

BOARD OF ALDERMEN MEETING
Kearney City Hall 100 East Washington
6:30 p.m., Monday, October 3, 2016

PLANNED AGENDA

1. CALL TO ORDER/ROLL CALL/PLEDGE OF ALLEGIANCE

2. CONSENT AGENDA

C-1. Resolution Auth Acquisition of Southview Trail Easement from 1900 Honeysuckle, \$11,366.58

3. MAYOR'S REMARKS

A.

4. ADMINISTRATOR'S REPORT

A. Todd Goffoy, Piper Jaffrey and David Martin, Gilmore and Bell, \$1,498,000 million Lease Purchase Financing Police Station Refinancing with KCB Bank 2%, Consider Ordinance

5. PUBLIC REQUESTS & PETITION

A.

6. PUBLIC HEARINGS

7. OLD BUSINESS

8. NEW BUSINESS

A. Letter of Understanding with School District for Use of 19th Street Tennis Courts for Skate Park and Pickle Ball Courts by Park Department, Consider Resolution

9. ALDERMEN DISCUSSION

10. ADJOURNMENT

ENCLOSURES

Agenda w/Meeting Notes

- 2A. Minutes, Board of Aldermen, Sep 19th
Board of Zoning Adjustments, Sep 28th
Park Board Minutes, September 20th
- 2B. Bills

CONSENT AGENDA ITEMS

C-1 Resolution Auth Acquisition of Southview Trail Easement from 1900 Honeysuckle, \$11,366.58

4A Police Station Financing Proposed Ordinance with Financing Documents and Amortization Schedules

8A Letter of Understanding with School District for Use of 19th Street Tennis Courts for Skate Park and Pickle Ball Courts by Park Department, Proposed Resolution

MISCELLANEOUS CORRESPONDENCE

- 1. KADC and Foundation Annual Meeting Invitation, Friday Oct 14th at Fire District basement
- 2. Larkin Letter on Sewer Collection System Surcharging

REPORTS

- 1. Calendar, October
- 2. Kearney Police Report, Sep 5th to Sep 25th
- 3. Building Report, August

Next Meeting: The next regular Board meeting will be **Monday, October 17th at 6:30 p.m.**, at Kearney City Hall, 100 East Washington Street.

2 CONSENT AGENDA The Consent Agenda permits several items to be reviewed and approved by one motion in order to expedite the meeting. The following items are being submitted for Board approval:

- 2A. Board Meeting Minutes, Sep 19th
- 2B. Bills Presented for Payment

CONSENT AGENDA ITEMS SUBMITTED FOR APPROVAL

C-1. Resolution Auth Acquisition of Southview Trail Easement from 1900

Honeysuckle, \$11,366.58 A portion of the Southview Trail was constructed entirely on private property at 1900 Honeysuckle along 19th Street—it wasn't caught because we had originally planned to connect to the existing 4' sidewalk situated on the property—that sidewalk had been constructed on private property, and was not part of the Trekk Engineers scope of work.

We later change ordered the sidewalk to be removed and upgraded to a 10' trail to match the trail on the High School property.

The property owner brought it to our attention after the trail was constructed and we first commenced negotiations to acquire a bikeway easement based on \$2 per sq foot for 1800 sq ft plus cost to replace their privacy fence, because two boards were broken in the process of constructing the fence. Our initial \$7,400 offer was rejected.

After consulting with Mayor Dane, we offered the amount it would cost to relocate the trail. The property owner is willing to provide the easement based on our relocation costs, \$11,340—keeping the trail in its present location is preferable for future widening of 19th Street.

Approval is recommended.

MAYOR'S REPORT

4A Todd Goffoy, Piper Jaffrey and David Martin, Gilmore and Bell, Police Station Refinancing, Consider Ordinance Authorizing \$1,498,000 million L/P Financing

We are pleased to report KCB Bank has submitted the lowest and best proposal for refinancing four separate existing lease/purchase agreements and issuing \$475,000 in new proceeds for the Police Station remodel (\$175,000) and for the Museum Expansion (\$300,000) at a low 2% rate, 10-year maturity.

The \$300,000 amount was increased \$25,000 from the original budget for the Museum Expansion. (As was approved by the Board at their August 15th meeting).

The savings from the 2% refinancing very nearly offsets the future debt service obligations. We were projecting \$49,000 annual debt from the two projects, that amount will rise to \$57,500 annual debt expense, however overall debt expense will fall by over \$5,000 annually on the refinancing.

We are especially pleased a local bank has won the bid—the Museum expansion is the location where Kearney Commercial Bank (Now KCB Bank) operated from sometime after 1901 through the early 1970's. The restoration effort is based on the earliest years of that time period.

Todd Goffoy, of Piper Jaffray can explain the financing, along with David Martin of Gilmore and Bell, who is handling the legal work.

Enclosed is a draft ordinance—final documents will be presented at the meeting. You will see the Kearney Area Development Council in the financing documents—our Attorney will explain we are receiving KADC's assistance to act as a holding company—to comply with State banking regulations. This was done with our Police Station financing with Kearney Trust Company. Larger banks like Commerce Bank and US Bank form holding companies that exclusively handle municipal financing projects—banks are prohibited from owning the real estate for which they are making a loan (is how it was explained to me).

8A Letter of Understanding with School District for Use of 19th Street Tennis Courts for Skate Park and Pickle Ball Courts by Park Department, Consider Resolution The Park Board and School Board, both, have approved the enclosed letter of understanding to permit the City to use the 19th Street Tennis Courts for a Skate Park and Pickle Ball Courts.

Attached, are minutes from the Park Board meeting recommending approval of the agreement—it runs for 10 years, then contemplates 5-year renewal intervals.

The Park Department proposes the acquisition of prefabricated skateboard rails, half pipes, stairs etc. -and has given an initial estimate of \$30,000 for equipment.

Pickle ball is played with smaller webbed rackets on smaller courts and is gaining traction in the metro area.

Approval is recommended.

September 19, 2016

The Board of Aldermen, City of Kearney, Missouri, met in regular session at Kearney City Hall, 100 East Washington, September 19, 2016 at 6:30 P.M. with Mayor Dane presiding. Members present were Marie Steiner, Gerri Spencer, Eric Shumate and Dan Holt. Staff members present were Jim Eldridge, David Pavlich, Jay Bettis and Shirley Zimmerman.

Mayor Dane opened the meeting with the Pledge of the Allegiance.

CONSENT AGENDA The following items were submitted for the Board of Aldermen to approve:

- Minutes for the September 6, 2016 meeting
- Bills presented for payment
- Authorize Budget Amendment to uniloaders in lieu of Crack Filler replacement
- **Resolution No 29-2016** low bid for City Hall Replacement, H & H Glass, \$5,475

A motion was made by Alderman Holt and seconded by Alderman Spencer to approve the Consent Agenda as presented. The motion carried unanimously.

MAYOR'S REMARKS

WHITE CANE SAFETY DAY PROCLAMATION Mayor Dane said the Kearney Lion's Club requested the Mayor to declare October 15th as White Cane Safety Day in Kearney, Missouri. This day is nationally recognized since President Lyndon B. Johnson signed the first White Cane Safety Day proclamation in 1964.

Marion Hood, Kearney Lion's Club said October is Blind month. She said they are organizing an event at the Firehouse on October 1st to help educate the local community.

A motion was made by Alderman Shumate and seconded by Alderman Steiner to approve the Proclamation declaring October 15th as White Cane Safety Day in Kearney, Missouri. The motion carried unanimously.

ADMINISTRATOR'S REPORT

FY2016 AUDIT PRESENTATION Nathaniel Thomas, Accounting Solutions, presented the FY2016 audit. He said the City is in sound financial condition.

Staff said they would like to go ahead and accept this as the final audit so they can get it submitted to the various agencies. If anyone has questions after looking it over they can contact City Staff.

FY2016 AUDIT PRESENTATION-CONT A motion was made by Alderman Spencer and seconded by Alderman Steiner to accept the FY2016 Audit submitted as the final audit and authorizes Staff to submit it to various agencies required by law. The motion carried unanimously.

WAY FINDING SIGNS Staff said the Main Street Committee will move the prototype sign to a new location for more feedback. They recognize that the lettering is too small.

PUBLIC REQUESTS & PETITIONS

AT RISK PERMIT FOR RESIDENTIAL HOME IN MIRABELLA PLAT RESOLUTION NO 30-2016 A Resolution authorizing the issuance of an At Risk Permit pursuant to Section 500.025 of the Municipal Code, to Star Development to commence construction of a residential structure within the unplatted development of Mirabella, was presented and read by title only.

Mayor Dane said this isn't a public hearing and we won't be taking comments from the public. He said this was presented previously but when he asked for a motion there was no motion made.

John Roe, attorney, asked if he could speak on the behalf of the Hedricks. Mayor Dane told him he wasn't hearing any comments from the public, and was out of order.

John Roe, attorney asked a second time if the record could reflect that he was not permitted to speak on behalf of the Hedricks. Mayor Dane advised he was again out of order.

Staff said the proposed permit has been modified to require the final plat to be recorded within two years of the permit date. With this change the Staff recommends approval.

A motion was made by Alderman Holt and seconded by Alderman Spencer to approve the Resolution authorizing the issuance of an At Risk Permit pursuant to Section 500.025 of the Municipal Code, to Star Development to commence construction of a residential structure within the unplatted development of Mirabella as presented.

Alderman Shumate asked where it shows what they are required to do. Staff said Ordinance 1185-2012 contains the easements, etc. If they should make any changes they would have to go thru the entire process of approval of a plat.

Alderman Shumate asked if the sewer extension is included in the plat. Staff said yes.

Alderman Shumate asked what happens if in two years he doesn't get the plat approved. Staff said he has always complied in the past. If he doesn't he can be issued tickets and fines.

The Resolution passed by a vote of three to one with Eric Shumate voting nay.

PUBLIC HEARINGS

CUP FOR COMMUNICATION TOWER AT 455 SAM BARR DRIVE

ORDINANCE NO 1313-2016 Bill No. 17-2016, an ordinance granting a Conditional Use Permit allowing a 100 feet telecommunications tower at 455 South Sam Barr Drive, was presented and read by Title only.

Staff said Tony Holland, Isotech is requesting a Conditional Use Permit for a 100 foot tower at the First Missouri Bank on Sam Barr Drive. Isotech is a wireless internet provider, which markets under the name of KC Coyote and is owned by Tony Holland.

The Planning and Zoning Commission approved the request at their September 12th meeting.

The floor was opened to the public.

There being no comments from the public, the floor was closed.

A motion was made by Alderman Shumate and seconded by Alderman Steiner to approve the ordinance as read on the first reading. The motion carried by a vote of four to zero.

A motion was made by Alderman Holt and seconded by Alderman Spencer to place Bill No. 17-2016 on its second and final reading. Said Bill was thereupon read and considered, and was duly passed by the following roll call vote: Voting for the Motion: Holt, Steiner and Shumate. The motion carried by a four to zero vote. The Bill was then duly numbered **Ordinance No. 1313-2016**.

ALDERMEN DISCUSSION

ALDERMAN SHUMATE Alderman Shumate asked how we are progressing on the YMCA survey. Staff said there will be a meeting October 7th at City Hall. We hope to have the results September 27th. We may be able to have it on October 3rd meeting.

