (225.19) feet to the point of beginning

EXCEPT that part thereof condemned for State Highway Purposes as evidenced by Condemnation Proceedings in the District Court of Crawford County, Kansas, sitting at Pittsburg, in Case No. 19442 as described in Parcel No. 58 (a) and (b) and in Tract No. 59, thereof.

Tract II: That part of the Southeast Quarter (SE $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section Thirty One (31), Township Thirty (30) South, Range Twenty Five (25) East of the Sixth Principal Meridian, Crawford County, Kansas, according to the United States Government Survey thereof bounded and described as following

Beginning at the Southeast corner of said Section Thirty One (31); thence North 00 degrees 00 minutes 00 seconds West (assumed bearings) along the East line of said Section Thirty One (31), a distance of Two Hundred Fifty (250) feet; Thence South 89 degrees 37 minutes 58 seconds West parallel to the South line of said Section Thirty One (31) a distance of Thirty (30) feet to a point in the Westerly right of way of Broadway; Thence continuing South 89 degrees 37 minutes 58 seconds West a distance of One Hundred Twenty (120) feet; Thence South 00 degrees 00 minutes 00 seconds East a distance of Forty Seven and One Tenth (47.1) feet to the point of beginning of the following described tract; Thence South 89 degrees 37 minutes 58 seconds West a distance of Eighty (80) feet Thence North 00 degrees 00 minutes 00 seconds West a distance of One Hundred Twenty Eight and Six Hundredths (128.06) feet; Thence South 87 degrees 12 minutes 11 seconds West a distance of Twenty Four and Ninety Six Hundredths (24.96) feet Thence South 00 degrees 00 minutes 00 seconds East a distance of One Hundred Forty Seven (147) feet; Thence North 89 degrees 37 minutes 58 seconds East a distance of One Hundred Five (105) feet; Thence North 00 degrees 00 minutes 00 seconds West a distance of Twenty (20) feet to the point of beginning

Tract III: Part of the Southeast Quarter (SE $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section Thirty One (31), Township Thirty (30) South, Range Twenty Five (25) East of the Sixth Principal Meridian, Crawford County, Kansas, according to the United States Government Survey thereof bounded and described as follows

Commencing at the Southeast corner of said Section 31; Thence North 00 degrees 00 minute 00 seconds West, (assumed bearings) along the East line of said Section 31, a distance of Two Hundred Fifty (250) feet Thence South 89 degrees 37 minutes 58 seconds West parallel to the South line of said Section 31, a distance of 30 feet to a point in the Westerly right of way of Broadway and the point of beginning of the following described tract; Thence continuing South 89 degrees 37 minutes 58 seconds West 120 feet; Thence South 00 degrees 00 minutes 00 seconds 47.1 feet; Thence South 89 degrees 37 minutes 58 seconds West 80 feet; Thence North 00 degrees 00 minutes 00 seconds West 128.06 feet; Thence North 87 degrees 12 minutes 11 seconds East 200.23 feet to the Westerly right of way of Broadway; Thence South 00 degrees 00 minutes 00 seconds West along said Westerly right of way 89.45 feet to the point of beginning.

said real property constituting the "Land" as referred to in the Lease, subject to Permitted Encumbrances.

(B) The buildings, improvements, equipment, fixtures and personal property now or hereafter acquired, constructed, or installed on the Land and financed or refinanced with proceeds of the 2017 Bonds, including but not limited to the following:

77-room La Quinta Inn Hotel, including furniture, fixtures and equipment, generally located a 2408 S. Broadway, Pittsburg, Kansas.

The property described in paragraphs (A) and (B) of this *Schedule I*, together with any alterations or additional improvements properly deemed a part of the Project pursuant to and in accordance with the provisions of *Sections 10.3* and *10.4* of the Lease, constitute the “Project” as referred to in both the Lease and the Indenture.

**DHARMA PROPERTIES LLC
AS TENANT**

**CITY OF PITTSBURG, KANSAS
AS ISSUER**

**GIRARD NATIONAL BANK
AS PURCHASER**

BOND PURCHASE AGREEMENT

**\$5,650,000
TAXABLE INDUSTRIAL REVENUE BONDS
SERIES A, 2017
(LA QUINTA INN & SUITES PROJECT)**

BOND PURCHASE AGREEMENT

\$5,650,000
CITY OF PITTSBURG, KANSAS
TAXABLE INDUSTRIAL REVENUE BONDS
SERIES A, 2017
(LA QUINTA INN & SUITES PROJECT)

THIS AGREEMENT entered into as of December 1, 2017 (the "Sale Date"), between Dharma Properties LLC, a Kansas limited liability company (the "Company"), the City of Pittsburg, Kansas (the "Issuer") and Girard National Bank, Girard, Kansas (the "Purchaser"), collectively referred to herein as the "Parties." All capitalized terms not specifically defined herein shall have the same meaning as defined in the hereinafter referenced Indenture and Lease, unless some other meaning is plainly indicated.

SECTION 1. RECITALS.

(a) The Issuer proposes to issue and sell the Bonds identified above (the "Bonds") to provide funds to pay a portion of the costs of the acquisition, construction and equipping of a hotel facility (the "Project") located within the corporate limits of the Issuer, to be leased by the Issuer to the Company pursuant to a Lease dated as of December 1, 2017 (the "Lease").

(b) Pursuant to the constitution and laws of the State of Kansas, including K.S.A. 12-1740 *et seq.* (the "Act"), the Bonds are limited obligations of the Issuer payable solely from the Trust Estate under the Indenture (hereinafter defined), including payments derived by the Issuer from the Lease. The Bonds will be dated the date of their issuance and delivery, will contain such other terms and provisions as are set forth in an ordinance duly passed by the governing body of the Issuer on December 12, 2017 (the "Ordinance"), and other proceedings and determinations related thereto as authorized and governed by the provisions of a Trust Indenture (the "Indenture") dated December 1, 2017 between the Issuer and Security Bank of Kansas City, Kansas City, Kansas, as trustee (the "Trustee").

(c) Pursuant to a Guaranty Agreement dated as of December 1, 2017 (the "Guaranty Agreement") between the Company and others named therein, as Guarantors, and the Trustee, the Guarantors unconditionally guarantee the full, prompt, and complete payment of all principal, interest, and redemption premium, if any, on the Bonds.

(d) The remainder of the costs of the Project will be paid from the proceeds of the Issuer's Taxable Industrial Revenue Bonds, Series B, 2017 (La Quinta Inn & Suites Project) in the aggregate principal amount of \$1,903,357 (the "Series B, 2017 Bonds"), also issued pursuant to the Ordinance and Indenture. The Series B, 2017 Bonds shall be junior and subordinate with respect to the payment of principal and interest from the Trust Estate and in all other respects to the Bonds and any Additional Bonds issued on a parity with the Bonds (the "Priority Bonds"), and, in the event of any default in the payment of either principal of, premium, if any, or interest on any of the Priority Bonds, the Trust Estate will be applied solely to the payment of the principal of and interest on the Priority Bonds until all Outstanding principal, premium if any, and accrued interest on the Priority Bonds have been paid in full, or provision has been made for such payment pursuant to *Article XIII* of the Indenture.

(e) In order to induce the Purchaser to enter into this Bond Purchase Agreement and to purchase the Bonds at a price and bearing interest at the rate or rates set forth in the Indenture, the Issuer and the Company have joined in this Bond Purchase Agreement.

(f) The proceeds of the sale of the Bonds are to be applied to provide funds to pay Project Costs as set forth in the Lease, Ordinance and Indenture.

SECTION 2. PURCHASE, SALE AND DELIVERY OF THE BONDS.

(a) On the basis of the representations, warranties and covenants contained herein and in the other agreements and documents referred to herein, and subject to the terms and conditions herein set forth, the Purchaser agrees to purchase from the Issuer and the Issuer agrees to sell to the Purchaser the Bonds not later than 12:00 Noon, applicable Central time on December 21, 2017, or such other place, time or date as shall be mutually agreed upon by the Issuer and the Purchaser, at the purchase price equal to the par amount of the Bonds (the "Purchase Price"). The date of such delivery and payment is herein called the "Closing Date," the hour and date of such delivery and payment is herein called the "Closing Time" and the transactions to be accomplished for delivery of the Bonds on the Closing Date shall be herein called the "Closing." The Bonds shall be issued under and secured as provided in the Indenture and the Bonds shall have the maturities and interest rates as set forth therein.

(b) The Parties acknowledge and agree that: (1) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Issuer and the Purchaser; (2) in connection with such transaction, the Purchaser is acting solely as a principal and not as an agent or a fiduciary of any of the Issuer or the Company; (3) the Purchaser has not assumed (individually or collectively) a fiduciary responsibility in favor of the Issuer or the Company with respect to the offering of the Bonds or the process leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has advised or is currently advising the Issuer or the Company on other matters) or any other obligation to the Issuer or the Company except with respect to the obligations expressly set forth in this Bond Purchase Agreement; and (4) the Issuer and the Company have consulted with their own legal and financial advisors to the extent it deemed appropriate in connection with the sale of the Bonds.

(c) The Bonds are purchased by Purchaser under the following conditions: (i) the Bonds are not being registered or otherwise qualified for sale under the "Blue Sky" laws; (ii) Purchaser will hold the Bonds as one single debt instrument, (iii) no CUSIP numbers will be obtained for the Bonds, (iv) no official statement or other similar offering document has been prepared in connection with the private placement of the Bonds, and (v) the Bonds will not close through the DTC or any similar repository and will not be in book entry form.

(d) The delivery of the Bonds shall be made in definitive form, as fully registered bonds (in such denominations as the Purchaser shall specify in writing at least 48 hours prior to the Closing Time) duly executed and authenticated; provided, however, that the Bonds may be delivered in temporary form. The Bonds shall be available for examination by the Purchaser at least 24 hours prior to the Closing Time.

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

By the execution hereof the Purchaser hereby represents, warrants and agrees with the Issuer and the Company that as of the date hereof and at the Closing Time:

(a) Purchaser is a banking corporation organized and existing under the laws of the State of Kansas with its principal corporate offices located in Pittsburg, Kansas and, pursuant to all necessary corporate action, is authorized to purchase the Bonds and to execute and perform this Bond Purchase Agreement.