ALDERMAN HOLT Alderman Holt said everything seemed to go good with the Jesse James Festival. He said they had \$9200 in parking fees at the rodeo.

Alderman Holt asked where we are at with the landscaping at the Sam Barr round about. Mayor Dane asked Staff to call Missy Riley and if she can't come in to talk about it next week then we will move on to someone else.

ALDERMAN SPENCER Alderman Spencer said not only did the Festival do well, but the Jesse James Farm did well also. She said the vendors said they did well at the Craft area also.

MAYOR DANE Mayor Dane said they had 75 kids catching fish at the fishing tournament in Jesse James Park.

MAYOR DANE Mayor Dane asked Alderman Spencer how things were going at the museum. She said they are moving right along. She said they had termite damage in one area and they have had it sprayed.

ADJOURNMENT There being no further business on the agenda, a motion was made by Alderman Holt and seconded by Alderman Steiner to adjourn. The motion carried unanimously.

The following bills were presented for payment at the September 19th meeting:

VENDOR NAME	ORG DESC	AMOUNT	CHECK NO	FULL DESC
PAYCOR PAYROLL	General Fund Balance Acct	\$8,413.51	1249	FICA, FIT, MED PAYROLL TX
PAYCOR PAYROLL	General Fund Balance Acct	\$2,533.00	1247	STATE WITHHOLDING
PAYCOR PAYROLL	General Fund Balance Acct	\$6,983.58	1249	FICA, FIT, MED PAYROLL TX
PAYCOR PAYROLL	General Fund Balance Acct	\$1,633.28	1249	FICA, FIT, MED PAYROLL TX
VOYA FINANCIAL ADVIS	General Fund Balance Acct	\$1,513.00	4014472	DEFERRED COMP VF-3137
PAYCOR PAYROLL	General Fund Balance Acct	\$225.00	1248	FAMILY SUPPORT
MO DEPT OF REVENUE-C	General Fund Balance Acct	\$249.38	4014434	CVC FEES-AUG
MO DEPT OF PUBLIC	General Fund Balance Acct	\$35.00	4014433	POST FEES-AUG
SYNERGY SERVICES INC	General Fund Balance Acct	\$140.00	4014462	DV FEES-AUG
MISSOURI GAS ENERGY	City Hall Expenses	\$55.57	4014432	CITY HALL
PAYCOR PAYROLL	City Hall Expenses	\$340.58	1246	PAYROLL SERVICE FEE
NPG NEWSPAPERS INC	City Hall Expenses	\$180.00	4014442	CITY HALL WINDOW BID-AD
NPG NEWSPAPERS INC	City Hall Expenses	\$342.00	4014442	4X PROPERTY TAX LEVY AD
COVERALL OF KANSAS	City Hall Expenses	\$234.00	4014398	CLEANING CITY HALL -SEPT
K.C. METRO LAWN	City Hall Expenses	\$89.00	4014416	MOWING AUG/22,23,24,25,26
K.C. METRO LAWN	City Hall Expenses	\$89.00	4014416	MOWING AUG/15,16,17,18,19
K.C. METRO LAWN	City Hall Expenses	\$35.00	4014416	LANDSCAPE MAINT 8/1
K.C. METRO LAWN	City Hall Expenses	\$35.00	4014416	LANDSCAPE MAINT 9/1
NUTS AND BOLTS	City Hall Expenses	\$6.99	4014443	WIRE ROPE, FASTENERS
NUTS AND BOLTS	City Hall Expenses	-\$1.01	4014443	FLAGPOLE HARDWARE RETURN
NUTS AND BOLTS	City Hall Expenses	\$8.28	4014443	FLAGPOLE HARDWARE
UNISOURCE, INC	City Hall Expenses	\$1.71	4014466	OVERAGE 8/6-9/5
NUTS AND BOLTS	City Hall Expenses	\$1.98	4014443	22 FASTENERS CH CHAIRS
UMZUZU	City Hall Expenses	\$155.94	4014465	GOOGLE MAIL & APS
MARC	City Hall Expenses	\$1,500.00	4014428	COMMUNITIES FOR ALL AGES
HALL, R. BRIAN, PC	City Hall Expenses	\$5,070.00	4014407	P&Z, COURT, GAS, DEPOT
K.C. METRO LAWN	City Hall Expenses	\$670.00	4014416	MOWING AUG/22,23,24,25,26
K.C. METRO LAWN	City Hall Expenses	\$335.00	4014416	MOWING AUG/15,16,17,18,19
TRUSS (CRETCHER)	City Hall Expenses	\$100.00	4014464	CERTIFICATE MGNT SERVICE
FORM-TECH INC.	City Hall Expenses	\$17.55	4014401	CITY OF KEARNEY STAMP
MODOR REVENUE-SLSTX	City Hall Expenses	\$35.00	4014436	AUG SALES TAX REPORTS
STAPLES ADVANTAGE	City Hall Expenses	\$83.60	4014459	10 CASES COPY PAPER
PITNEY BOWES GLOBAL	City Hall Expenses	\$61.71	4014447	LEASE 6/30-9/29 POST MACHINE
TAKECAREOFMYWEBSITE	City Hall Expenses	\$300.00	4014463	OCT WEB SERVICE
DOLLAR GENERAL	City Hall Expenses	\$36.00	4014400	CANCY FOR MAYOR @ JJ PARADE
WACA	Court & Legal Expenses	\$25.00	4014473	BO SHELBY COURT TRNG
HALL, R. BRIAN, PC	Court & Legal Expenses	\$1,185.00	4014407	P&Z, COURT, GAS, DEPOT
SPRINT	Community Development Dir Exp	\$99.39	4014458	CELL PHONES & TABLETS
NPG NEWSPAPERS INC	Community Development Dir Exp	\$57.82	4014442	P-Z HEARINGS
NPG NEWSPAPERS INC	Community Development Dir Exp	\$19.75	4014442	HEARING 9/5 MONUMENT SIGNAGE
DAVINCI REP	Community Development Dir	\$74.86	4014399	2 ROLLS 36" PAPER

	Exp				
PAVLICH, DAVID	Community Development Dir				
	Exp	\$262.50	4014446		MAY-AUG 625 MILES
	Community Development Dir				
PLATTE CLAY ELECTRIC	Exp	\$140.25	4014448		66 GALLONS FUEL
MISSOURI GAS ENERGY	Firehouse Center	\$48.39	4014432		OLD FIRE HOUSE
	Kearney Historic Museum				
MISSOURI GAS ENERGY	Expns	\$38.15	4014432		MUSEUM
	Kearney Historic Museum				
MISSOURI GAS ENERGY	Expns	\$33.33	4014432		MUSEUM BLDG 2
	Kearney Historic Museum				
K.C. METRO LAWN	Expns	\$23.00	4014416		MOWING AUG/22,23,24,25,26
	Kearney Historic Museum				
K.C. METRO LAWN	Expns	\$23.00	4014416		MOWING AUG/15,16,17,18,19
KIRKLAND, ADAM	Police Dept. Expenses	\$67.50	4014422		SECURITY LOCASH
MISSOURI GAS ENERGY	Police Dept. Expenses	\$38.15	4014432		POLICE STATION
SPRINT	Police Dept. Expenses	\$339.18	4014458		CELL PHONES & TABLETS
K.C. METRO LAWN	Police Dept. Expenses	\$45.00	4014416		MOWING AUG/22,23,24,25,26
K.C. METRO LAWN	Police Dept. Expenses	\$45.00	4014416		MOWING AUG/15,16,17,18,19
K.C. METRO LAWN	Police Dept. Expenses	\$48.00	4014416		LANDSCAPE MAINT 8/1
K.C. METRO LAWN	Police Dept. Expenses	\$48.00	4014416		LANDSCAPE MAINT 9/1
SPRAY AWAY INC	Police Dept. Expenses	\$155.00	4014457		SPRAY INSIDE & OUT @ PD
V H BLACKINTON CO.,	Police Dept. Expenses	\$7.50	4014470		REFINISH KPD970 BADGE
V H BLACKINTON CO.,	Police Dept. Expenses	\$7.50	4014470		REFINISH KPD971 BADGE
UMZUZU	Police Dept. Expenses	\$138.61	4014465		GOOGLE MAIL & APS
O'REILLY AUTOMOTIVE	Police Dept. Expenses	\$31.98	4014444		DECAL REMOVER FOR CARS
O'REILLY AUTOMOTIVE	Police Dept. Expenses	\$2.59	4014444		WIPER FLUID KPD978
HUNTS CAR CARE CNTR	Police Dept. Expenses	\$599.24	4014413		4 NEW TIRES KPD995
STAPLES ADVANTAGE	Police Dept. Expenses	\$83.60	4014459		10 CASES COPY PAPER
PLATTE CLAY ELECTRIC	Police Dept. Expenses	\$2,596.01	4014448		1275 GALLONS FUEL
UPS	Police Dept. Expenses	\$13.59	4014467		RET-12 V CONNECTORS
UPS	Police Dept. Expenses	\$16.13	4014467		SHIP 3 BADGES
GUMSHOE GRAPHICS LLC	Police Dept. Expenses	\$115.00	4014405		SIGNS-STRIPING NEW CARS
KCB BANK	Park Cap Imprvmnt Expense	\$15,000.00	4014418		AMPHITHEATER L/P
KEARNEY TRUST CO	Park Cap Imprvmnt Expense	\$15,000.00	4014420		AMPHITHEATER L/P
KCB BANK	Park Cap Imprvmnt Expense	\$1,662.50	4014418		AMPHITHEATER L/P
KEARNEY TRUST CO	Park Cap Imprvmnt Expense	\$1,662.50	4014420		AMPHITHEATER L/P
MO STATE HIGHWAY PAT	Police Training Expenses	\$40.00	4014435		DWI TRNG KPD981 4 CR HRS
PAYCOR PAYROLL	Park Fund Balance Acct	\$978.53	1249		FICA, FIT, MED PAYROLL TX
PAYCOR PAYROLL	Park Fund Balance Acct	\$312.00	1247		STATE WITHHOLDING
PAYCOR PAYROLL	Park Fund Balance Acct	\$1,033.92	1249		FICA, FIT, MED PAYROLL TX
PAYCOR PAYROLL	Park Fund Balance Acct	\$241.80	1249		FICA, FIT, MED PAYROLL TX
VOYA FINANCIAL ADVIS	Park Fund Balance Acct	\$150.00	4014472		DEFERRED COMP VF-3137
SPRINT	Park Fund Expenses	\$90.30	4014458		CELL PHONES & TABLETS
NPG NEWSPAPERS INC	Park Fund Expenses	\$205.80	4014442		YOUTH V-BALL #88497-0816
O'REILLY AUTOMOTIVE	Park Fund Expenses	\$15.27	4014444		WIPERS, TWLS, HAND CLNR
O'REILLY AUTOMOTIVE	Park Fund Expenses	\$23.12	4014444		GEAR LUBE, SCOOP, CLNR
PUBLIC WATER DIST#3	Park Fund Expenses	\$427.68	4014452		IRRIGATION @ JJ PARK
PUBLIC WATER DIST#3	Park Fund Expenses	\$113.18	4014452		WATER USAGE @ JJ PARK
K.C. METRO LAWN	Park Fund Expenses	\$930.00	4014416		MOWING AUG/22,23,24,25,26
K.C. METRO LAWN	Park Fund Expenses	\$930.00	4014416		MOWING AUG/15,16,17,18,19
WASTE MANAGEMENT	Park Fund Expenses	\$360.00	4014475		TOILETS @ JJ PARK SOCCER & TRL
WASTE MANAGEMENT	Park Fund Expenses	\$148.00	4014475		LIONS PARK TOILETS
WASTE MANAGEMENT	Park Fund Expenses	\$60.00	4014475		TOILET @ MP PARK
HERITAGE TRACTOR	Park Fund Expenses	\$359.19	4014409		3 MOWER TIRES
HERITAGE TRACTOR	Park Fund Expenses	\$10.90	4014409		GREASE CAPS FOR MOWERS
HERITAGE TRACTOR	Park Fund Expenses	\$14.00	4014409		MOWER FUEL FILTER
HERITAGE TRACTOR	Park Fund Expenses	\$8.94	4014409		MOWER SCREW & LOCK NUT
HERITAGE TRACTOR	Park Fund Expenses	\$8.53	4014409		MOWER DIESEL FUEL CONDITIONER
NUTS AND BOLTS	Park Fund Expenses	\$6.87	4014443		NUTS, BOLTS FOR MOWERS
O'REILLY AUTOMOTIVE	Park Fund Expenses	\$5.38	4014444		BULBS FOR PRK TRK 1
LANDEWEE, JOSHUA	Park Fund Expenses	\$306.00	4014423		FALL LEAGUE-REMAINING BALANCE
LANDEWEE, JOSHUA	Park Fund Expenses	\$200.00	4014423		SOFTBALL UMPIRE
HOLMES, DANNY	Park Fund Expenses	\$140.00	4014412		SOFTBALL LEAGUE UMPIRE

MOORE, BRIAN	Park Fund Expenses	\$60.00	4014437	SOFTBALL UMPIRE
WHEELER, CALEB	Park Fund Expenses	\$40.00	4014477	SOFTBALL UMPIRE
LCS COMPANIES, LLC	Park Fund Expenses	\$400.00	4014389	POKEMON GO VIDEO
PLATTE CLAY ELECTRIC	Park Fund Expenses	\$479.59	4014448	245 GALLONS FUEL
PITNEY BOWES GLOBAL	Park Fund Expenses	\$61.71	4014447	LEASE 6/30-9/29 POST MACHINE
FUN SERVICES OF KC	Park Fund Expenses	\$8,041.50	4014402	KIDS FEST CONTRACT
PRAXAIR DISTRIBUTION	Park Special Projects	\$42.81	4014451	CO2 FOR AMP
MCCARTY, BRIAN	Park Special Projects	\$1,350.00	4014429	BAND FOR OCTOBERFEST
IRONMIKE'S WELDING	Park Special Projects	\$56.00	4014415	1'X20' METAL ROD
NPG NEWSPAPERS INC	Park Special Projects	\$1,886.00	4014442	STICKY NOTES-LOCASH #255218-0816
YATES ELECTRIC CO.	Park Special Projects	\$877.98	4014478	INSTALL CAT 5 @ AMP
WASTE MANAGEMENT	Park Special Projects	\$1,560.00	4014475	TOILETS @ AMP PAVILLION
PAYCOR PAYROLL	Transportation Fund Balance	\$706.83	1249	FICA, FIT, MED PAYROLL TX
PAYCOR PAYROLL	Transportation Fund Balance	\$237.00	1247	STATE WITHHOLDING
PAYCOR PAYROLL	Transportation Fund Balance	\$768.92	1249	FICA, FIT, MED PAYROLL TX
PAYCOR PAYROLL	Transportation Fund Balance	\$184.52	1249	FICA, FIT, MED PAYROLL TX
PLATTE CLAY ELECTRIC	Transportation Expense	\$7,317.16	4014449	STREET LIGHTS
AMEREN UE	Transportation Expense	\$28.77	1245	ST LIGHT @ CVS 1467062005
MISSOURI GAS ENERGY	Transportation Expense	\$38.15	4014432	STREET BARN
MISSOURI GAS ENERGY	Transportation Expense	\$38.15	4014432	COMPOST BLDG
SPRINT	Transportation Expense	\$128.29	4014458	CELL PHONES & TABLETS
K.C. METRO LAWN	Transportation Expense	\$95.00	4014416	MOWING AUG/22,23,24,25,26
K.C. METRO LAWN	Transportation Expense	\$135.00	4014416	MOWING AUG/15,16,17,18,19
KEARNEY LAWN & OUTDO	Transportation Expense	\$41.95	4014419	SPARK PLUG
O'REILLY AUTOMOTIVE	Transportation Expense	\$14.80	4014444	HOSE CLAMP-BACKHOE
O'REILLY AUTOMOTIVE	Transportation Expense	\$24.21	4014444	OIL FILTER, MOTOR OIL
O'REILLY AUTOMOTIVE	Transportation Expense	\$37.86	4014444	MOWER BELTS
O'REILLY AUTOMOTIVE	Transportation Expense	-\$10.94	4014444	RETURN PWR BELT
O'REILLY AUTOMOTIVE	Transportation Expense	\$11.04	4014444	PWR BELTS
O'REILLY AUTOMOTIVE	Transportation Expense	\$38.72	4014444	ENG CLNR, FUEL TREATMENT
UMZUZU	Transportation Expense	\$20.79	4014465	GOOGLE MAIL & APS
GOODYEAR				
COMMERCIAL	Transportation Expense	\$76.95	4014403	ULT TIRE SWITCH LOOSE
GOODYEAR				
COMMERCIAL	Transportation Expense	\$139.75	4014403	TIRE ROTATATION/ST4
GOODYEAR				
COMMERCIAL	Transportation Expense	\$139.75	4014403	ROTATE TIRES/08 FORD
IDEKER	Transportation Expense	\$2,114.93	4014414	SAM BARR DR REPAIRS/108 T ROCK
PAVEMENT				
MANAGEMENT	Transportation Expense	\$111,926.49	4014445	2016 SLURRY SEAL
ACE PIPE CLEANING, I	Transportation Expense	\$3,358.25	4014391	JET SILHOUETTE STORM DRAIN
ACE PIPE CLEANING, I	Transportation Expense	\$3,670.00	4014391	19TH, STNELK, REGENCY TV LINES
K.C. METRO LAWN	Transportation Expense	\$30.00	4014416	MOWING AUG/15,16,17,18,19
NORRIS QUARRIES	Transportation Expense	\$1,547.02	4014441	87 T ROCK SAM BARR DR
O'REILLY AUTOMOTIVE	Transportation Expense	\$31.96	4014444	WIRE CRIMPER, FUSE
KEARNEY WINSUPPLY	Transportation Expense	\$4.29	4014421	BEAM CLAMP
PLATTE CLAY ELECTRIC	Transportation Expense	\$193.92	4014448	100 GALLONS FUEL
METRO SPORTSWEAR				
LLC	Transportation Expense	\$115.00	4014430	30 ORANGE SAFETY T-SHIRTS
PAYCOR PAYROLL	W&S Revenue Balance Acct	\$2,168.44	1249	FICA, FIT, MED PAYROLL TX
PAYCOR PAYROLL	W&S Revenue Balance Acct	\$759.00	1247	STATE WITHHOLDING
PAYCOR PAYROLL	W&S Revenue Balance Acct	\$2,265.84	1249	FICA, FIT, MED PAYROLL TX
PAYCOR PAYROLL	W&S Revenue Balance Acct	\$529.90	1249	FICA, FIT, MED PAYROLL TX
VOYA FINANCIAL ADVIS	W&S Revenue Balance Acct	\$350.00	4014472	DEFERRED COMP VF-3137
MISSOURI SALES TAX	W&S Revenue Balance Acct	\$3,348.82	4014390	SALES TAX PMT -AUG
RANDY LEHMAN	W & S Revenue Receipts	\$7.27	4014425	OVERPAYMENT 1804 ESTHER ST
CENTURYLINK	W & S Admin. Expenses	\$164.72	4014396	I-35 TWR #440952605
CENTURYLINK	W & S Admin. Expenses	\$105.19	4014396	162ND TWR #431853888
CENTURYLINK	W & S Admin. Expenses	\$187.60	4014396	SWR PH & DSL 313397677
SPRINT	W & S Admin. Expenses	\$264.95	4014458	CELL PHONES & TABLETS
UMZUZU	W & S Admin. Expenses	\$124.76	4014465	GOOGLE MAIL & APS
AMERICAN PRIDE EXPRE	W & S Admin. Expenses	\$40.95	4014394	LUBE/OIL KWD4
GOODYEAR				
COMMERCIAL	W & S Admin. Expenses	\$139.75	4014403	TIRE REPAIRS/SWITCH KWD3