(b) Purchaser is knowledgeable and experienced in financial and business matters and is capable of evaluating investment merit and risks associated with its purchase of the Bonds. The Purchaser has been furnished and has reviewed the provisions of the Ordinance, Indenture and Lease relating to the authorization of and security for payment of the Bonds. Prior to the execution hereof Purchaser also obtained and examined such financial records and information necessary in order to enable itself to fully evaluate the terms and provisions of the Bonds and of the Indenture and Lease authorizing their issuance and providing for the payment thereof and the financial and investment merits and risks associated with the purchase of the Bonds. On the basis of such information materials and Purchaser's investigation, Purchaser has made the decision to purchase the Bonds and has not relied upon any representations of the Issuer or any of its officers or employees with respect to the Project, the Company or security for payment of the Bonds.

(c) Purchaser is purchasing the Bonds as an investment for its own account and not with a view to the sale, redistribution or other disposition thereof in the ordinary course of business in a transaction not amounting to a public offering as contemplated by Section 4(2) of the Securities Act of 1933, as amended. Purchaser acknowledges that (1) the Bonds will not be registered under the Securities Act of 1933, as amended or any applicable state securities law, (2) the Bonds may not be transferred unless, in the opinion of counsel acceptable to the Issuer and the Trustee, such transfer will not cause a violation of the Securities Act of 1933, as amended, or any applicable state securities law and that (3) language consistent with the foregoing restrictions will appear in the registration and transfer provisions of the Indenture.

(d) 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 (c) 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.

SECTION 4. ISSUER'S REPRESENTATIONS.

The Issuer represents, covenants and warrants, to the best of its knowledge and belief, as follows, all of which will continue in effect subsequent to the Closing:

(a) The Issuer is a municipal corporation incorporated as a city of the first class under the laws of the State of Kansas.

(b) The governing body of the Issuer did enact the Ordinance; it has been signed by a duly authorized official of the Issuer, it has been published once in the official city newspaper as required by law, and it is presently in full force and effect and has not been amended or modified.

(c) The Issuer has full power and authority to execute and deliver the Indenture, the Lease, the Bond Purchase Agreement and any and all other documents reasonably necessary in connection with the Indenture, the Lease and the Bond Purchase Agreement (the "Issuer Documents"); the Issuer Documents have been duly executed and delivered by the Issuer in the manner authorized and constitute legal, valid and binding obligations of the Issuer in accordance with their terms, except to the extent limited by or subject to bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights, principles of equity or the exercise of judicial discretion.

(d) The execution, delivery and performance of the Issuer Documents will not conflict with or constitute on the part of the Issuer a material breach or default under any agreement, indenture or instrument known to it to which the Issuer is a party or by which it is bound.

(e) The Issuer has duly and validly authorized the taking on its behalf of any and all actions necessary to carry out and give effect to the transactions contemplated to be performed on its part by the Ordinance and the Issuer Documents.

(f) There is not now pending or, to the knowledge of the officials of the Issuer, threatened any litigation seeking to restrain or enjoin the issuance or delivery of the Bonds, or contesting or questioning (i) the validity of the Bonds, (ii) the proceedings or authority under which they are issued, (iii) the existence of the Issuer, (iv) the authority of the Issuer to enact the Ordinance or enter into the Issuer Documents, or (v) the Issuer's pledge of the Project, the revenues therefrom and the Trust Estate under the Indenture as security for the payment of the Bonds.

(g) Any certificate signed by an official of the Issuer and delivered to the Purchaser shall be deemed a representation by the Issuer to the Purchaser as to the truth of the statements made in such certificate.

SECTION 5. REPRESENTATIONS OF THE COMPANY.

The Company makes the following representations as of the Closing, all of which will continue in effect subsequent to the Closing:

(a) The Company is a duly formed Kansas limited liability company, duly authorized to do business under the laws of the State of Kansas.

(b) The Company has full power and authority to enter into, execute and deliver the Lease, the Guaranty Agreement and this Bond Purchase Agreement (the "Company Documents"), and to perform its obligations thereunder, all of which have been duly authorized by all proper and necessary corporate action, and no consent or approval of parties not signatories to this Bond Purchase Agreement or of any public authority other than the Issuer is necessary to carry out the same.

(d) The execution, delivery and performance by the Company of the Company Documents will not conflict with or constitute a material violation or breach of or a default under its articles of organization or operating agreement, or any mortgage, indenture, deed of trust, contract, instrument or agreement binding on it or affecting its property, or any provision of law or order, rule, regulation, ordinance or decree of any court, government or governmental body having jurisdiction over the Company or any of its property.

(e) To the actual knowledge of the officer of the Company signing this Bond Purchase Agreement, there is no litigation, proceeding or investigation by or before any court, public board or body, pending, or threatened, against or affecting the Company, its officers or property, challenging the validity of the Company Documents, or seeking to enjoin any of the transactions contemplated by such instruments or the performance by the Company of its obligations thereunder, or challenging the acquisition or operation of the Project. Further, no litigation, proceeding, or investigation is pending or, to the knowledge of the officer[s] of the Company signing this Bond Purchase Agreement, threatened, against the Company, its officers or property except (i) that arising in the normal course of the its business operations, and being defended by or on behalf of the Company, in which the probable ultimate recovery and estimated defense costs and expenses, in the opinion of the Company's management will be entirely within applicable insurance policy limits (subject to applicable self-insurance, retentions and deductibles), or (ii) that which, if determined adversely to the Company, would not, in the opinion of the Company's management, materially adversely affect the Company's operations or condition, financial or otherwise.

(f) The financial statements of the Company presented to the Purchaser, except as noted therein, present fairly and accurately the financial condition of the Company as of the dates indicated and the results of its operations for the periods specified, and such financial statements are prepared in conformity with generally accepted accounting principles consistently applied in all material respects for the periods involved. The Company has not, since the date of such financial statements, incurred any material liabilities and there has been no material adverse change in the condition of the Company, financial or otherwise, other than as set forth in such financial statements.

SECTION 6. REPRESENTATIONS TO SURVIVE CLOSING.

The representations, warranties, agreements, and indemnities of the Issuer, the Company and the Purchaser contained herein will survive the Closing and any investigation made by or on behalf of the Issuer, the Purchaser or the Company of any matters described in, or related to, the transactions contemplated hereby and by the Lease and Guaranty Agreement.

SECTION 7. CONDITIONS OF CLOSING.

The Purchaser's obligations to purchase the Bonds are subject to fulfillment of the following conditions at or before Closing:

(a) The representations of the Issuer and the Company hereunder must be true on and as of the Closing date and must be confirmed by certificates dated as of the Closing;

(b) Neither the Issuer nor the Company has defaulted in the performance of any of their respective covenants hereunder;

(c) The Purchaser must receive at the Closing:

- (i) an opinion of Bond Counsel, dated as of the Closing, in form and substance satisfactory to the Purchaser.
- (ii) an opinion of counsel for the Company, dated as of the Closing, in form and substance satisfactory to Bond Counsel and to the Purchaser confirming the Company's representations as set forth in paragraphs (a) through (e) inclusive of *Section 5* of this Bond Purchase Agreement.
- (iii) an opinion of counsel for the Issuer, dated as of the Closing, in form and substance satisfactory to Bond Counsel and to the Purchaser, confirming the Issuer's representations set forth in paragraphs (a) through (f) inclusive of *Section 4* of this Bond Purchase Agreement.
- (iv) a certificate or certificates, satisfactory in form and substance to Bond Counsel and the Purchaser and its counsel, of an authorized official of the Issuer dated the date of the Closing to the effect that (A) each of the representations of the Issuer set forth in *Section 4* hereof is true, accurate and complete in all material respects as of the Closing, and each of the agreements of the Issuer set forth in this Bond Purchase Agreement to be complied with at or prior to the Closing has been complied with; and (B) no litigation is pending, or to such official's knowledge, threatened, to restrain or enjoin the issuance or delivery of the Bonds, or contesting or questioning the validity of the Bonds, the proceedings or authority under which they are issued,

the existence of the Issuer, the authority of the Issuer to enact the Ordinance or enter into the Indenture, the Lease or the Bond Purchase Agreement, or the Issuer's pledge of the Project, the revenues therefrom and the Trust Estate under the Indenture as security for the payment of the Bonds, and (C) that none of the proceedings authorizing issuance of the Bonds or execution and delivery of the bond documents has been repealed, revoked or rescinded.

- (v) a certificate or certificates, satisfactory in form and substance to Bond Counsel and to the Purchaser, of authorized officers of the Company, dated the date of Closing to the effect that each of the representations of the Company set forth in *Section 5* hereof is true, accurate and complete in all material respects as of the Closing, and each of the agreements of the Company set forth in this Bond Purchase Agreement to be complied with at or prior to the Closing has been complied with as of such time.
- (vi) Such additional certificates, legal and other documents, listed on a closing agenda to be approved by Bond Counsel and counsel to the Purchaser, as the Purchaser may reasonably request to evidence performance or compliance with the provisions hereof and the transactions contemplated hereby and by the Indenture and Lease, or as Bond Counsel shall require in order to render its opinion, all such certificates and other documents to be satisfactory in form and substance to the Purchaser.

(d) At Closing, there shall not have been any adverse change in the business, property or financial condition of the Company from that furnished to the Purchaser which, in the judgment of the Purchaser, is material and makes it inadvisable to proceed with the sale of the Bonds; and the Purchaser shall have received a certificate from the Company and the Guarantor that no material adverse change has occurred or, if such a change has occurred, full information with respect thereto.

SECTION 8. PAYMENT OF EXPENSES

(a) Whether or not the Bonds are sold by the Issuer to the Purchaser (unless such sale be prevented at the Closing Time by the Purchaser's default), the Purchaser shall be under no obligation to pay any expenses incident to the performance of the obligations of the Issuer, the Purchaser or the Company hereunder.

(b) If the Bonds are sold by the Issuer to the Purchaser, except as hereinafter set forth, all expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bonds shall be paid by the Company out of the proceeds of the Bonds or other Company funds. Such expenses and costs shall include, but not be limited to: (1) the fees and disbursements of Bond Counsel; (2) the fees and disbursements of the Issuer's legal counsel; (3) fees and disbursements of the Company's legal counsel; (4) fees and expenses of the Purchaser; (5) the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Bonds, this Bond Purchase Agreement and all other agreements and documents contemplated hereby; (6) fees of the Trustee; and (7) all costs and expenses of the Issuer relating to the issuance of the Bonds.

SECTION 9. NOTICES AND OTHER ACTIONS.