STAPLES ADVANTAGE	W & S Admin. Expenses	\$83.60	4014459	10 CASES COPY PAPER
PLATTE CLAY ELECTRIC	W & S Admin. Expenses	\$747.03	4014448	368 GALLONS FUEL
UPS	W & S Admin. Expenses	\$9.28	4014467	POSTAGE WTR SAMPLES
METRO SPORTSWEAR LLC	W & S Admin. Expenses	\$115.00	4014430	30 ORANGE SAFETY T-SHIRTS
MISSOURI GAS ENERGY	Water Plant Expenses	\$38.15	4014432	WATER PUMPS
MISSOURI GAS ENERGY	Water Plant Expenses	\$38.15	4014432	WATER PLANT
ADT SECURITY SERVICE	Water Plant Expenses	\$31.95	4014392	WTR PLT 201311326
K.C. METRO LAWN	Water Plant Expenses	\$154.00	4014416	MOWING AUG/22,23,24,25,26
K.C. METRO LAWN	Water Plant Expenses	\$189.00	4014416	MOWING AUG/15,16,17,18,19
ARKANSAS ELECT	Water Plant Expenses	\$27.60	4014395	PADLOCK SEAL TOWER GATES
USA BLUE BOOK	Water Plant Expenses	\$413.74	4014469	MARKING FLAGS-BLUE
AIR COMPRESSOR	Water Plant Expenses	\$324.59	4014393	AIR COMPRESSOR REPR
GRAFF TECHNOLOGY SOL	Water Plant Expenses	\$280.00	4014404	SCREEN REPR WTR TABLET
KANSAS CITY WATER SE	Water Plant Expenses	\$24,038.58	4014417	7.4 MIL GAL KC WTR USAGE
ROYAL PAPER	Water Plant Expenses	\$57.25	4014455	PWDLESS GLOVES, 2 CASES T-BAGS
HACH CHEMICAL	Water Plant Expenses	\$1,545.84	4014406	TEST CHEMICALS
COSENTINO'S PRICE	Water Plant Expenses	\$32.56	4014397	20 GAL DIST WTR & WIPES
UPS	Water Plant Expenses	\$84.08	4014467	WATER SAMPLES-AUG
WALLER LOGISTICS	Water Plant Expenses	\$700.00	4014474	LIME HAULING FEE
HD SUPPLY	Water Plant Expenses	-\$114.82	4014408	CREDIT OF INV #F794861
HD SUPPLY	Water Plant Expenses	\$1,837.12	4014408	16 METERS
KEARNEY WINSUPPLY	Water Plant Expenses	\$1,404.21	4014421	METER SET PARTS
K.C. METRO LAWN	Sewer Plant Expenses	\$195.00	4014416	MOWING AUG/22,23,24,25,26
K.C. METRO LAWN	Sewer Plant Expenses	\$195.00	4014416	MOWING AUG/15,16,17,18,19
NUTS AND BOLTS	Sewer Plant Expenses	\$8.48	4014443	STEP LADDER, CLEANER
NUTS AND BOLTS	Sewer Plant Expenses	\$44.54	4014443	CONCRETE SEALANT,ANCHOR CEMENT
ACE PIPE CLEANING, I	Sewer Plant Expenses	\$2,380.00	4014391	E MAJOR CLN & TV LINES
RHODUS, GREG	Sewer Plant Expenses	\$3,800.00	4014454	190T SLUDGE HAULED
KEARNEY LAWN & OUTDO	Sewer Plant Expenses	\$64.51	4014419	REPL CARB ON BG55 BLOWER
O'REILLY AUTOMOTIVE	Sewer Plant Expenses	\$1.80	4014444	WASHERS
YATES ELECTRIC CO.	Sewer Plant Expenses	\$605.29	4014478	REPR DO PROBE CABLE @WWTP
ROYAL PAPER	Sewer Plant Expenses	\$129.25	4014455	POWDERLESS GLOVES, 2 CASES TRASH BAGS
NUTS AND BOLTS	Sewer Plant Expenses	\$79.99	4014443	STEP LADDER, CLEANER
COSENTINO'S PRICE	Sewer Plant Expenses	\$16.02	4014397	18 GAL DIST WTR
NUTS AND BOLTS	Sewer Plant Expenses	\$8.58	4014443	LAB MAILING ICE SAMPLES TRAYS
MIDWEST LABORATORIES	Sewer Plant Expenses	\$112.28	4014431	AMMONIA TEST
PORTER, CRAIG	Meter Deposit Bal. Acct	\$59.61	4014450	METER REFD 603 E PORTER RIDGE CT
HOFFMANN CUSTOM	Meter Deposit Bal. Acct	\$5.97	4014411	METER REFD 1401 REGENCY DR
ROBERT MOREY	Meter Deposit Bal. Acct	\$19.54	4014438	METER REFD 1714 SUNSET DR
DAVID LEIGHR	Meter Deposit Bal. Acct	\$4.22	4014426	METER REFD 608 E 15TH ST
KAREN MULLORY	Meter Deposit Bal. Acct	\$47.27	4014440	METER REFD 903 SOUTHBROOK PRKWY
MICHAEL SUMMERS	Meter Deposit Bal. Acct	\$19.54	4014461	METER REFD 1501 MELISSA CT
BRIDGET LINGERGFELT	Meter Deposit Bal. Acct	\$10.31	4014427	METER REFD 404 15TH ST CIR
MICHEL MUCHOW	Meter Deposit Bal. Acct	\$2.49	4014439	METER REFD 1102 REGENCY DR
JENNIFER READE	Meter Deposit Bal. Acct	\$19.54	4014453	METER REFD 810 W 7TH AVE
BLAIR WELSH	Meter Deposit Bal. Acct	\$43.81	4014476	METER REFD 1105 SILHOUETTE DR
LARKIN LAMP	Sewer Cap. Imp. Expenses	\$3,125.00	4014424	61% OF CONTRACT HEADWORKS FACILITY
LARKIN LAMP	Sewer Cap. Imp. Expenses	\$16,250.00	4014424	56% COMPLETE HEADWORKS FACILITY
US BANCORP	Sewer Cap. Imp. Expenses	\$3,098.05	4014468	ROTARY FAN PRESS 38507161
US BANCORP	Sewer Cap. Imp. Expenses	\$594.50	4014468	ROTARY FAN PRESS 38507161
K.C. METRO LAWN	Highway Constr Expense	\$450.00	4014416	LANDSCAPE MAINT 8/1
K.C. METRO LAWN	Highway Constr Expense	\$450.00	4014416	LANDSCAPE MAINT 9/1
SNIDER, MONA	2015 Street Bond Expense	\$93.58	4014456	19TH ST REPAIR DOG FENCE
UMB BANK	2001 SRF Rev Bd Expense	\$13,333.33	1250	2001C DWSRF KC WATER
UMB BANK	2001 SRF Rev Bd Expense	\$2,797.91	1250	2001C DWSRF KC WATER
UMB BANK	W & S Oblig. Expenses	\$4,583.33	1251	1997 E SRF GO BONDS
VIREO	Community Development	\$4,940.00	4014471	COMP PLAN #12
HERNER CONSTRUCTION	Police Capital Purchases	\$24,605.00	4014410	18% CONTRACT
STAR ACQUISITIONS	Shoppes Tif Expense	\$57,271.51	4014460	SEPT EATS
TOTAL		\$408,418.55		

APPROVED: _____ ATTEST: _____
Billy R. Dane, Mayor Jim Eldridge, City Clerk

BOARD OF ADJUSTMENT

September 28, 2016

The Kearney Board of Adjustment met in special session at 6:30 P.M., September 28, 2016 at Kearney City Hall, 100 East Washington, with Jim Thomas presiding. Members present were Bill Duncan, Rue Lovett, Dick Kramer and Alan Gustin. Staff members were present were David Pavlich and Shirley Zimmerman.

Jim Thomas opened the meeting with the Pledge of Allegiance.

OATH OF OFFICE Shirley Zimmerman administrated the Oath of Office to Alan Gustin. His term will expire June 1, 2021.

MINUTES A motion was made by Rue Lovett and seconded by Bill Duncan to approve the February 29, 2016 minutes as presented. The motion carried unanimously.

NEW BUSINESS

VARIANCE REQUEST BY MCK FOR LOT 3 JAMESTOWNE VILLAGE

Staff presented an application from MCK Partnership for Lot 3, Jamestowne Village Phase 2 for the following variances:

1. Section 405.305 – Minimum lot depth of 110 feet
The existing east-west dimension of the lot is 104.99 feet, which does not meet the minimum lot depth requirement of 110 feet. A variance of 5.01 feet from the minimum lot depth requirement is requested, allowing a lot that is 104.99 feet deep.

Staff presented the following Exhibit items:

- A. Municipal Code
- B. Notice posted in paper
- C. Staff Report
- D. Copy of the application and plot plan

Staff reported that Lot 3, Jamestowne Village Phase 2 is located at the southeast corner of Harbor Drive and Cambridge Circle. Harbor Drive is located along the west side of the lot and Cambridge Circle is located along the north side of the lot.

Lot 3 slopes from southwest to northeast, with the high side of the lot to the southwest and the low side of the lot to the northeast. The subdivision detention basin is located on Cambridge Circle, across the street to the north of the lot.

Based on topography of the lot, MCK Partnership proposes to construct a house facing Harbor Drive. Orienting the house such that the front of the lot faces Harbor Drive results in a lot that does not meet the minimum lot depth requirement of 110 feet. A variance to the minimum lot depth requirement is needed.

VARIANCE REQUEST BY MCK FOR LOT 3 JAMESTOWNE VILLAGE

Alan Gustin asked if there is a house on the pie shaped lot near Lot 3. Staff said yes there is.

Staff said the proposed house on the lot meets all front, side and rear yard setback requirements. This will have the house facing the same way as the adjoining houses.

Rue Lovett asked if we had received any objections after posting the notices. Staff said we had not heard from anyone.

The floor was opened to the public.

Craig Porter, MCK Partnership, said he would be more than glad to answer any questions.

Alan Gustin asked if there was a HOA in the subdivision and did they allow outbuildings on a property. Mr. Porter said there is a HOA and it is managed by the developer at this time. He said it will soon be turned over to the homeowners. He said there are no outbuildings allowed. Anything additionally built would have to be attached to the house.

The floor was closed to the public.

Alan Gustin and Rue Lovett both said this change will enhance the project.

A motion was made by Bill Duncan and seconded by Dick Kramer to approve the application from MCK Partnership for Lot 3, Jamestowne Village Phase 2 for the following variances:

1. Section 405.305 – Minimum lot depth of 110 feet
The existing east-west dimension of the lot is 104.99 feet, which does not meet the minimum lot depth requirement of 110 feet. A variance of 5.01 feet from the minimum lot depth requirement is requested, allowing a lot that is 104.99 feet deep.

The motion was approved by a vote of five to zero.

ADJOURNMENT There being no further business on the agenda, a motion was made by Rue Lovett and seconded by Alan Gustin to adjourn. The motion carried unanimously.

Approved: _____ Attest: _____
Jim Thomas, Chairperson David Pavlich, CDD

Kearney Park Board Minutes---Tuesday September 20th, 2016 (Draft...For Park Board approval on 10/18 meeting)

On Tuesday September 20th, 2016 the Kearney Park Board met for its monthly meeting. Jeff Couchman called the meeting to order. Members present were Jeff Couchman, Eric Shumate, Todd Stowe, Julie Jones, Ed Haney and Connie Crawford. Staff members present were Ryan Marcotte and Eric Marshall. Bruce Sprague was absent.

Connie Crawford made the motion to accept the minutes from the August, 2016 meeting, and Ed Haney seconded the motion. The motion carried 6-0

Public Requests and Petitions Steve Main, 1717 Sunset Drive, Kearney Missouri, came before the board requesting permission to once again host the 2017 Lions Club Wine Tasting Event, with a proposed date of Saturday, June 3rd, at the Jesse James Pavilion in Jesse James Park. Steve explained it would be held once again in the afternoon to early evening, with the times exactly not set. Jeff Couchman asked staff if we see any conflicts in this date being requested. Staff told the board, we have kept this date open, reserved for the Lions Club Wine Taste event for the first Saturday in June, so no concerts or conflicts will happen. Staff also stated that Steve Main, and Marion hood have already started getting the insurance requirements needed for this event, and will be given to the City of Kearney well in advance of their event per City requirements.

After no further discussion, Todd Stowe made the motion to allow the Lions Club Wine Tasting event, set for Saturday June 3rd 2017 at the Jesse James Pavilion in Jesse James Park, per contract requirements set forth by the City. Connie Crawford seconded the motion, and the motion carried 6-0.

Old Business—Eric mentioned that city staff was in the process of continuing maintenance of the Jesse James Park after now that the festival is complete. Fixing ruts, which amazingly were minimal, considering all the rain leading up to the Festival is being taken care of. We will be aerating the soccer fields, grass parking lots at Jesse James Park, and also aerating the ball fields at Mack Porter once the games are completed this fall. Ryan mentioned that we will be planting 12 white pine trees in Fairview Cemetery, which will take place once Missouri Dig rite has completed their checks for potential conflicts. Staff also stated that we have been replacing new home plates at the ball fields, so the fields are acceptable for good playing conditions

Ryan said that the department has started the games for girl's volleyball and that all games are being played at the Kearney High School. Eric Shumate asked how many teams we had playing, with staff reporting, 11 total teams, with approximately 90 girls participating. Sign-up forms were available in schools as well as on the city website.

Eric stated the fall adult men's and coed softball league is nearing completion, as we had to push the league back due to rain outs. We have approximately 3-4 weeks to play yet. We have men's, playing Wednesday, coed, playing Friday's, and also this fall, a church league which plays Monday evenings.

Staff brought information to the board requesting permission to approve an intergovernmental agreement between the City of Kearney, and the Kearney R-1 School District, which pertains to the Mayor's initiative. Marie Steiner at the August meeting presented those findings of a skate park as being the project to undertake. In the August meeting that was approved by the Park Board. Staff reported that City attorney Brian Hall has drafted an agreement in principal between the two entities, allowing the City of Kearney to lease the existing tennis courts for the purpose of having that area become a skate park, and Pickle Ball court. Eric attended the September 15th School Board meeting, which the enclosed proposed agreement, and was unanimously approved by the School District. Eric asked the board, that if this agreement draft was acceptable to the Park Board, we then would take the agreement to the Board of Aldermen for their approval... then if that is approved, a formal intergovernmental agreement would be drawn up and signed by both the City of Kearney and the Kearney R-1 School District, leasing the existing tennis courts on 19th street to the City of Kearney. Connie asked staff what area would be the Pickle Ball Court, which staff suggested using the west area for Pickle Ball, and the remaining area for Skate Park. Eric Shumate asked if conflicts between the skaters and users of Pickle Ball would happen. Ryan mentioned it is the intent to put a dividing net between the areas in the future so that the areas would then be defined. Staff reported that if approved, budgetary figures would have to be given to Jim Eldridge, for the purpose of buying skate park equipment and different netting for the Pickle Ball court(s), along with a dividing net as well. If the intergovernmental agreement is passed, we would come back for approval of requested items of skate park equipment for the area for the Park Board's approval. Todd stated he thought this was a great idea, as we have been talking of doing a skate park for many years, and an existing location, with surface and parking already in place is a bonus for us, allowing those kids a great area to use their skateboards in an enclosed location. After no further discussion, Ed Haney made a motion to accept the proposed draft to make the existing tennis courts in to a skate park/Pickle Ball site. Julie Jones seconded the motion, and to send on to the Board of Aldermen for their approval, and to have a formal intergovernmental contract between the City of Kearney and Kearney R-1 School District. Motion approved 6-0.

New Business Staff told the board that the Fall Kids fest will be held on Saturday, October 8th, from 1-4 pm at Jesse James Park, in the carnival lot. Eric mentioned that we budget around 9,000 for this fantastic event, as we have both air toys, and mechanical rides, along with various businesses, church participation, and non profit organizations, also contributing to this event for the youth of Kearney. Eric Shumate asked how we get the word out for this event. Ryan mentioned that we take individual flyers to each of the elementary schools, along with all of the day care providers in town.

Ryan mentioned that the annual Jim Bach memorial Oktoberfest will be held Saturday, October 1st, with this year changing the time from evening to afternoon from 2-6 pm. Ryan mentioned we hope to have warmer weather at this time. German food, polka band, and of course refreshments will be served, with a \$5 entry fee.

Amphitheater Ryan recapped the Amphitheater season, noting most shows were not attended as well as hoped. We have had discussions of not having a set

number of national acts, where we have had to “settle” on acts, and instead getting acts we think would be attended well, and if we have fewer acts to accomplish this, this is what we think would better benefit the amphitheater. We also will look at diversifying, looking different genres as well, if we feel it would so benefit the amphitheater. Ryan mentioned we will be having our agent come up and visit with Mayor, Jim, and staff, so start the process of looking for the 2017 season, which would be year ten of the amphitheater. Staff reported we would keep them informed of how this is progressing.

STAFF COMMENTS AND ADJOURNMENT

After no further board comments, and there being no further business on the agenda, a motion was made by Todd Stowe, and seconded by Connie Crawford to adjourn.

Approved: _____
Jeff Couchman Chairperson

Attest: _____
Ed Haney, Secretary

VENDOR	VENDOR NAME	ORG DESC	AMOUNT	FULL DESC
102	AFLAC/REMITTANCE	General Fund Balance Acct	\$402.22	SUPPLEMENTAL INSURANCE
455	DELTA DENTAL OF MO	General Fund Balance Acct	\$1,376.40	DENTAL INS-OCT
2215	VISION SERVICE PLAN	General Fund Balance Acct	\$294.90	EYE INS-OCT
2292	HUMANA INSURANCE CO	General Fund Balance Acct	\$15,970.22	HEALTH & LIFE INS
1292	MISSOURI LAGERS	General Fund Balance Acct	\$8,892.51	SEPTEMBER CONTRIBUTION-5479
157	VOYA FINANCIAL ADVIS	General Fund Balance Acct	\$1,513.00	DEFERRED COMP VF-3137
2822	DONALD PETTY	General Admin. Revenues	\$885.50	OVERPAYMENT ON F&CC
2101	AMEREN UE	City Hall Expenses	\$573.90	CITY HALL
450	DANE, BILLY R	City Hall Expenses	\$175.00	MAYOR'S PHONE ALLOWANCE
1402	NEWCOMBS WINDOW SERV	City Hall Expenses	\$50.00	CITY HALL WINDOW CLEANING
1420	CINTAS CORP	City Hall Expenses	\$6.00	UNIFORM RENTAL
1420	CINTAS CORP	City Hall Expenses	\$25.00	CITY HALL RUG RENTALS
1420	CINTAS CORP	City Hall Expenses	\$6.00	UNIFORM RENTALS
1420	CINTAS CORP	City Hall Expenses	-\$12.00	WTR RUG & UNIFORM RENTAL
1420	CINTAS CORP	City Hall Expenses	\$25.00	CITY HALL RUG RENTALS
2443	K.C. METRO LAWN	City Hall Expenses	\$89.00	MOWING SEPT 6,9,10
2443	K.C. METRO LAWN	City Hall Expenses	\$89.00	MOWING 8/29,30,31 & 9/2
16008	PATRON INSIGHT	City Hall Expenses	\$600.00	KEARNEY IS OPEN WEB E-LETTER
1373	MARSHALL TREES & NU8	City Hall Expenses	\$1,000.00	12 WHITE PINE 6'
2443	K.C. METRO LAWN	City Hall Expenses	\$335.00	MOWING SEPT 6,9,10
2443	K.C. METRO LAWN	City Hall Expenses	\$335.00	MOWING 8/29,30,31 & 9/2
1363	MODOR REVENUE-SLSTX	City Hall Expenses	\$70.00	SHOPPES CID JULY SLS TX RPTS
1807	STAPLES ADVANTAGE	City Hall Expenses	\$105.17	PENS, TABLETS, TONERS, P-CLIPS
2451	SHRED-IT	City Hall Expenses	\$37.89	DOCUMENT SHRED @ CITY HALL
2443	K.C. METRO LAWN	City Hall Expenses	\$60.00	MOWING 114 E 8TH ST
4001	DORSEY	Court & Legal Expenses	\$1,150.00	2 COURTS 8/22, 9/13
902150	KLOPFENSTEIN, BRIAN	Court & Legal Expenses	\$575.00	1 COURT 9/26
3052	CLAY COUNTY DETENTN	Court & Legal Expenses	\$390.00	3 INMATES/ 10 DAYS
975	UNISOURCE LEASING	Community Development Dir Exp	\$211.00	COMM DEV & POLICE COPIER LEASE
1420	CINTAS CORP	Community Development Dir Exp	\$3.76	UNIFORM RENTAL
1420	CINTAS CORP	Community Development Dir Exp	\$3.76	WTR RUGS & UNIFORM RENTALS
1420	CINTAS CORP	Community Development Dir Exp	\$3.63	UNIFORM RENTALS
1420	CINTAS CORP	Community Development Dir Exp	\$3.76	WTR RUG & UNIFORM RENTAL
1420	CINTAS CORP	Community Development Dir Exp	\$3.76	UNIFORM RENTAL
2101	AMEREN UE	Firehouse Center	\$310.89	OLD FIRE HOUSE
788	KEARNEY ENRICHMENT C	Firehouse Center	\$7,500.00	KEC EXEC DIRECTOR 3 OF 4
788	KEARNEY ENRICHMENT C	Firehouse Center	\$7,500.00	SPARK YOUTH 3 OF 4
2101	AMEREN UE	Kearney Historic Museum Expns	\$62.27	MUSEUM
2101	AMEREN UE	Kearney Historic Museum Expns	\$10.24	MUSEUM BLDG 2
2443	K.C. METRO LAWN	Kearney Historic Museum Expns	\$23.00	MOWING SEPT 6,9,10

VENDOR	VENDOR NAME	ORG DESC	AMOUNT	FULL DESC
2443	K.C. METRO LAWN	Kearney Historic Museum Exprns	\$23.00	MOWING 8/29,30,31 & 9/2
190037	SPRAY AWAY INC	Kearney Historic Museum Exprns	\$2,000.00	5 YR WARR-TERMITE 103 WASH ST
760	GAYLORD BROS	Kearney Historic Museum Exprns	\$258.88	ARCHIVAL STORAGE MATERIAL
1601	PLATTE CLAY ELECTRIC	Police Dept. Expenses	\$792.49	POLICE STATION
1420	CINTAS CORP	Police Dept. Expenses	\$25.00	PD RUG RENTALS
2443	K.C. METRO LAWN	Police Dept. Expenses	\$45.00	MOWING SEPT 6,9,10
2443	K.C. METRO LAWN	Police Dept. Expenses	\$45.00	MOWING 8/29,30,31 & 9/2
351	COMMENCO, INC.	Police Dept. Expenses	\$1,532.78	INSTL 800 RADIOS & REMOTE HEADS
351	COMMENCO, INC.	Police Dept. Expenses	\$2,858.50	PROCESS 17-800 MHZ RADIOS
351	COMMENCO, INC.	Police Dept. Expenses	\$35.00	UNITY ANTENNA-KPD976
975	UNISOURCE LEASING	Police Dept. Expenses	\$211.00	COMM DEV & POLICE COPIER LEASE
2562	NUTS AND BOLTS	Police Dept. Expenses	\$12.99	SHOP VAC BAGS-KPD
300017	CENTRAL POWER	Police Dept. Expenses	\$700.98	FUEL LINK,RAIN WTR FLD BASIN
1313	MO VOCATIONAL	Police Dept. Expenses	\$35.72	2 SETS LIC PLATES 977-984
1376	MIDWAY FORD	Police Dept. Expenses	\$91.87	PROGRAM REMOTE CONTROL SYS
2562	NUTS AND BOLTS	Police Dept. Expenses	\$3.00	FASTENERS
8015	HUNTS CAR CARE CNTR	Police Dept. Expenses	\$33.95	LUBE/OIL KPD981
19019	SLIVINSKI'S BAKERY	Police Dept. Expenses	\$20.00	DONUTS KPD & CC SHERIFFS MTG
542	REJIS COMMISSION	Police Dept. Expenses	\$45.50	COURT COMPUTER ACCESS
542	REJIS COMMISSION	Police Dept. Expenses	\$45.50	REJIS USAGE
208	BOARD OF POLICE	Police Dept. Expenses	\$103.50	LAB USAGE-616400 2 ITEMS
399	CLAY COUNTY DRUG FRC	Police Dept. Expenses	\$6,500.00	CLY CTY DRUG TASK FORCE GRANT MATCH
1554	JARVIS, JASON L	Police Dept. Expenses	\$352.00	SECURITY JJ PARADE & DANCE
2045	TRAXLER, BRUCE W	Police Dept. Expenses	\$128.00	SECURITY JJ PARADE
2098	TEALE, JOHN	Police Dept. Expenses	\$352.00	SECURITY JJ PARADE & DANCE
2247	KIRKLAND, ADAM	Police Dept. Expenses	\$60.00	JJ PARADE 4 HRS
2314	WILHELM, STEVE	Police Dept. Expenses	\$352.00	SECURITY JJ PARADE & DANCE
2489	FAHRMEIER, JEREMY	Police Dept. Expenses	\$352.00	SECURITY @ JJ PARADE & DANCE
2803	MURRAY, BRANDON P	Police Dept. Expenses	\$128.00	SECURITY JJ PARADE
902059	NORRIS, PAUL	Police Dept. Expenses	\$128.00	SECURITY JJ PARADE
902126	HUNTER, MATTHEW	Police Dept. Expenses	\$352.00	SECURITY JJ PARADE & DANCE
902127	REEVES, LARRY W JR	Police Dept. Expenses	\$128.00	SECURITY JJ PARADE
1807	STAPLES ADVANTAGE	Police Dept. Expenses	\$93.19	PENS, TABLETS, TONERS, P-CLIPS
2451	SHRED-IT	Police Dept. Expenses	\$45.24	DOCUMENT SHRED @ PD
133	ALTERATIONS AND	Police Dept. Expenses	\$8.50	ALTERATION KPD981
139	ARMORY	Police Dept. Expenses	\$10.00	HEM TROUSERS KPD976
1579	911 CUSTOM	Police Dept. Expenses	\$128.00	LED FLASHLIGHT KPD984
1579	911 CUSTOM	Police Dept. Expenses	\$9,480.00	ALL EMERG EQUIP & INSTALL 984 CAR
1367	MIDDLETON EXCAVATING	Solid Waste Expenses	\$1,200.00	12 HRS LAGOON GRADING
2044	REPUBLIC SERVICES	Solid Waste Expenses	\$1,032.72	TRASH CONTRACT, 6 RECYCLE