All notices, demands and formal actions hereunder will be in writing mailed, faxed or delivered to:

The Issuer: City of Pittsburg, Kansas
City Hall, 201 W. 4th St.
P.O. Box 688
Pittsburg, Kansas 66762-0688
Attention: City Clerk

The Company Dharma Properties LLC
3453 S. Sabin
Wichita, Kansas 67215
Attention: Managing Member

The Purchaser: Girard National Bank
Attn: Kenneth Bloom
1206 S. Broadway
P.O. Box 1418
Pittsburg, Kansas 66762

SECTION 10. MISCELLANEOUS

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

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

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

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

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

SECTION 11. EFFECTIVE DATE

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

Upon your acceptance of the offer, the foregoing agreement will be binding upon you and the Purchaser. Please acknowledge your agreement with the foregoing by executing the enclosed copy of this Bond Purchase Agreement and returning it to the undersigned.

GIRARD NATIONAL BANK
GIRARD, KANSAS
as Purchaser

By: _____
Title:

Accepted and agreed to as of
the date first above written.

DHARMA PROPERTIES LLC

By: _____
Dharmendra Bhakta, Member

By: _____
Manisha Bhakta, Member

CITY OF PITTSBURG, KANSAS

By: _____
Mayor

ATTEST: (Seal)

By: _____
City Clerk

**DHARMA PROPERTIES LLC
AS TENANT**

**CITY OF PITTSBURG, KANSAS
AS ISSUER**

**DHARMA PROPERTIES LLC
AS PURCHASER**

BOND PURCHASE AGREEMENT

**\$1,903,357
TAXABLE INDUSTRIAL REVENUE BONDS
SERIES B, 2017
(LA QUINTA INN & SUITES PROJECT)**

BOND PURCHASE AGREEMENT

\$\$1,903,357
CITY OF PITTSBURG, KANSAS
TAXABLE INDUSTRIAL REVENUE BONDS
SERIES B, 2017
(LA QUINTA INN & SUITES PROJECT)

THIS AGREEMENT entered into as of December 1, 2017 (the "Sale Date"), between Dharma Properties LLC, a Kansas limited liability company (the "Company" and "Purchaser") and the City of Pittsburg, Kansas (the "Issuer") collectively referred to herein as the "Parties." All capitalized terms not specifically defined herein shall have the same meaning as defined in the hereinafter referenced Indenture and Lease, unless some other meaning is plainly indicated.

SECTION 1. RECITALS.

(a) The Issuer proposes to issue and sell the Bonds identified above (the "Bonds") to provide funds to pay a portion of the costs of the acquisition, construction and equipping of a hotel facility (the "Project") located within the corporate limits of the Issuer, to be leased by the Issuer to the Company pursuant to a Lease dated as of December 1, 2017 (the "Lease").

(b) Pursuant to the constitution and laws of the State of Kansas, including K.S.A. 12-1740 *et seq.* (the "Act"), the Bonds are limited obligations of the Issuer payable solely from the Trust Estate under the Indenture (hereinafter defined), including payments derived by the Issuer from the Lease. The Bonds will be dated the date of their issuance and delivery, will contain such other terms and provisions as are set forth in an ordinance duly passed by the governing body of the Issuer on December 12, 2017 (the "Ordinance"), and other proceedings and determinations related thereto as authorized and governed by the provisions of a Trust Indenture (the "Indenture") dated December 1, 2017 between the Issuer and Security Bank of Kansas City, Kansas City, Kansas, as trustee (the "Trustee").

(c) The remainder of the costs of the Project will be paid from the proceeds of the Issuer's Taxable Industrial Revenue Bonds, Series A, 2017 (La Quinta Inn & Suites Project) in the aggregate principal amount of \$5,650,000 (the "Series A, 2017 Bonds"), also issued pursuant to the Ordinance and Indenture. The Series A, 2017 Bonds and any Additional Bonds issued on a parity therewith shall be senior to the Bonds with respect to the payment of principal and interest from the Trust Estate and in all other respects to the Bonds and, in the event of any default in the payment of either principal of, premium, if any, or interest on any of the Bonds, the Trust Estate will be applied solely to the payment of the principal of and interest on the Priority Bonds until all Outstanding principal, premium if any, and accrued interest on the Priority Bonds have been paid in full, or provision has been made for such payment pursuant to *Article XIII* of the Indenture.

(d) In order to induce the Purchaser to enter into this Bond Purchase Agreement and to purchase the Bonds at a price and bearing interest at the rate or rates set forth in the Indenture, the Issuer and the Company have joined in this Bond Purchase Agreement.

(e) The proceeds of the sale of the Bonds are to be applied to provide funds to pay Project Costs as set forth in the Lease, Ordinance and Indenture.

SECTION 2. PURCHASE, SALE AND DELIVERY OF THE BONDS.

(a) On the basis of the representations, warranties and covenants contained herein and in the other agreements and documents referred to herein, and subject to the terms and conditions herein set forth, the Purchaser agrees to purchase from the Issuer and the Issuer agrees to sell to the Purchaser the Bonds not later than 12:00 Noon, applicable Central time on December 21, 2017, or such other place, time or date as shall be mutually agreed upon by the Issuer and the Purchaser, at the purchase price equal to the par amount of the Bonds (the "Purchase Price"). The date of such delivery and payment is herein called the "Closing Date," the hour and date of such delivery and payment is herein called the "Closing Time" and the transactions to be accomplished for delivery of the Bonds on the Closing Date shall be herein called the "Closing." The Bonds shall be issued under and secured as provided in the Indenture and the Bonds shall have the maturities and interest rates as set forth therein.

(b) The Parties acknowledge and agree that: (1) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Issuer and the Purchaser; (2) in connection with such transaction, the Purchaser is acting solely as a principal and not as an agent or a fiduciary of any of the Issuer or the Company; (3) the Purchaser has not assumed (individually or collectively) a fiduciary responsibility in favor of the Issuer with respect to the offering of the Bonds or the process leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has advised or is currently advising the Issuer on other matters) or any other obligation to the Issuer except with respect to the obligations expressly set forth in this Bond Purchase Agreement; and (4) the Issuer and the Company have consulted with their own legal and financial advisors to the extent it deemed appropriate in connection with the sale of the Bonds.

(c) The Bonds are purchased by Purchaser under the following conditions: (i) the Bonds are not being registered or otherwise qualified for sale under the "Blue Sky" laws; (ii) Purchaser will hold the Bonds as one single debt instrument, (iii) no CUSIP numbers will be obtained for the Bonds, (iv) no official statement or other similar offering document has been prepared in connection with the private placement of the Bonds, and (v) the Bonds will not close through the DTC or any similar repository and will not be in book entry form.

(d) The delivery of the Bonds shall be made in definitive form, as fully registered bonds (in such denominations as the Purchaser shall specify in writing at least 48 hours prior to the Closing Time) duly executed and authenticated; provided, however, that the Bonds may be delivered in temporary form. The Bonds shall be available for examination by the Purchaser at least 24 hours prior to the Closing Time.

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

By the execution hereof the Company, as Purchaser, hereby represents, warrants and agrees with the Issuer that as of the date hereof and at the Closing Time:

(a) Purchaser is knowledgeable and experienced in financial and business matters and is capable of evaluating investment merit and risks associated with its purchase of the Bonds. The Purchaser has been furnished and has reviewed the provisions of the Ordinance, Indenture and Lease relating to the authorization of and security for payment of the Bonds. Prior to the execution hereof Purchaser also obtained and examined such financial records and information necessary in order to enable itself to fully evaluate the terms and provisions of the Bonds and of the Indenture and Lease authorizing their issuance and providing for the payment thereof and the financial and investment merits and risks associated with the purchase of the Bonds. On the basis of such information materials and Purchaser's investigation, Purchaser

has made the decision to purchase the Bonds and has not relied upon any representations of the Issuer or any of its officers or employees with respect to the Project, the Company or security for payment of the Bonds.

(b) Purchaser is purchasing the Bonds as an investment for its own account and not with a view to the sale, redistribution or other disposition thereof in the ordinary course of business in a transaction not amounting to a public offering as contemplated by Section 4(2) of the Securities Act of 1933, as amended. Purchaser acknowledges that (1) the Bonds will not be registered under the Securities Act of 1933, as amended or any applicable state securities law, (2) the Bonds may not be transferred unless, in the opinion of counsel acceptable to the Issuer and the Trustee, such transfer will not cause a violation of the Securities Act of 1933, as amended, or any applicable state securities law and that (3) language consistent with the foregoing restrictions will appear in the registration and transfer provisions of the Indenture.

(c) 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 (c) 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.

SECTION 4. ISSUER'S REPRESENTATIONS.

The Issuer represents, covenants and warrants, to the best of its knowledge and belief, as follows, all of which will continue in effect subsequent to the Closing:

(a) The Issuer is a municipal corporation incorporated as a city of the first class under the laws of the State of Kansas.

(b) The governing body of the Issuer did enact the Ordinance; it has been signed by a duly authorized official of the Issuer, it has been published once in the official city newspaper as required by law, and it is presently in full force and effect and has not been amended or modified.

(c) The Issuer has full power and authority to execute and deliver the Indenture, the Lease, the Bond Purchase Agreement and any and all other documents reasonably necessary in connection with the Indenture, the Lease and the Bond Purchase Agreement (the "Issuer Documents"); the Issuer Documents have been duly executed and delivered by the Issuer in the manner authorized and constitute legal, valid and binding obligations of the Issuer in accordance with their terms, except to the extent limited by or subject to bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights, principles of equity or the exercise of judicial discretion.

(d) The execution, delivery and performance of the Issuer Documents will not conflict with or constitute on the part of the Issuer a material breach or default under any agreement, indenture or instrument known to it to which the Issuer is a party or by which it is bound.

(e) The Issuer has duly and validly authorized the taking on its behalf of any and all actions necessary to carry out and give effect to the transactions contemplated to be performed on its part by the Ordinance and the Issuer Documents.

(f) There is not now pending or, to the knowledge of the officials of the Issuer, threatened any litigation seeking to restrain or enjoin the issuance or delivery of the Bonds, or contesting or questioning (i) the validity of the Bonds, (ii) the proceedings or authority under which they are issued, (iii) the existence of the Issuer, (iv) the authority of the Issuer to enact the Ordinance or enter into the Issuer Documents, or (v) the Issuer's pledge of the Project, the revenues therefrom and the Trust Estate under the Indenture as security for the payment of the Bonds.

(g) Any certificate signed by an official of the Issuer and delivered to the Purchaser shall be deemed a representation by the Issuer to the Purchaser as to the truth of the statements made in such certificate.

SECTION 5. REPRESENTATIONS OF THE COMPANY.

The Company makes the following representations as of the Closing, all of which will continue in effect subsequent to the Closing:

(a) The Company is a duly formed Kansas limited liability company, duly authorized to do business under the laws of the State of Kansas.