VENDOR	VENDOR NAME	ORG DESC	AMOUNT	FULL DESC
2044	REPUBLIC SERVICES	Solid Waste Expenses	\$40.00	LOPEZ 717 MARG-BILLED TO ACCT
2044	REPUBLIC SERVICES	Solid Waste Expenses	\$36,296.58	TRASH CONTRACT, 6 RECYCLE
1728	COSENTINO'S PRICE	Police Training Expenses	\$11.82	DRINKS FOR KPD MTS JJ PARADE
901150	GARTON, JD	Police Training Expenses	\$51.00	REIMB: FUEL SWEET SPRING DRE TRNG
901150	GARTON, JD	Police Training Expenses	\$198.50	REIMB: AZ DRE TRNG MEALS-PRK
455	DELTA DENTAL OF MO	Park Fund Balance Acct	\$93.16	DENTAL INS-OCT
2215	VISION SERVICE PLAN	Park Fund Balance Acct	\$25.14	EYE INS-OCT
2292	HUMANA INSURANCE CO	Park Fund Balance Acct	\$1,123.15	HEALTH & LIFE INS
1292	MISSOURI LAGERS	Park Fund Balance Acct	\$859.11	SEPTEMBER CONTRIBUTION-5479
157	VOYA FINANCIAL ADVIS	Park Fund Balance Acct	\$150.00	DEFERRED COMP VF-3137
1601	PLATTE CLAY ELECTRIC	Park Fund Expenses	\$1,202.12	ST, WTR, PRK, SWR ELECTRIC
1601	PLATTE CLAY ELECTRIC	Park Fund Expenses	\$394.58	PARK ELECTRIC
2101	AMEREN UE	Park Fund Expenses	\$10.46	LION'S PARK
1035	HERITAGE TRACTOR	Park Fund Expenses	\$77.00	TIRE FOAM
1602	PORTERS BLDG. CENTE	Park Fund Expenses	\$49.98	2 QT ROUND-UP JJ PARK
2443	K.C. METRO LAWN	Park Fund Expenses	\$930.00	MOWING SEPT 6,9,10
2443	K.C. METRO LAWN	Park Fund Expenses	\$930.00	MOWING 8/29,30,31 & 9/2
2443	K.C. METRO LAWN	Park Fund Expenses	\$370.00	AMPH-WEED,CRABGRASS, FERTILIZER
2562	NUTS AND BOLTS	Park Fund Expenses	\$40.45	WIRE TO STAKE CEMETERY TREES
1035	HERITAGE TRACTOR	Park Fund Expenses	\$1,173.60	LABOR REFUNDED PARTS BRUSH HOG
1035	HERITAGE TRACTOR	Park Fund Expenses	-\$461.85	PARTS REFD INV #1641141
1035	HERITAGE TRACTOR	Park Fund Expenses	\$5.97	WINTERIZER FUEL CONDITIONER
1035	HERITAGE TRACTOR	Park Fund Expenses	\$7.68	SUMMER DIESEL FUEL CONDITIONER
2562	NUTS AND BOLTS	Park Fund Expenses	\$41.90	LEVEL, CHALK REEL
2638	ORSCHELN	Park Fund Expenses	\$34.89	LITHIAM GREASE FOR MOWERS
286	BSN SPORTS	Park Fund Expenses	\$665.98	SOCCER NETS
874	METRO SPORTSWEAR LLC	Park Fund Expenses	\$657.20	GIRLS V-BALL TEAM LEAGUE SHIRTS
874	METRO SPORTSWEAR LLC	Park Fund Expenses	\$213.30	SUMMER SOFTBALL T-SHIRTS
2590	CORDRAY, KATELYN	Park Fund Expenses	\$45.00	FILL IN V-BALL REF
2591	BUTLER, HAYDEN	Park Fund Expenses	\$45.00	FILL IN V-BALL REF
2825	BENTON, CHRISTIAN	Park Fund Expenses	\$45.00	FILL IN V-BALL REF
902179	PAUL, MEGAN	Park Fund Expenses	\$30.00	V-BALL REF
1035	HERITAGE TRACTOR	Park Fund Expenses	\$37.98	CHAIN SAW BLADES
1035	HERITAGE TRACTOR	Park Fund Expenses	-\$16.99	RET CHAIN SAW BLADE
2562	NUTS AND BOLTS	Park Fund Expenses	\$9.37	CUT KEYS, KEY RINGS
1420	CINTAS CORP	Park Fund Expenses	\$5.32	UNIFORM RENTAL
1420	CINTAS CORP	Park Fund Expenses	\$5.32	WTR RUGS & UNIFORM RENTALS
1420	CINTAS CORP	Park Fund Expenses	\$44.21	UNIFORM RENTALS
1420	CINTAS CORP	Park Fund Expenses	\$8.83	WTR RUG & UNIFORM RENTAL
1420	CINTAS CORP	Park Fund Expenses	\$4.54	UNIFORM RENTAL

VENDOR	VENDOR NAME	ORG DESC	AMOUNT	FULL DESC
393	COLE PRINTING	Park Fund Expenses	\$100.00	NEW PARK TRK LETTERING
1938	SUPER 8 KEARNEY	Park Special Projects	\$843.82	RMS-PITNEY, MCCREARY, LOCASH
455	DELTA DENTAL OF MO	Transportation Fund Balance	\$189.24	DENTAL INS-OCT
2215	VISION SERVICE PLAN	Transportation Fund Balance	\$50.28	EYE INS-OCT
2292	HUMANA INSURANCE CO	Transportation Fund Balance	\$2,548.86	HEALTH & LIFE INS
1292	MISSOURI LAGERS	Transportation Fund Balance	\$869.82	SEPTEMBER CONTRIBUTION-5479
1601	PLATTE CLAY ELECTRIC	Transportation Expense	\$175.25	ST, WTR, PRK, SWR ELECTRIC
1601	PLATTE CLAY ELECTRIC	Transportation Expense	\$120.98	STREET BARN
2101	AMEREN UE	Transportation Expense	\$969.15	STREET LIGHTS
2443	K.C. METRO LAWN	Transportation Expense	\$95.00	MOWING SEPT 6,9,10
2443	K.C. METRO LAWN	Transportation Expense	\$135.00	MOWING 8/29,30,31 & 9/2
2638	ORSCHELN	Transportation Expense	\$44.98	FLASHLIGHT, BATTERIES
2638	ORSCHELN	Transportation Expense	\$106.31	4 CUT OFF & GRINDING WHEELS
2638	ORSCHELN	Transportation Expense	\$50.97	3 WHEEL GRINDING SHARPENERS
2638	ORSCHELN	Transportation Expense	\$74.23	CHAIN OIL, WD-40, 2 CYC OIL
2638	ORSCHELN	Transportation Expense	\$9.98	2T JACK, PAINT
2030	TWIN TRAFFIC	Transportation Expense	\$2,749.60	E. 19TH ST PAINT & STRIPE
1602	PORTERS BLDG. CENTE	Transportation Expense	\$155.21	WASHINGTON ALLEY WEST
1602	PORTERS BLDG. CENTE	Transportation Expense	\$155.21	CONCRETE ALLEY WALL REPR
1602	PORTERS BLDG. CENTE	Transportation Expense	\$19.98	STORM BOX REPR N COUNTRY
2642	EDEN TREE SERVICE	Transportation Expense	\$750.00	TREES CUT FROM STORM PIPE & MANHOLE
2638	ORSCHELN	Transportation Expense	\$12.99	1 PR GLOVES
2638	ORSCHELN	Transportation Expense	\$8.90	NUTS & BOLTS
2638	ORSCHELN	Transportation Expense	\$24.99	2T JACK, PAINT
1420	CINTAS CORP	Transportation Expense	\$10.17	UNIFORM RENTAL
1420	CINTAS CORP	Transportation Expense	\$10.17	WTR RUGS & UNIFORM RENTALS
1420	CINTAS CORP	Transportation Expense	\$10.04	UNIFORM RENTALS
1420	CINTAS CORP	Transportation Expense	\$18.42	WTR RUG & UNIFORM RENTAL
1420	CINTAS CORP	Transportation Expense	\$10.16	UNIFORM RENTAL
455	DELTA DENTAL OF MO	W&S Revenue Balance Acct	\$408.16	DENTAL INS-OCT
2215	VISION SERVICE PLAN	W&S Revenue Balance Acct	\$82.20	EYE INS-OCT
2292	HUMANA INSURANCE CO	W&S Revenue Balance Acct	\$7,041.97	HEALTH & LIFE INS
1292	MISSOURI LAGERS	W&S Revenue Balance Acct	\$2,612.68	SEPTEMBER CONTRIBUTION-5479
157	VOYA FINANCIAL ADVIS	W&S Revenue Balance Acct	\$350.00	DEFERRED COMP VF-3137
1328	MO DNR-DMS RECEIPT &	W&S Revenue Balance Acct	\$2,542.72	JUL,AUG,SEP PRIMACY FEES
2638	ORSCHELN	W & S Admin. Expenses	\$7.19	TRAILER PLUG
1337	MARC	W & S Admin. Expenses	\$140.00	TRANING -MUNSELL
1807	STAPLES ADVANTAGE	W & S Admin. Expenses	\$56.14	PENS, TABLETS, TONERS, P-CLIPS
2104	U S POSTAL SERVICE	W & S Admin. Expenses	\$215.00	PERMIT FEE
1420	CINTAS CORP	W & S Admin. Expenses	\$21.03	UNIFORM RENTAL