(b) The Company has full power and authority to enter into, execute and deliver the Lease and this Bond Purchase Agreement (the "Company Documents"), and to perform its obligations thereunder, all of which have been duly authorized by all proper and necessary corporate action, and no consent or approval of parties not signatories to this Bond Purchase Agreement or of any public authority other than the Issuer is necessary to carry out the same.

(d) The execution, delivery and performance by the Company of the Company Documents will not conflict with or constitute a material violation or breach of or a default under its articles of organization or operating, or any mortgage, indenture, deed of trust, contract, instrument or agreement binding on it or affecting its property, or any provision of law or order, rule, regulation, ordinance or decree of any court, government or governmental body having jurisdiction over the Company or any of its property.

(e) To the actual knowledge of the officer[s] of the Company signing this Bond Purchase Agreement, there is no litigation, proceeding or investigation by or before any court, public board or body, pending, or threatened, against or affecting the Company, its officers or property, challenging the validity of the Company Documents, or seeking to enjoin any of the transactions contemplated by such instruments or the performance by the Company of its obligations thereunder, or challenging the acquisition or operation of the Project. Further, no litigation, proceeding, or investigation is pending or, to the knowledge of the officer[s] of the Company signing this Bond Purchase Agreement, threatened, against the Company, its officers or property except (i) that arising in the normal course of the its business operations, and being defended by or on behalf of the Company, in which the probable ultimate recovery and estimated defense costs and expenses, in the opinion of the Company's management will be entirely within applicable insurance policy limits (subject to applicable self-insurance, retentions and deductibles), or (ii) that which, if determined adversely to the Company, would not, in the opinion of the Company's management, materially adversely affect the Company's operations or condition, financial or otherwise.

SECTION 6. REPRESENTATIONS TO SURVIVE CLOSING.

The representations, warranties, agreements, and indemnities of the Issuer and the Company contained herein will survive the Closing and any investigation made by or on behalf of the Issuer or the Company of any matters described in, or related to, the transactions contemplated hereby and by the Lease.

SECTION 7. CONDITIONS OF CLOSING.

The Purchaser's obligations to purchase the Bonds are subject to fulfillment of the following conditions at or before Closing:

(a) The representations of the Issuer and the Company hereunder must be true on and as of the Closing date and must be confirmed by certificates dated as of the Closing;

(b) Neither the Issuer nor the Company has defaulted in the performance of any of their respective covenants hereunder;

(c) The Purchaser must receive at the Closing:

- (i) an opinion of Bond Counsel, dated as of the Closing, in form and substance satisfactory to the Purchaser.
- (ii) an opinion of counsel for the Issuer, dated as of the Closing, in form and substance satisfactory to Bond Counsel and to the Purchaser, confirming the Issuer's representations set forth in paragraphs (a) through (f) inclusive of *Section 4* of this Bond Purchase Agreement.
- (iii) a certificate or certificates, satisfactory in form and substance to Bond Counsel and the Purchaser and its counsel, of an authorized official of the Issuer dated the date of the Closing to the effect that (A) each of the representations of the Issuer set forth in *Section 4* hereof is true, accurate and complete in all material respects as of the Closing, and each of the agreements of the Issuer set forth in this Bond Purchase Agreement to be complied with at or prior to the Closing has been complied with; and (B) no litigation is pending, or to such official's knowledge, threatened, to restrain or enjoin the issuance or delivery of the Bonds, or contesting or questioning the validity of the Bonds, the proceedings or authority under which they are issued, the existence of the Issuer, the authority of the Issuer to enact the Ordinance or enter into the Indenture, the Lease or the Bond Purchase Agreement, or the Issuer's pledge of the Project, the revenues therefrom and the Trust Estate under the Indenture as security for the payment of the Bonds, and (C) that none of the proceedings authorizing issuance of the Bonds or execution and delivery of the bond documents has been repealed, revoked or rescinded.
- (iv) Such additional certificates, legal and other documents, listed on a closing agenda to be approved by Bond Counsel and counsel to the Purchaser, as the Purchaser may reasonably request to evidence performance or compliance with the provisions hereof and the transactions contemplated hereby and by the Indenture and Lease, or as Bond Counsel shall require in order to render its opinion, all such certificates and other documents to be satisfactory in form and substance to the Purchaser.

SECTION 8. PAYMENT OF EXPENSES

All expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bonds shall be paid by the Company out of the proceeds of the Bonds or other Company funds. Such expenses and costs shall include, but not be limited to: (1) the fees and disbursements of Bond Counsel; (2) the fees and disbursements of the Issuer's legal counsel; (3) fees and disbursements of the Company's

legal counsel; (4) costs associated with obtaining municipal bond insurance or municipal bond ratings relating to the Bonds, if any; (5) the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Bonds, this Bond Purchase Agreement and all other agreements and documents contemplated hereby; (6) fees of the Trustee; and (7) all costs and expenses of the Issuer relating to the issuance of the Bonds.

SECTION 9. NOTICES AND OTHER ACTIONS.

All notices, demands and formal actions hereunder will be in writing mailed, faxed or delivered to:

The Issuer: City of Pittsburg, Kansas
City Hall, 201 W. 4th St.
P.O. Box 688
Pittsburg, Kansas 66762-0688
Attention: City Clerk

The Company Dharma Properties LLC
3453 S. Sabin
Wichita, Kansas 67215
Attention: Dharmendra Bhakta or Manisha Bhakta, Members

SECTION 10. MISCELLANEOUS

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

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

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

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

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

SECTION 11. EFFECTIVE DATE

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

Upon your acceptance of the offer, the foregoing agreement will be binding upon you and the Purchaser. Please acknowledge your agreement with the foregoing by executing the enclosed copy of this Bond Purchase Agreement and returning it to the undersigned.

DHARMA PROPERTIES LLC
as Purchaser

By: _____
Dharmendra Bhakta, Member

By: _____
Manisha Bhakta, Member

Accepted and agreed to as of
the date first above written.

DHARMA PROPERTIES LLC
as Company

By: _____
Dharmendra Bhakta, Member

By: _____
Manisha Bhakta, Member

CITY OF PITTSBURG, KANSAS

By: _____
Mayor

ATTEST: (Seal)

By: _____
City Clerk

AGREEMENT FOR PAYMENT IN LIEU OF TAXES

This Agreement, entered into as of December 1, 2017, between the City of Pittsburg, Kansas (the "Issuer") and Dharma Properties LLC, a Kansas limited liability company (the "Tenant");

WITNESSETH THAT:

1. **Tax Exemption; Payment in Lieu of Taxes.** In consideration of (i) the issuance by the Issuer of its Taxable Industrial Revenue Bonds, Series A, 2017 and Series B, 2017 (La Quinta Inn and Suites Project), in the principal amount of \$7,553,357 (the "Bonds") to finance the acquisition, construction and equipping of a hotel project (the "Project") to be leased by the Issuer to the Tenant, (ii) the Tenant's execution of the lease of the Project financed with the proceeds of the Bonds, (iii) the laws of the State of Kansas affording exemption from *ad valorem* property taxation for the portion of the Project acquired, purchased or constructed with the proceeds of the Bonds for a period commencing with the year after calendar year in which bonds are issued, and (iv) the agreement by the Issuer to apply for such exemption if the payments provided for herein are made, the Tenant agrees to make payments in lieu of *ad valorem* property taxes in the amounts specified herein, in the manner provided for herein.

2. **Amount of Payments; Place of Payment.** In lieu of general *ad valorem* property taxes on the Project for the ten calendar years following the year in which the Bonds are issued, other than special assessments levied on account of special benefits, the Tenant shall pay by separate check to the Treasurer of Crawford County, Kansas, or other appropriate office as directed by the Issuer, on or before December 20 in each of such years, with the privilege of half payment as provided by law for general *ad valorem* taxes, an annual payment in lieu of taxes in the amount of **\$12,000**, to be distributed as and for a part of the general *ad valorem* tax collections for all taxing subdivisions in which the Project is located.

3. **Reduction of Payment for Actual Taxes Paid.** The annual amount to be paid pursuant to Paragraph 2 above shall be reduced (but not below zero) by any actual *ad valorem* tax payments paid in respect of the real property constituting a part of the Project by or on behalf of the Tenant for any given year (other than special assessments).

4. **Special Assessments.** Any special assessments levied against the real property portion of the Project, if any, shall not abate and shall continue to be the obligation of the Tenant, payable in the manner provided by law.

5. **Failure to Make Payment in Lieu of Taxes.** Should the Tenant fail to make the payments required above, penalties and/or interest will be assessed against the Tenant by the Crawford County Treasurer in accordance with applicable state laws relating to late tax payments. If the Tenant fails to make a payment required by this Agreement and such failure shall continue for one year, this Agreement shall be deemed terminated effective as of December 20 in the year such payment was originally due, and Tenant agrees that from and after such termination date, it shall pay in full the regular amount of *ad valorem* real estate and personal property taxes on the property constituting the Project.

6. **Approval of Exemption.** This Agreement is conditioned on the issuance by the Court of Tax Appeals of the State of Kansas of an order exempting the bond-financed portion of the Project from *ad valorem* taxation in accordance with Kansas law, including particularly K.S.A. 79-201a.

7. **Counterparts.** This Agreement may be executed simultaneously and several counterparts, each of which shall be deemed to be an original and all of which shall constitute the same instrument.

8. **Transferability.** The benefits of this Agreement may be transferred to any assignee of the Lease of the Project made in accordance with the provisions of the Lease between the Issuer and the Tenant.

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IN WITNESS WHEREOF, the Issuer has caused this Agreement to be signed by a duly authorized official, such signature to be attested by a duly authorized officer and its official seal to be applied, and the Tenant has caused this Agreement to be signed on its behalf by a duly authorized officer, such signature attested by a duly authorized officer, and its corporate seal (if any) to be applied, as of the day and year first above written.

CITY OF PITTSBURG, KANSAS

By: _____
Mayor

[SEAL]

ATTEST:

City Clerk

DHARMA PROPERTIES LLC

By: _____
Dharmendra Bhakta, Member

By: _____
Manisha Bhakta, Member

GUARANTY AGREEMENT

BETWEEN

**DHARMA PROPERTIES LLC
A KANSAS LIMITED LIABILITY COMPANY**

AND

**DHARMENDRA BHAKTA
MANISHA BHAKTA**

AS GUARANTORS

AND

**SECURITY BANK OF KANSAS CITY
KANSAS CITY, KANSAS
AS TRUSTEE**

DATED AS OF DECEMBER 1, 2017

GUARANTY AGREEMENT

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GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT made and entered into as of December 1, 2017 (the "Guaranty"), between Dharma Properties LLC, a Kansas limited liability company (the "Tenant"), as Guarantor; and Dharmendra Bhakta and Manisha Bhakta, as Individual Guarantors (hereinafter collectively referred to as the "Guarantors" and individually as a "Guarantor"), and Security Bank of Kansas City, Kansas City, Kansas, as Trustee (the "Trustee") under a Trust Indenture dated as of December 1, 2017 between the City of Pittsburg, Kansas, as Issuer (the "Issuer") and the Trustee (the "Indenture"), as authorized by ordinance of the Issuer (the "Ordinance")

WITNESSETH:

WHEREAS, the Issuer, a municipal corporation incorporated as a city of the first class under the laws of the State of Kansas (the "State"), intends to issue its Taxable Industrial Revenue Bonds, Series A, 2017 and Series B, 2017 (La Quinta Inn & Suites Project), dated the date of issuance and delivery, in an aggregate principal amount of \$7,553,357 (the "Bonds"); and

WHEREAS, the Bonds are to be issued under and pursuant to the Ordinance and the Indenture; and

WHEREAS, the proceeds derived from the issuance of the Bonds are to be applied to pay the costs of the acquisition, construction and equipping of a hotel facility (the "Project") to be leased by Issuer to the Tenant, pursuant to a Lease dated as of December 1, 2017 (the "Lease"); and

WHEREAS, the Individual Guarantors have a financial interest in the Tenant; and

WHEREAS, the Taxable Industrial Revenue Bonds, Series B, 2017 (La Quinta Inn & Suites Project) in the aggregate principal amount of \$1,903,357 (the "Series B, 2017 Bonds") shall be junior and subordinate with respect to the payment of principal and interest in all respects to the Taxable Industrial Revenue Bonds, Series A, 2017 (La Quinta Inn & Suites Project) in the aggregate principal amount of \$5,650,000 (the "Series A, 2017 Bonds"), and, in the event of any default in the payment of either principal of, premium, if any, or interest on any of the Series A, 2017 Bonds, the Trust Estate established under the Indenture will be applied solely to the payment of the principal of and interest on the Series A, 2017 Bonds until all Outstanding principal, premium if any, and accrued interest on the Series A, 2017 Bonds have been paid in full, or provision has been made for such payment pursuant to *Article XIII* of the Indenture; and

WHEREAS, the Guarantors (i) desire that Issuer issue the Bonds and apply the proceeds for the purposes described above and (ii) as an inducement to the purchase of the Series A, 2017 Bonds by all who shall at any time become owners of the Series A, 2017 Bonds are willing to enter into this Guaranty in order to enhance the marketability of the Series A, 2017 Bonds and thereby achieve interest cost savings to the Tenant;

NOW, THEREFORE, in consideration of the foregoing, the Guarantors do hereby covenant and agree with the Trustee as follows:

ARTICLE I

REPRESENTATIONS OF GUARANTORS

Section 1.01. Representations and Warranties. Each Guarantor does hereby represent that:

(a) Dharma Properties LLC, is a Kansas limited liability company duly organized and existing under the laws of said State, and is in good standing under the laws of the State, is not in material violation of any provision of its Articles of Organization or its Operating Agreement, has not received notice and has no reasonable grounds to believe that it is in material violation of any of the laws of the State, has power to enter into this Guaranty, has duly authorized the execution and delivery of this Guaranty by proper corporate action, and neither this Guaranty nor the agreements herein contained contravene or constitute a material default under any agreement, instrument or indenture by which it is bound or any provision of its Articles of Organization; and

(b) The assumption by each Guarantor of its obligations hereunder will result in direct financial benefits to it.

ARTICLE II

THE GUARANTY

Section 2.01. Undertaking by Guarantors. The Guarantors, jointly and severally, and each as principal, hereby unconditionally guarantee to the Trustee for the benefit of the owners from time to time of the Series A, 2017 Bonds:

(a) The full and prompt payment of the principal of and premium, if any, on each of the Series A, 2017 Bonds when and as the same shall become due in accordance with the terms and provisions of each such Series A, 2017 Bond and the Indenture, whether at the stated maturity of any Series A, 2017 Bond, by acceleration, call for redemption or otherwise; and

(b) The full and prompt payment of the interest on each of the Series A, 2017 Bonds when and as the same shall become due in accordance with the terms and provisions of each such Series A, 2017 Bond and the Indenture; and

(c) The full and prompt payment of all other amounts payable by Issuer under the Indenture; and

(d) The full and prompt payment of all sums to be paid by Tenant under the Lease; and

(e) The performance of all other obligations of Tenant under the Lease.

All payments by the Guarantors shall be paid in lawful money of the United States of America. Each and every default in the payment of the principal of, premium, if any, or interest on any Series A, 2017 Bond, and each and every other default hereunder, shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises.

Section 2.02. Guarantors' Obligations Absolute. The joint and several obligations of the Guarantors under this Guaranty shall be absolute and unconditional and shall remain in full force and effect until released and discharged as herein provided, and such obligations shall not be affected, modified or impaired upon the happening from time to time of any event, including without limitation any of the following, whether or not with notice to, or the consent of, the Guarantors:

(a) The compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of Issuer under the Indenture or Tenant under the Lease;

(b) The failure to give notice to any one or more of the Guarantors of the occurrence of an event of default under the terms and provisions of this Guaranty, the Indenture or the Lease;

(c) The assignment or mortgaging or the purported assignment or mortgaging of all or any part of the interest of Issuer or Tenant in the Project or any failure of title with respect to Issuer's or Tenant's interests in the Project;

(d) Except as provided in *Section 4.04* hereof, the waiver of the payment, performance or observance by Issuer, Tenant or any one or more of the Guarantors of any of the obligations, covenants or agreements of any of them contained in the Indenture, the Lease or this Guaranty;

(e) The extension of the time for payment of any principal of, premium, if any, or interest on any Series A, 2017 Bond or under this Guaranty or of the time for performance of any other obligations, covenants or agreements under or arising out of the Indenture, the Lease or this Guaranty or the extension or the renewal thereof;

(f) The modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in the Indenture or the Lease, provided that the obligations of the Guarantors are not thereby increased or expanded without the prior written consent of the Guarantors;

(g) The taking or the omission of any of the actions referred to in the Indenture, the Lease or any actions under this Guaranty;

(h) Any failure, omission, delay or lack on the part of Issuer or the Trustee to enforce, assert or exercise any right, power or remedy conferred on the Issuer or the Trustee in this Guaranty, the Lease or the Indenture, or any other act or acts on the part of the Issuer, the Trustee or any of the owners from time to time of the Series A, 2017 Bonds;

(i) The voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment of, or other similar proceedings affecting Issuer, Tenant or any one or more of the Guarantors or any of the assets of any of them, or any contest of the validity of the Indenture, the Lease or this Guaranty or the interest of the Trustee in the rentals under the Lease in any such proceeding;

(j) To the extent permitted by law, the release or discharge of any one or more of the Guarantors from the performance or observance of any obligation, covenant or agreement contained in this Guaranty by operation of law;

(k) The default or failure of Issuer, Tenant or any one or more of the Guarantors to perform fully any of their respective obligations set forth in the Indenture, the Lease or this Guaranty;

(l) Any invalidity or irregularity in any statutory or other proceedings relating to the performance or existence of Issuer, to the issuance of the Series A, 2017 Bonds or the execution or delivery of the Indenture or the Lease;

(m) Any impossibility or illegality of performance on the part of Issuer or Tenant of any of their respective obligations under or in connection with the Series A, 2017 Bonds, the Indenture or the Lease; or

(n) Any other circumstances, occurrence or condition, whether similar or dissimilar to any of the foregoing, that might be raised in avoidance of or in defense against any action to enforce the obligations of the Guarantors under the provisions hereof.

Section 2.03. Waiver of Defenses. The Guarantors waive (1) all defenses based on suretyship or impairment of collateral and (2) any defenses that Tenant may assert on the underlying debt.

Section 2.04. Enforcement of Guaranty; Counterclaims. The rights of the Trustee to enforce the obligations of the Guarantors under this Guaranty by any proceedings, whether by action at law, suit in equity or otherwise, shall not be impaired by any right, counterclaim or defense of any character whatsoever. This Guaranty and the joint and several obligations of the Guarantors hereunder are separate and independent of Tenant's obligations under the Lease and the Indenture, and it is specifically understood and agreed by the Guarantors that any payment now or hereafter made by or on behalf of Tenant under or pursuant to the Lease or the Indenture shall not, except to the extent paid to the owners of the Bonds directly by Issuer or Tenant, or by the Trustee as paying agent, affect, impair or diminish, in any manner whatsoever, the joint and several obligations of the Guarantors hereunder. Further, the Guarantors specifically understand and agree that payment by Tenant under the Lease or the Indenture (whether voluntary or involuntary, or pursuant to court order or otherwise) shall not, except to the extent received by the owners of the Series A, 2017 Bonds directly, or by the Issuer, or by the Trustee, under any circumstances or in any manner, constitute a defense against the Guarantors' joint and several obligations hereunder. Nothing contained herein shall prohibit the Guarantors from asserting any separate or related claim against either Issuer or the Trustee in a separate proceeding, which proceeding shall in no way delay the prompt performance by the Guarantors of their obligations hereunder. Nothing contained herein shall prohibit Guarantors from asserting any claim against the Trustee related to the Series A, 2017 Bonds provided that:

- (a) such claim is based on the negligence or willful misconduct of the Trustee; and
- (b) such claim is brought before the earlier of (1) payment being made by Guarantors under this Guaranty or (2) final judgment being rendered against Guarantors in the legal proceeding in which the Trustee seeks to enforce this Guaranty against Guarantors, it being agreed by Guarantors that any such claim against the Trustee can be raised only in such legal proceeding.

In the event that Tenant or any successor tenant or assignee under the Lease should fail to perform any such agreement on its part, Guarantors may institute such action as it deems necessary to compel performance so long as such action does not abrogate the Guarantors' obligations herein.

ARTICLE III

REMEDIES ON DEFAULT

Section 3.01. Payment Default; Exercise of Remedies. In the event of a default in the payment of principal of or premium, if any, on any Series A, 2017 Bond when and as the same shall become due, whether at the stated maturity thereof, by acceleration, call for redemption or otherwise, or in the event of a default in the payment of any interest on any Series A, 2017 Bond when and as the same shall become due, the Trustee may, and if requested so to do by the owners of at least 25% in aggregate principal amount of the Series A, 2017 Bonds then outstanding and upon provision being made for its fees and expenses and indemnification as hereinafter provided, shall be obligated to proceed hereunder, and the Trustee, in its sole discretion, shall have the right to proceed first and directly against any one or more of the Guarantors under this Guaranty to the extent of their respective obligations hereunder without proceeding against or exhausting any other remedies which it may have and without resorting to any other security held by Issuer or the Trustee. Before taking any action hereunder, the Trustee may require that indemnity satisfactory to it be furnished for the reimbursement of all expenses it may incur and to protect it against all liability which is adjudicated to have resulted from its negligence or willful default, by reason of any action so taken.