VENDOR	VENDOR NAME	ORG DESC	AMOUNT	FULL DESC
1420	CINTAS CORP	W & S Admin. Expenses	\$15.03	WTR RUGS & UNIFORM RENTALS
1420	CINTAS CORP	W & S Admin. Expenses	\$21.42	UNIFORM RENTALS
1420	CINTAS CORP	W & S Admin. Expenses	\$21.03	WTR RUG & UNIFORM RENTAL
1420	CINTAS CORP	W & S Admin. Expenses	\$21.04	UNIFORM RENTAL
2111	US BANCORP	W & S Admin. Expenses	\$8,359.99	AMI METER SYS #38507161
2111	US BANCORP	W & S Admin. Expenses	\$1,121.65	AMI METER SYS #38507161
1601	PLATTE CLAY ELECTRIC	Water Plant Expenses	\$1,044.81	ST, WTR, PRK, SWR ELECTRIC
2101	AMEREN UE	Water Plant Expenses	\$577.65	WELL #1
2101	AMEREN UE	Water Plant Expenses	\$578.54	WELL #2
2101	AMEREN UE	Water Plant Expenses	\$1,204.51	WTR PLT #8769804117
2101	AMEREN UE	Water Plant Expenses	\$2,004.03	WATER PUMPS #8569805110
214	ADT SECURITY SERVICE	Water Plant Expenses	\$39.95	WTR PMPS 201313455
1420	CINTAS CORP	Water Plant Expenses	\$8.15	WTR RUGS & UNIFORM RENTALS
1420	CINTAS CORP	Water Plant Expenses	\$8.15	WTR RUG & UNIFORM RENTAL
2443	K.C. METRO LAWN	Water Plant Expenses	\$154.00	MOWING SEPT 6,9,10
2443	K.C. METRO LAWN	Water Plant Expenses	\$204.00	MOWING 8/29,30,31 & 9/2
1474	HD SUPPLY	Water Plant Expenses	\$17,000.00	SENSUS HOSTIN FEE ANNUAL
2638	ORSCHLHN	Water Plant Expenses	\$13.56	4 GATE CHAINS
2638	ORSCHLHN	Water Plant Expenses	\$28.14	PROPANE CYLINDER, 5 ROLLS TAPE
222	BRENNTAG MID-SOUTH	Water Plant Expenses	\$2,145.74	ALUM, CHLORINE
222	BRENNTAG MID-SOUTH	Water Plant Expenses	\$676.20	ALUM
1474	HD SUPPLY	Water Plant Expenses	-\$914.24	RET 8 IPERL INV F794861
2340	KANSAS CITY WINNELSO	Water Plant Expenses	\$757.25	METER LIDS
2378	KEARNEY WINSUPPLY	Water Plant Expenses	\$2,912.88	METER LIDS, SETTERS
1601	PLATTE CLAY ELECTRIC	Sewer Plant Expenses	\$9,412.39	SEWER ELECTRIC
1601	PLATTE CLAY ELECTRIC	Sewer Plant Expenses	\$253.06	ST, WTR, PRK, SWR ELECTRIC
214	ADT SECURITY SERVICE	Sewer Plant Expenses	\$38.95	SWR PLT 201311328
2044	REPUBLIC SERVICES	Sewer Plant Expenses	\$231.06	SWR PLT SPECIAL WASTE
1420	CINTAS CORP	Sewer Plant Expenses	\$15.07	SEWER RUG RENTALS
2443	K.C. METRO LAWN	Sewer Plant Expenses	\$50.00	MOWING SEPT 6,9,10
2443	K.C. METRO LAWN	Sewer Plant Expenses	\$175.00	MOWING 8/29,30,31 & 9/2
2562	NUTS AND BOLTS	Sewer Plant Expenses	\$15.98	CONCRETE SEALANT
2642	EDEN TREE SERVICE	Sewer Plant Expenses	\$750.00	TREES CUT FROM STORM PIPE & MANHOLE
1318	MICRO-COMM	Sewer Plant Expenses	\$1,703.25	TRANSDUCER AT LIFT STATION
1318	MICRO-COMM	Sewer Plant Expenses	\$64.14	TRANSDUCER AT L/S
2562	NUTS AND BOLTS	Sewer Plant Expenses	\$44.90	SAND TUBE TO PROTECT WET WELL
2638	ORSCHLHN	Sewer Plant Expenses	\$24.27	CABLE TIES, BAG FILTER
2156	USA BLUE BOOK	Sewer Plant Expenses	\$49.89	FIRST AID KIT
2562	NUTS AND BOLTS	Sewer Plant Expenses	\$31.72	ICE TRAYS, KNIFE, COUPLINGS
2562	NUTS AND BOLTS	Sewer Plant Expenses	\$26.34	CONNECTORS, GRIND WHEELS

VENDOR	VENDOR NAME	ORG DESC	AMOUNT	FULL DESC
800	HACH CHEMICAL	Sewer Plant Expenses	\$3,763.47	TEST CHEMICALS
2820	DAMIAN BUDDMEYER	Meter Deposit Bal. Acct	\$47.27	METER REFD 807 BLACKBERRY CIR
2821	NAIL PRO	Meter Deposit Bal. Acct	\$22.83	METER REFD 184 W 6TH ST
2823	ANDREA HEISER	Meter Deposit Bal. Acct	\$5.95	METER REFD 802 E 16TH ST
901533	SMITH, JUSTIN	Meter Deposit Bal. Acct	\$17.23	METER REFD 405 S PROSPECT
1729	TREKK DESGN GRP, LLC	Highway Constr Expense	\$8,066.26	SOUTHVIEW SIDEWALK INV#7
2443	K.C. METRO LAWN	Highway Constr Expense	\$180.00	MOWING SEPT 6,9,10
2824	TIFFIN METAL PRODUCT	Police Capital Purchases	\$2,767.50	50% EVIDENCE LOCKERS
1130	KEARNEY TRUST CO	Police Capital Purchases	\$5,332.54	POLICE STATION L/P 2009
1130	KEARNEY TRUST CO	Police Capital Purchases	\$2,191.47	POLICE STATION L/P 2009
		TOTAL	\$222,941.21	

CI

RESOLUTION NO. _____

A RESOLUTION ACCEPTING A SIDEWALK-TRAIL EASEMENT AT 1900 HONEYSUCKLE AVENUE

WHEREAS, the City has made sidewalk and trail improvements in the area of 19th Street, Stonecrest Drive, Honeysuckle Avenue, and the school district campus property, part of which includes replacing a 4' wide concrete sidewalk along the north side of 1900 Honeysuckle Avenue with a 10' wide asphalt trail;

WHEREAS, upon installation of the said trail along 1900 Honeysuckle Avenue, it was found that the original sidewalk and new trail section were located on private property, rather than within the 19th Street right-of-way;

WHEREAS, removing/relocating the trail along the north side of 1900 Honeysuckle to within 19th Street right-of-way would cost the City \$11,366.58

WHEREAS, the City desires to acquire a sidewalk-trail easement to keep the trail improvements in the current location, and in return for said easement, offers \$11,366.58 as compensation to the adjacent owner, who is willing to grant an easement for said trail to remain in the current location;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF KEARNEY, MISSOURI, AS FOLLOWS:

Section 1. The City of Kearney hereby accepts a 12' wide sidewalk-trail easement along the north side of 1900 Honeysuckle, attached and made part of, as if wholly rewritten herein, with \$11,366.58 to be paid to the adjacent property owner as compensation for said easement.

Section 2. Adjacent owner's fence may be located adjacent to the south side of said trail.

Section 3. Adjacent owner is granted permission to utilize the trail to access an existing gate located on north side of the fence. If the fence and/or gate are ever improved or replaced, any gate along the trail shall open to the inside if the yard.

Section 6. This resolution shall be effective immediately upon passage.

PASSED AND RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF KEARNEY, MISSOURI, AND APPROVED BY THE MAYOR THIS 3rd DAY OF OCTOBER, 2016.

APPROVED:

Bill Dane, Mayor

ATTEST:

Jim Eldridge, City Clerk



The City of Kearney

100 E. Washington • P.O. Box 797
Kearney, MO 64060
816-628-4142 • 816-628-4543 FAX
www.kearneymo.us

October 3, 2016

Jacqueline Regelski
1900 Honeysuckle Avenue
Kearney MO 64060

RE: Sidewalk-Trail Easement – 19th Street and 1900 Honeysuckle Ave, Blue Sky Gardens

Dear Ms Regelski,

As you are aware, the City has made sidewalk and trail improvements in the area of Stonecrest Drive, 19th Street, Honeysuckle Avenue, and the school district campus. Part of the construction work included removal of a 4' wide sidewalk along the north side of your property, to be replaced with a 10' asphalt trail.

Upon removal of the sidewalk and construction of trail along the north side of your property, it was found that the existing sidewalk was actually installed on your property, rather than within the 19th Street right of way. The new trail section, installed in the same location as the sidewalk, was therefore constructed on your property, as well. The cost to remove and relocate the trail further north into the 19th Street right-of-way would cost \$11,366.58.

We are grateful for your willingness to grant a sidewalk-trail easement to the City across the north 12 feet of your property, allowing the trail to remain in its current location. In return for granting the easement, the City offers the following:

- Payment of \$11,366.58;
- Permission to relocate the fence to be adjacent to, but not on or within, the trail; and
- Permission to use the trail for access the existing gate located along the north side of the fence. If the fence and/or gate are ever improved or replaced, any gate along the trail shall open to the inside if the yard.

City staff will contact you to arrange payment and execution of the easement document. If you have questions, please contact David Pavlich at 903-4731.

Sincerely,

Bill Dane
Mayor

CC: Board of Aldermen
Jim Eldridge, City Administrator
David Pavlich, Community Development Director

Type of Document: Sidewalk-Trail Easement
Date of Document:
Grantor(s): Jacqueline Regelski
Grantor(s) Address: 1900 Honeysuckle; Kearney MO 64060
Grantee(s): City of Kearney
Grantees(s) Address: 100 East Washington; Kearney, MO 64060
Property Description: The north 12 feet of Lot 1, Blue Sky Gardens, a subdivision of land in Kearney, Clay County , Missouri.

Reference Book and Page(s):

SIDEWALK-TRAIL EASEMENT

KNOW ALL MEN BY THESE PRESENTS:

THAT, JACQUELINE REGELSKI, hereinafter called "Grantor," for and in consideration of One Dollar (\$1.00) and the advantages to be gained from the existence of the facilities and appurtenances through the lands hereafter described, the receipt of which is hereby acknowledged, does hereby grant, sell, convey unto the CITY OF KEARNEY, MISSOURI, a municipal corporation of the State of Missouri, hereafter called "Grantee", an easement or right of way for location, construction, maintenance, repair, removal, and operation of a Sidewalk-Trail, and any and all appurtenances incidental thereto, over, under and through the following described tract of land in Kearney Clay County, Missouri, to-wit:

The north 12 feet of Lot 1, Blue Sky Gardens, a subdivision of land in Kearney, Clay County, Missouri.