Section 3.02. Waiver of Condition of Exercise of Remedies; Attorneys' Fees. Each Guarantor hereby expressly waives notice from the Trustee or the owners from time to time of any of the Series A, 2017 Bonds of their acceptance and reliance on this Guaranty. The Guarantors agree to pay all reasonable costs, expenses and fees, including all reasonable attorneys' fees, to the extent permitted by law, which may be incurred by the Trustee in enforcing or attempting to enforce this Guaranty following any default hereunder, whether the same be enforced by suit or otherwise.

Section 3.03. Remedies Cumulative; Delay; Waiver of Breach. No remedy herein conferred upon or reserved to the Trustee 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 Guaranty or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such 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 Trustee to exercise any remedy reserved to it in this Guaranty, it shall not be necessary to give any notice, other than such notice as may expressly be required herein or in the Lease or Indenture. In the event any provision contained in this Guaranty should be breached by a Guarantor and thereafter duly waived by the Trustee, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver, amendment, release or modification of this Guaranty shall be established by conduct, custom or course of dealing, but solely by an instrument in writing duly executed by the Trustee.

ARTICLE IV

GENERAL COVENANTS AND AGREEMENTS

Section 4.01. Agreement to Benefit Trustee and Bondowners. This Guaranty is entered into by the Guarantors for the benefit of the Trustee and the owner(s) from time to time of the Series A, 2017 Bonds, and any owner of Series A, 2017 Bonds and any successor trustee under the Indenture.

Section 4.02. Discharge of Guarantors' Obligations. Guarantors shall be discharged of their obligations hereunder upon (1) the payment of the principal of, premium, if any, and interest on the Series A,

2017 Bonds to the Trustee or provision for payment thereof having been made with the Trustee as provided in the Indenture, or (2) upon satisfaction of all obligations of Tenant under the Lease, or (3) the Tenant shall have been released pursuant to the provisions of *Sections 9.3 or 9.4* of the Lease (relating to assignment of its interest in the Project or merger with another entity). Notwithstanding the foregoing, any payment which is required under bankruptcy or similar law to be repaid by the Trustee or owners of the Series A, 2017 Bonds as a preference or similar item shall automatically become an undischarged obligation of the Guarantors under this Guaranty.

Section 4.03. Guarantors' Obligations Upon Delivery of Bonds. The joint and several obligations of the Guarantors hereunder shall arise absolutely and unconditionally when the Series A, 2017 Bonds shall have been issued, sold and delivered by Issuer and the proceeds thereof paid to the Trustee.

Section 4.04. Maintenance of Existence; Merger. The Tenant will maintain its legal existence, will continue to be a limited liability company in good standing under the laws of the State, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it, provided, that the Tenant may, without violating the agreement contained in this subsection, consolidate with or merge into another domestic corporation or limited liability company (that is, a corporation or limited liability company organized and existing under the laws of one of the states of the United States of America), or permit one or more corporations or limited liability companies to consolidate with or merge into it, or sell or otherwise transfer to another entity all or substantially all of its assets as an entirety and thereafter dissolve, provided that the surviving, resulting or transferee entity, as the case may be, (i) shall be a corporation, limited liability company or partnership organized and existing under the laws of one of the states of the United States of America, as aforesaid, (ii) shall be qualified to do business in the State, if applicable (iii) shall assume in writing all of its obligations under this Guaranty and (iv) shall have a net worth as of the consummation of the consolidation, merger, sale or transfer, at least equal to that of the Tenant immediately prior to such consolidation, merger, sale or transfer, determined in accordance with generally accepted accounting principles consistently applied.

Section 4.05. Collateral for Guarantors' Obligations. The obligations of the Tenant under this Guaranty are secured by a mortgage dated November 19, 2015, from the Tenant, as mortgagor, to Girard National Bank as mortgagee, which mortgage is recorded November 20, 2015 in Book 621 at page 442 in the office of the Crawford County Register of Deeds. The Tenant's obligations under the Guaranty shall hereafter be deemed additional indebtedness under such mortgage. Any defaults in payment of principal, redemption price or interest on the Series A, 2017 Bonds shall be deemed a default in payment of indebtedness secured by such mortgage, entitling the mortgagee to exercise the post-default remedies reserved to it as mortgagee in such mortgage, in addition to any remedies it may have under this Guaranty or the Lease.

The obligations of the Individual Guarantors under this Guaranty are secured by a second mortgage in the amount of \$375,000 on their residence at 3453 S. Sabin Court, Wichita, Kansas, such mortgage dated November 19, 2015, from the Individual Guarantors, as mortgagor, to Girard National Bank as mortgagee, which mortgage is recorded November 23, 2015 as DOC#/PG: 29572260 in the office of the Sedgwick County Register of Deeds. The Individual Guarantors' obligations under the Guaranty shall hereafter be deemed additional indebtedness under such mortgage. Any defaults in payment of principal, redemption price or interest on the Series A, 2017 Bonds shall be deemed a default in payment of indebtedness secured by such mortgage, entitling the mortgagee to exercise the post-default remedies reserved to it as mortgagee in such mortgage, in addition to any remedies it may have under this Guaranty or the Lease. Notwithstanding the foregoing, at such time as the operating income from the Project provides a minimum debt service coverage ratio of 1.10, as evidenced by the annual financial statements of the Tenant filed in accordance with **Section 5.10** hereof, Girard National Bank, as mortgagee, has agreed to release such mortgage.

Section 4.06. Restriction on Gifts. Each Individual Guarantor hereby covenants with the Trustee for the benefit of the owners from time to time of the Series A, 2017 Bonds that he or she will not transfer any of his or her assets in excess of the annual federal gift tax exclusion amount per donee to anyone (including spouse or children) without fair and adequate financial consideration for the transfer unless such transfer is expressly or by operation of law subject to the rights of the Trustee and the owners of the Series A, 2017 Bonds under this Guaranty, and that he or she will not title his or her assets so as to place them beyond the reach of creditors (except as may be provided by homestead or other statutory exemptions from sale of property to satisfy judgments). These covenants shall continue until all of the joint and several obligations of each Individual Guarantor under this Guaranty shall have been fully satisfied. If any Individual Guarantor wishes to make an effective gratuitous transfer of property in excess of the annual federal gift tax exclusion amount per donee subject to the rights of the Trustee and owners of the Series A, 2017 Bonds under this Guaranty, the instrument of transfer must specifically recite that the transfer is subject to the obligations of the transferor under this Guaranty, or that it is subject to the rights of creditors generally.

Section 4.07. Death of Individual Guarantor. If any Individual Guarantor dies before the Series A, 2017 Bonds and interest are paid in full, the Trustee will not seek immediate payment under this Guaranty from the estate or trust of the deceased Guarantor as long as all payments of principal and interest on the Series A, 2017 Bonds are current. The Trustee may make contingent demand against the estate or trust of the deceased Guarantor for the purpose of assuring that its collateral position is not diminished by that Guarantor's death.

Section 4.08. Covenants of Individual Guarantors. Each Individual Guarantor covenants as follows:

- (a) He or she will not transfer all or any portion of its ownership interest in the Tenant without the prior written consent of the Original Purchaser of the Series A, 2017 Bonds;
- (b) He or she will not, as an individual or as a member of the Tenant, acquire or invest in other business ventures without the prior written consent of the Original Purchaser of the Series A, 2017 Bonds;
- (c) He or she will not permit a change in the management of the Tenant without the prior written consent of the Original Purchaser of the Series A, 2017 Bonds; and
- (d) He or she will not permit loans to any member of the Tenant from funds of the Tenant without the prior written consent of the Original Purchaser of the Series A, 2017 Bonds.

ARTICLE V

FINANCIAL AND BUSINESS INFORMATION

Section 5.01. Financial Statements. The Tenant shall deliver to the Original Purchaser of the Series A, 2017 Bonds:

- (a) *Financial Statements* -- within thirty days of the close of each calendar quarter, internally-generated financial statements of Dharma Properties LLC, including occupancy statistics and a balance sheet and income statement, the income statement to be prepared in comparative form setting forth the comparable figures for the quarter and year-to-date for the previous fiscal year;

(b) *Federal Tax Returns* as soon as practicable after the end of each fiscal year and in any event within 150 days thereafter, duplicate copies of the federal tax returns of Dharma Properties LLC, for such fiscal year.

In addition, the Tenant shall deliver to the Trustee and the Original Purchaser of the Series A, 2017 Bonds the following:

(c) *Notice of Default or Event of Default* -- promptly upon becoming aware of the existence of any condition or event which constitutes a default or an event of default under the Indenture, the Lease or this Guaranty that has not been cured, a written notice specifying the nature and period of existence thereof and what action the Guarantors are taking and propose to take with respect thereto;

(d) *Notice of Claimed Default* -- promptly upon becoming aware that the owner of any Bond or of any evidence of indebtedness or other security of any Guarantor has given notice or taken any other action with respect to a claimed default or event of default, a written notice specifying the notice given or action taken by such owner and the nature of the claimed default or event of default and what action such Guarantor is taking or proposes to take with respect thereto;

(e) *Requested Information* -- with reasonable promptness, such other financial and business information as from time to time may be reasonably requested.

Section 5.02. Financial Statements of Individual Guarantors. As soon as practicable after the end of each fiscal year of the Tenant, the Individual Guarantors shall deliver to the Original Purchaser of the Series A, 2017 Bonds their current personal financial statements and duplicate copies of their federal tax returns.

Section 5.03. Deposit Accounts. The Tenant shall maintain all deposit accounts, including operating, payroll and replacement reserve accounts with Girard National Bank throughout the Term of the Lease. The Tenant agrees to pledge funds on deposit in the replacement reserve account to the Original Purchaser of the Series A, 2017 Bonds as additional security for the Series A, 2017 Bonds.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.01. Binding Effect. The agreements contained herein on the part of the Guarantors shall inure to and be binding upon their respective heirs, successors, assigns and legal representatives including without limitation any successor or assign in any transaction expressly permitted by this Guaranty.

Section 6.02. Integration. This Guaranty constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the Guarantors and the Trustee with respect to the subject matter hereof (other than the Indenture and the Lease) and may be executed simultaneously in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

Section 6.03. Severability. The invalidity or unenforceability of any one or more phrases, sentences, clauses or Sections in this Guaranty shall not affect the validity or enforceability of the remaining portions of this Guaranty, or any part thereof.

Section 6.04. Governing Law. This Guaranty shall be governed by and construed and interpreted in accordance with the laws of the State.

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IN WITNESS WHEREOF, the Tenant and Corporate Guarantor have each caused this Guaranty Agreement to be signed by an authorized officer, and each individual Guarantor has signed this Guaranty Agreement, as of the date first above written.

DHARMA PROPERTIES LLC

By: _____
Dharmendra Bhakta, Member

By: _____
Manisha Bhakta, Member

Dharmendra Bhakta, as an individual

Manisha Bhakta, as an individual

"GUARANTORS"

ACCEPTANCE OF TRUSTEE

This Guaranty Agreement and the obligations undertaken in it by the several Guarantors are hereby accepted by the Trustee as of the date first above written.

IN WITNESS WHEREOF, the Trustee has caused this Guaranty Agreement to be signed in its name and behalf by its duly authorized officer, all as of the date first above written.

SECURITY BANK OF KANSAS CITY
Kansas City, Kansas
as Trustee

By: _____
Name:
Title:

INTEROFFICE MEMORANDUM

To: DARON HALL
CITY MANAGER

From: KIM VOGEL
DIRECTOR OF PARKS AND RECREATION

CC: TAMMY NAGEL
CITY CLERK

Date: DECEMBER 4, 2017

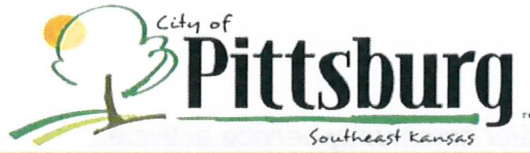
Subject: Agenda Item – December 12, 2017
Parks and Recreation Advisory Board Appointment

The Parks and Recreation Department is seeking one candidate on their advisory board to fill the expired term of Glenn Bliss. Applications have been received from Steve Bacon, Mindy Baker, Brain O'Neill, Corene Stroup, and Daniel Warlop. Current board members include: Glenn Bliss (outgoing member), Jerime Carpenter, Stephanie Ristaue Doug VanBecelaere, and Jerry Waltrip.

This appointment will be for a first four-year term to begin January 1, 2018 and expire December 31, 2021. All current board members live inside the City limits of Pittsburg so, according to code, one new candidate is eligible to live outside the City limits.

In this regard would you place an item on the agenda for the City Commission meeting scheduled for Tuesday, December 12, 2017. Action necessary will be the appointment of one individual to the Parks and Recreation Advisory Board.

If you have questions, please do not hesitate to contact me.



City of Pittsburg Parks & Recreation Advisory Board

APPLICATION FOR APPOINTMENT

Note: Your application will be copied for the City Commission and made available to the press and public

Name: Steven Bacon

Home Address: 3202 N. Free King Hwy Pittsburg, Ks. 66762

Occupation: Engineering Technician - Ks. Dept. of Transportation

Business Address: 1813 W. 4th Street. Pittsburg, Ks. 66762

Home Telephone: 620-230-0881 cell 620-404-9221

Business Telephone: N/A

E-mail: Steven.bacon@ks.gov

Are you a resident of Pittsburg? ☒ If yes, how long have you lived in Pittsburg: 11 years

Current occupation (within last 12 months)
See above

Park or program related interest in the last 12 months:
S. House widening

Previous committee/commission experience:
Stratford Missouri - Planning & Zoning Committee 7-years (chairman 6 1/2 yrs)

Education/Experience: A resume may be attached containing this and any other information what would be helpful in evaluating your application.

Professional and/or community service activities:

Please explain your reasons for wishing to serve on this board and how you feel that you may contribute:

as well as working with other local communities for successful events.
Serve the community of Pittsburg, assist in suggestions as to protecting public during events.

* Preference is for the 2019 term

This board typically meets on the 2nd Thursday of the month at Noon in the PPRD office. If that does not work for you please fill out the following information:

Circle days of the week and times best fitting your schedule for meetings

Monday • Tuesday • Wednesday • Thursday • Friday

Prior to 8:00am • Between 8:00am & 10am • Between 10am & Noon •
Between Noon & 3pm • Between 3pm & 5pm

Appointments to this position may require you to file a Conflict of Interest Disclosure Statement, which is of public record.

Steven Bacon

Signature of Applicant

10-16-17

Date

If you have any questions regarding the appointment procedure, please call the City Clerk at (620)230-5532.

Due Date: October 17, 2017

Please return the completed application to:

City of Pittsburg

Attn: City Clerk

PO Box 688, Pittsburg, KS 66762



City of Pittsburg Parks & Recreation Advisory Board

APPLICATION FOR APPOINTMENT

Note: Your application will be copied for the City Commission and made available to the press and public

Name: Mindy Ann Baker

Home Address: 201 W. Lincoln St. Frontenac, KS 66703

Occupation: New Vendor Analysis @ NPC

Business Address: 720 W. 20th St. Pittsburg, KS 66712

Home Telephone: 912-480-2480

Business Telephone: 620-231-3390 x 1140

E-mail: mindyannbaker@gmail.com

Are you a resident of Pittsburg? Not as of July 25th 2017

If yes, how long have you lived in Pittsburg: 1 was for 10+ years

Current occupation (within last 12 months)

NPC

Park, Program or Facility related interest in the last 12 months:

I was a part of the corp. challenge with NPC

& I have been trying to help gather funds for the New Skate Park.

Previous committee/commission experience:

Education/Experience: A resume may be attached containing this and any other information what would be helpful in evaluating your application.

I graduated with Texas Scholar from Naaman Forest in Garland, TX in 2006.

* Resume Attached. *

Professional and/or community service activities:

I helped with the United Way last year with NPC, many activities with church & school in the past & whenever things are available.

Please explain your reasons for wishing to serve on this board and how you feel that you may contribute:

I also volunteered @ the words diner. I would love to be more involved to help the community. I have many ideas to get the community involved with each other & would love to see more options to do so with the family & neighbors & to meet more people.

This board typically meets on the 2nd Thursday of the month at Noon in the PPRD office. If that does not work for you please fill out the following information:

Circle days of the week and times best fitting your schedule for meetings

Monday Tuesday Wednesday Thursday Friday
Prior to 8:00am • Between 8:00am & 10am • Between 10am & Noon •
Between Noon & 3pm • Between 3pm & 5pm

OR After 6pm.

Appointments to this position may require you to file a Conflict of Interest Disclosure Statement, which is of public record.

Meinder Baker.
Signature of Applicant

08-06-17
Date

If you have any questions regarding the appointment procedure, please call the City Clerk at (620)230-5532.

Due Date: AUGUST 8, 2017

Please return the completed application to:

City of Pittsburg

Attn: City Clerk

PO Box 688, Pittsburg, KS 66762



City of Pittsburg Parks & Recreation Advisory Board

APPLICATION FOR APPOINTMENT

Note: Your application will be copied for the City Commission and made available to the press and public

Name: Brian Dennis O'Neill

Home Address:
506 W 8th St, Pittsburg, KS 66762

Occupation:
Business Owner, Teacher

Business Address:
P.O. Box 1366, Pittsburg, KS 66762

Home Telephone: (620) 687-1243

Business Telephone: (620) 687-1243

E-mail: brianoneill63@gmail.com

Are you a resident of Pittsburg? X If yes, how long have you lived in Pittsburg: 13 years

Current occupation (within last 12 months)
Business Owner, College Instructor, Substitute Teacher, Field Agent

Park or program related interest in the last 12 months:
Clean park structures and equipment, Little Balkan's Day, Golf Course,

Frisbee Golf, and other activities

Previous committee/commission experience:
Knights of Columbus - Finance and Service Committees

Various School Committees

Education/Experience: A resume may be attached containing this and any other information what would be helpful in evaluating your application.

See attached resume

Professional and/or community service activities:
KofC Tootsie Roll Drive Coordinator & The Lord's Diner Volunteer Coord.,

Free cleaning of public and non-profit structures, Kiwanis Flag Program

Please explain your reasons for wishing to serve on this board and how you feel that you may contribute:

I want to volunteer my time, energy, and skills to expand on the wonderful programs/activities already in place and to help create others. I work great in a team setting and am able to look at issues from many perspectives.

This board typically meets on the 2nd Thursday of the month at Noon in the PPRD office. If that does not work for you please fill out the following information: The current meeting time works great for me!

Circle days of the week and times best fitting your schedule for meetings

Monday • Tuesday • Wednesday • Thursday • Friday

Prior to 8:00am • Between 8:00am & 10am • Between 10am & Noon •
Between Noon & 3pm • Between 3pm & 5pm

Appointments to this position may require you to file a Conflict of Interest Disclosure Statement, which is of public record.

B. D. O'Neill

Signature of Applicant

10/13/2017

Date

If you have any questions regarding the appointment procedure, please call the City Clerk at (620)230-5532.

Due Date: October 17, 2017

Please return the completed application to:

City of Pittsburg

Attn: City Clerk

PO Box 688, Pittsburg, KS 66762

Brian Dennis O'Neill

506 W 8th St, Pittsburg, KS 66762

(620) 687-1243

brianoneill63@gmail.com



Education

Pittsburg State University, MS Degree, June 2003

Post-Secondary Technology Education

GPA 3.8

Pittsburg State University, BSE Degree, May 2002

Technology Education, 7-12 Grade

GPA 3.96, Summa Cum Laude

Independence Community College, AS Degree, May 2000

Secondary Education and Engineering Technology

GPA 4.0, Valedictorian

Fredonia High School, May 1998

GPA 3.95

Experience

Eagle Scout, Boy Scouts of America

POW! POW! WASH

Owner/Operator, February 2017 – Present

Residential & Commercial Pressure Washing Services

USD #247, USD #248, and USD #250

Substitute Teacher, December 2012 – May 2013, August 2017 – Present

Pittsburg State University, Pittsburg, KS

Adjunct Faculty, August 2015 – Present

GT-190 Introduction to Technological Systems

GOOD TIMES Photobooth by O'Neill

Owner/Operator, 2012 – Present

Knights of Columbus Field Agent

Insurance Agent, July 2015 – March 2017

Ettinger's Office Supply Company, Pittsburg, KS

Delivery Driver, June 2013 – June 2015

Greenbush SEK Service Center Challenge Ropes Course

Instructor, Summer 2011 and June 2012 – November 2012

Riverton High School, Riverton, KS

Technology Education Instructor, August 2007 – 2012

Intro to Communication, Yearbook, and CADD I/II/III/IV

Bonner Springs High School, Bonner Springs, KS

Technology Education Instructor, August 2003 – 2007 (Dept. Chair 2005-2007)

Intro to Tech, Introduction to Video Productions, Advanced Video Productions
(Yearbook and News Broadcast), and CADD I/II/III/IV

Architectural Collaboration, Independence, KS

Draftsman, May 1998 – August 2000

Activities

Pittsburg Area Young Professionals (PAYP), Pittsburg, KS

Member, 2017 – Present

Kiwanis, Pittsburg, KS

Member, 2016 – Present

Knights of Columbus (1998 – Present), Pittsburg, KS

The Lord's Diner Volunteer Coordinator (2017 – Present)

Tootsie Roll Drive Coordinator (2012 – Present) (Funds for those with Special Needs)

SKILLS (Technology Student Club), Riverton High School, Riverton, KS

Co-Sponsor, 2007 – 2010

Golf, Riverton High School, Riverton, KS

Head Coach, 2007 – 2012

FIRST Robotics, Bonner Springs High School, Bonner Springs, KS

Head Coach, 2005 – 2007

Rookie Year (2005 – 2006) 2nd Place (48 teams) Colorado Regional

Technology Student Association (TSA), Bonner Springs High School

Assistant Sponsor, 2005 – 2007

Baseball, Bonner Springs High School

Junior Varsity Head Coach, 2003 – 2007

Hobbies/Interests

Climbing, Rappelling, Hiking, Camping, Canoeing, Sailing, Archery, Drafting, Model Trains, Volunteering, and Traveling (Completed 48 State Capitol Road Trip with sister and brother in summer of 2007 & Backpacked Europe (eight countries) with wife in summer of 2012)

Eagle Scout with 4 Eagle Palms, Boy Scouts of America

50 Miler Pack and Paddle Award (8 times), Philmont Scout Ranch (Hike) (6 times),

Northern Tier in Canada (Canoe) (2 times)



City of Pittsburg Parks & Recreation Advisory Board

APPLICATION FOR APPOINTMENT

Note: Your application will be copied for the City Commission and made available to the press and public

Name: **Corene Stoup**

Home Address: **1301 South Catalpa**

Occupation: **Retired**

Business Address:

Home Telephone: **620-231-6619**

Business Telephone:

E-mail: **cstroup3@cox.net**

Are you a resident of Pittsburg? Yes If yes, how long have you lived in Pittsburg: **Pittsburg native**

Current occupation (within last 12 months): **Homemaker and Caretaker**

Park or program related interest in the last 12 months: **I participate in aquacise classes and am a member of Pittsburg Beautiful.**

Previous committee/commission experience: **Former member of the Pittsburg Parks and Recreation Advisory Board, former member of the USD #250 Foundation, current member of Pittsburg Beautiful, volunteer.**

Education/Experience: A resume may be attached containing this and any other information what would be helpful in evaluating your application.
Masters Degree in Physical Education. I ran the Red Cross Program at the Pittsburg City Pool.

Professional and/or community service activities: **I volunteer at and donate to several organizations including Safe House, Wesley House and the Doggie Bag.**

Please explain your reasons for wishing to serve on this board and how you feel that you may contribute: **I have knowledge of the aquatic center. I was a member of the Pittsburg Parks and Recreation Advisory Board with the swimming pool was constructed. I am highly interested in the Parks and Recreation activities in Pittsburg.**

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Prior to 8:00am • Between 8:00am & 10am • Between 10am & Noon •

Between Noon & 3pm • Between 3pm & 5pm

Appointments to this position may require you to file a Conflict of Interest Disclosure Statement, which is of public record.

Completed via phone
Signature of Applicant

October 19, 2017
Date

If you have any questions regarding the appointment procedure, please call the City Clerk at (620)230-5532.

Due Date: October 17, 2017
Please return the completed application to:
City of Pittsburg
Attn: City Clerk
PO Box 688, Pittsburg, KS 66762



City of Pittsburg Parks & Recreation Advisory Board

APPLICATION FOR APPOINTMENT

Note: Your application will be copied for the City Commission and made available to the press and public

Name: Daniel Warlop

Home Address: 803 W. 9th St., Pitts, KS

Occupation: Construction Mgmt. / Music Instructor

Business Address: 420 W. Atkinson Rd., Pitts, KS

Home Telephone: 620. 249. 4836

Business Telephone: 620. 231. 0992

E-mail: danielwarlop@hotmail.com

Are you a resident of Pittsburg? yes If yes, how long have you lived in Pittsburg: 7+

Current occupation (within last 12 months)

Pool Division Manager @ Home Center Construction / Percussion Instructor @ Frantennac Schools and

Park or program related interest in the last 12 months:

All 5K events (firecracker, Balkans, Zombie, etc.) & Little

Balkans, Dog Swim, Father/Son and Mother/Daughter events

Independence Community College.

Previous committee/commission experience:

I have a great deal of experience working in teams to develop strategies and ideas for problem solving & improvement.

Education/Experience: A resume may be attached containing this and any other information what would be helpful in evaluating your application.

2009: B.A. in Music + Business Mgmt. (PSU)

2012: M.M. in Percussion Performance (PSU)

2004-Present: Construct experience that lends itself to many topics of concern for PRD; planning, spatial organization, estimating, marketing, coordination, & construction/implementation.

Professional and/or community service activities:

Volunteered at schools (music), planned & worked for PTO

@ George Nettels Elem., volunteered & designed structures for PSU Native Reach, Organized Homes for Hounds program, perform regularly within the community

Please explain your reasons for wishing to serve on this board and how you feel that you may contribute:

I am regularly involved in events/activities hosted by PPRD and see great things happening and the potential to not only continue this, but to improve upon it and make our community richer + more attractive.

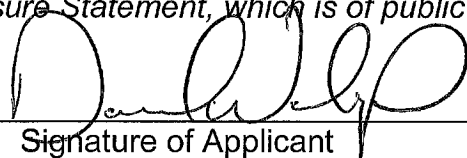
This board typically meets on the 2nd Thursday of the month at Noon in the PPRD office. If that does not work for you please fill out the following information:

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Between Noon & 3pm • Between 3pm & 5pm

Appointments to this position may require you to file a Conflict of Interest Disclosure Statement, which is of public record.

 10/18/17
Signature of Applicant Date

If you have any questions regarding the appointment procedure, please call the City Clerk at (620)230-5532.

Due Date: October 17, 2017

Please return the completed application to:

City of Pittsburg

Attn: City Clerk

PO Box 688, Pittsburg, KS 66762

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: CAMERON ALDEN
Director of Public Works

DATE: December 6, 2017

SUBJECT: Agenda Item – December 12, 2017
Appointment to Airport Advisory Committee

The Airport Advisory Committee is seeking a candidate to serve the unexpired term of Mr. Tom Reed. The unexpired term of Mr. Reed is set to expire December 31, 2018.

By Ordinance, this Committee shall consist of seven members, five of whom shall be users of the airport and two of whom shall be non-users. Mr. Reed's resignation leaves a member opening for an airport user.

Bryan Hamilton of Oronogo, Missouri and Ken Harris of Galena, Kansas are both airport users who have expressed an interest in serving on the Committee. Brief biographies for both candidates have been attached.

In this regard, would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, December 12, 2017. Action being requested is the appointment of one candidate to serve on the Airport Advisory Committee to complete the unexpired term effective immediately and set to expire December 31st, 2018.

If you have any questions concerning this matter, please do not hesitate to contact me.

Attachments: Bryan Hamilton Biography
Ken Harris Biography

Bryan Hamilton

16255 County Rd 255
Oronogo, Mo 64855
417-529-8427
bryanh@millerslab.com

December 5, 2017

Airport Advisory Committee
Pittsburg Atkinson Airport

Mr. Hamilton has over 17 years of combined general, corporate, and airline experience. He also has a B.S. in Aviation Technology, with a minor in Aviation Management. Having grown up in the 4-states area, his love for aviation landed Mr. Hamilton at the Joplin Regional airport working for a regional airline, doing everything from ramp, check-in, baggage-claim, and during the pre-911 era, even security checkpoint. This fueled Mr. Hamilton's passion for aviation, and in 1999 he started flight school at Spartan School of Aeronautics and Technology. Following flight school Mr. Hamilton worked as a flight instructor in Jefferson City, Mo, and then in Pittsburg, Ks. As local connections were made, he then took a short term job with a local Pittsburg company flying a small jet. Mr. Hamilton then realized to get where he really wanted to go in aviation, he'd need to quickly build turbine PIC time. This led Mr. Hamilton to a regional airline, where he quickly upgraded to Captain. Before long, he became a line check-airman, and standards Captain for that airline, doing line training for new-hire first officers, first officers upgrading to Captains, and yearly standards and line checks for other company pilots. During this time at Mesa-Air, Mr. Hamilton kept up communications with local Pittsburg Chief Pilots. Mr. Hamilton was ultimately offered and took a job for Names and Numbers, where he was a Captain and Safety Officer for just over 7 years. Currently Mr. Hamilton is in his fourth year at Miller's Professional Imaging as the Chief Pilot. I believe all of these experiences would make Mr. Hamilton a wonderful asset to the Pittsburg Advisory Committee.

Sincerely yours,

Bryan Hamilton

Upon completing twenty years' service with the US Air Force I retired in July of 1975. During my service I was fortunate enough to be assigned as the manager of the base Aero Club. During the five years I was in the position, I completed Commercial, Instrument, and Flight Instructor ratings. When I retired from the Air Force, I moved with my family to Golden City Missouri. From 1975 until 1980 I owned and operated a flight school based in Lamar, Mo. We also used Atkinson Municipal as a base of operation and a maintenance facility.

In 1980 we moved to Frontenac and operated the local Radio Shack in Pittsburg which we sold to Key Industries of Ft. Scott when I accepted a teaching position with SEK Area Vo-tech in Columbus. I later served as Director of that school.

We have owned several aircraft, either outright or in partnership, which have been based at Atkinson. Now totally retired, I currently rent a hanger for two aircraft at Atkinson which I fly on a regular basis.

I have completed three degrees with Pittsburg State University, and a Doctorate with the University of Arkansas. If my experience in business, education, and aviation can be useful as a member of the Airport Advisory Committee, I would be glad to serve.

Ken Harris
5608 SE 69th Street
Galena, KS 66739
Phone: 620-762-0355
Email: ken66770@gmail.com