TO HAVE AND TO HOLD to same for the aforesaid use with all rights, privileges, appurtenances, and immunities thereto belonging unto the GRANTEE, its successors and assigns for so long as said use shall continue, the GRANTOR hereby covenanting for their heirs, successors and assigns unto the GRANTEE, its successors and assigns the following:

Said Grantee, its agents, servants, employees, or independent contractor, shall have the right at all times to go upon the lands herein described to construct, maintain and repair the said sidewalk-trail facilities as may be necessary. Grantor shall not use nor attempt to use said property in such manner as would interfere with the proper, safe and continuous maintenance and use of said sidewalk-trail facilities and specifically shall not build thereon or thereover any structure which may interfere with the maintenance and use thereof. Grantee shall cause the land of the Grantor to be restored to substantially the same condition that existed prior to the Grantee's entry upon it.

IN WITNESS WHEREOF, the GRANTORS do hereunto set their hands and subscribed their names to the foregoing this _____ day of _____, 2016.

Jacqueline Regelski

STATE OF MISSOURI)
) ss.
COUNTY OF CLAY)

On this _____ day of _____, 2016, before me, the undersigned Notary Public, personally appeared Jacqueline Regelski, to me known to be the persons described herein, and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at my office in Clay County, Missouri, the day and year last above written.

Notary Public

My Commission Expires:



4A

Financing Bids

Mr. Jim Eldridge
City of Kearney
100 E. Washington
Kearney, MO 64060

September 9, 2016

Dear Jim,

KCB Bank is pleased to offer the following terms for the lease purchase financing/refunding project:

Amount	\$1,539,000
Interest Rate	2% fixed
Fees	\$0
Day Count	Actual/360
Prepayment Fee	None
Amortization	According to the schedule provided in the Request for Terms

Should you have any questions regarding this matter, please contact me at 816-628-6050.

Sincerely,

David L. Hinck

David L. Hinck
daveh@kcbbank.com
NMLS # 438398
Executive Vice President
KCB Bank

 **Clayton Holdings, LLC**

8000 Forsyth Boulevard
St. Louis, Missouri 63105-1797
(314) 746-3678

09/09/16

Jim Eldridge
City Administrator
City of Kearney, MO
100 East Washington
Kearney, MO 64060

Dear Mr. Eldridge:

On behalf of Clayton Holdings, LLC, we would like to offer the following lease-purchase proposal for your consideration:

This proposal is provided with the understanding that neither the terms nor their substance shall constitute a definitive agreement or an exhaustive statement of all terms and conditions which may ultimately be included in a transaction among Lessee and Lessor. Please note that Clayton Holdings, LLC has not obtained final credit approval for the proposed financing; rather, this term sheet is intended to set forth the terms and conditions under which Clayton Holdings, LLC would recommend approval. Accordingly, this letter does not constitute a commitment by Clayton Holdings, LLC to provide financing, and notwithstanding any discussions we may have, Clayton Holdings, LLC shall not have any commitment or other obligation hereunder unless and until a commitment letter is executed.

The following are the terms under which Clayton Holdings, LLC believes credit approval would be likely:

Type of Financing:	Tax-Exempt, Lease-Purchase Agreement ("Lease"). Direct Lender, Non-Certificated, Real Property Financing- Loan
Lessor:	Clayton Holdings, LLC – An equity subsidiary of Commerce Bank
Lessee:	City of Kearney, MO
Use of Proceeds:	1) Make improvements to Kearney Police Station located at 725 West 92 Highway and 2) Construction/Remodel of the Reed Museum located at 103 East Washington, and 3) Refinance four existing Lease/Purchase Agreements (Project") *Requires a refinance of the current lease-purchase of the Police Station and use of the Police Station as the property on the Base Lease for this financing.
Total Finance Amount:	New Money - \$475,000.00 to also include refinance of existing lease-purchase on Kearney Police Station with total not to exceed \$1,539,000.00.
Commencement Date:	On or before 10/04/16
Base Term:	10 years
Interest Rate:	2.19% fixed, rate locked until 10/04/16

Payment Frequency: Annual principal Payments with Semiannual Interest Payments
** The first payment of Principal and Interest is due 03/01/17.*

Interest Rate: The above quoted interest rate is based on a spread over the Ten (10) year Interest Rate Swaps as quoted in the Federal Reserve Statistical Release H.15 (the "Index"). For Purposes of this proposal, as of 08/30/16 the Ten (10) Year interest rate swap is 1.43%.

UST Swap Index:
10 year : 1.43% + spread of 1.94%

In the event the transaction does not close by 10/04/16, Lessor reserves the right, but has no obligation, to adjust the Interest Rate after 10/04/16 based on changes in the Index between the Quote Date and the Commencement Date. The adjustment, if made, would preserve Lessor's original lease investment assumption on a nominal pre-tax yield basis.

Interest on the Obligation will be computed on the basis of an Actual/360-day year and must be exempt from federal income taxation.

Documentation: All documentation shall be prepared by experienced "Red Book" counsel ("Special Tax Counsel"), expected to be Gilmore & Bell—representing the City, subject to review by counsel to Clayton Holdings, LLC to be determined, anticipated to be Bryan Cave, LLP. Included among Clayton Holding, LLC's documentation requirements is an opinion of the City's Counsel that the Lease is a legal, valid, and binding obligation of the City. All documentation must be satisfactory in form and substance to Clayton Holdings, LLC and its counsel.

Non-appropriation: The Lease shall provide for Lessee to terminate the agreement at the end of any fiscal period if insufficient funds are available to make the scheduled Rental Payments due in the following fiscal period.

Early Purchase Option: In the event Lessee desires to prepay this lease, they may do so in whole, but not in part at a premium of the then current outstanding principal balance, calculated as follows; 3% in year (1), 2% in year (2), and 1% in each year thereafter until maturity. Provided however, that the Lessee is using internally generated funds to prepay the lease, the prepayment penalty would be waived and there would be no prepayment penalty on the agreement.

Structure: Ownership and title to the Property (Kearney Police Station) is to be in the name of Lessee. Lessor is to be the lessee under a Base Lease of approximately 16 years dependent upon the term of the financing selected by the City or a minimum of 2x term of lease, the terms of which will be determined and outlined in the Base Lease documents.

Lessor as lessee under the Base Lease will in turn sub-lease the Property to Lessee under a Lease Purchase Agreement (the "Lease") with terms and conditions as specified in the Lease documents and as outlined in this proposal. Upon payment in full by the Lessee of all amounts due under the Lease, and upon satisfaction of all other obligations owing by Lessee to Lessor, Lessor shall surrender the Base Lease to Lessee.

- General Terms:** This financing structure, rate and payment are based on the Transaction being designated as Tax Exempt and Bank Qualified under the IRC Section 103 and 265 b (3). The Lessee does not intend to issue more than \$10 million dollars in tax-exempt obligations in the current calendar year.
- End of Lease:** Upon expiration of the Lease and upon full satisfaction of all obligations therein, Lessor shall transfer its interest in the Property to Lessee free and clear of liens or encumbrances arising by or through Lessor.
- Net Lease:** Lessee will be obligated to pay all costs, charges, fees and expenses associated with use, possession, control, and operation of the Property and to indemnify Lessor with respect to such liabilities.
- No Setoff:** Lessee's obligation to pay all Rental Payments as and when due under the Lease shall be irrevocable, independent, and not subject to any cancellation, abatement, deduction, setoff, counterclaim, recoupment or defense, from any circumstance whatsoever, including, without limitation, defect in, unfitness of, damage to, or loss of, or failure to complete improvements to the Property.
- Opinion of Counsel/
Essential Use Property:** Lessor's obligation to enter into the transaction contemplated herein is contingent, in part, upon receipt and review by Lessor of executed Base Lease and Lease documentation acceptable to Lessor including, without limitation Lessee's opinion of counsel regarding enforceability of the obligation.
- Other Documentation:** In addition to any other terms and conditions set forth herein, the closing of the transaction is subject to Lessor's review and approval of the following items, to be provided at Lessee's expense:
- A) Title report and or Title Policy from the Title Company stating there are no issues with the title and title is in the City's name, together with any endorsements required by Lessor.
 - B) Satisfaction of all environmental and hazardous materials issues including environmental audit/report acceptable to Lessor.
 - C) Certificate of Lessee regarding (i) incumbency (re: Lessee officials executing the Lease, and any other related documents); (ii) the ordinance authorizing the Lease, and any related documents; (iii) no pending or threatened relevant litigation against the Lessee; and (iv) any other matters reasonably required by Lessor.
 - D) Copy of Construction Contract with plans and specifications, together with Certificate of Architect with a breakdown of costs and construction schedule attached subject to Lessor's satisfactory review.
 - E) Copy of the City's most recent audits once completed and subject to Lessor's review.
 - F) Any other documentation reasonably required by Lessor.

Insurance: Lessee will obtain a hazard insurance policy with extended coverage protecting Lessor's interest in the Property. Lessee shall also purchase and maintain comprehensive general liability insurance, Payment Bonds, Performance Bonds, Builder's Risk, and Workmen's' Compensation insurance naming Lessor as an additional insured/loss payee. All insurance shall be in a form, amounts, and with such companies as is satisfactory to Lessor.

Flood Insurance: Evidence satisfactory to Lessor that the Property does not lie within a flood plain or an area designated as wetlands. If the Property is located within a flood-prone area as defined by the Federal Emergency Management Agency pursuant to The Flood Disaster Protection Act of 1973, Lessee will purchase a policy of flood insurance.

Additional Conditions: Closing of the transaction shall be conditioned upon the continued sound financial condition of Lessee, as determined by Lessor in its sole discretion. If any part of the Property shall have been damaged and not repaired to Lessor's satisfaction, or if any default has occurred in the performance of any of Lessee's obligations herein, then Lessor shall have no obligation hereunder. A payment bond and performance bond are required for the project listing Clayton Holdings, LLC as insured party under a Dual Obligee rider. The cost is the responsibility of the City. Financial Covenants may be required.

Escrow: Upon closing, funds may be disbursed into an escrow account, if required, to be maintained by Commerce Trust as escrow agent. Upon final delivery and acceptance of all of the property/project and receipt of Lessee's authorization to release funds, escrow agent shall disburse payment to the payee. Terms, conditions, and procedures regarding escrow and escrow agreement are subject to mutual approval by Lessee and Lessor. It is intended that the interest earnings on un-disbursed funds shall accrue for the benefit of Lessee. An escrow account shall be established at Commerce Trust. There is a \$250.00 fee for the escrow account. Commerce Trust does assess a cash management fee which is deducted from the Escrow Earnings.

Expenses: Lessee shall be responsible for all out-of-pocket costs incurred by Lessor or Lessee in completing the financing transaction contemplated herein including without limitation:

<u>Major Items</u>	<u>Estimated Expense</u>
Legal Documentation-Lessee's Counsel	\$TBD
Environmental Audit/Report	\$150.00
Flood Certificate	\$25.00
Title Report/Policy	Up to \$1,500.00
Legal Counsel to Lessor	\$5,000.00
Origination Fee	\$2,500.00
Escrow	\$250 one-time fee

The above quoted expenses are estimated and are neither established nor controlled by Lessor.

Not a Commitment:

The terms set forth herein reflect a proposed, preliminary structure and are subject to final credit approval by Clayton Holdings, LLC and the negotiation of mutually acceptable documentation. These terms are being provided to the Lessee with the understanding that neither the terms nor their substance shall constitute a definitive agreement or an exhaustive statement of all terms and conditions which may ultimately be included in a transaction among Lessee and Lessor. This is a proposal only and not a commitment to lend. Final approval and funding of the transaction is based on a formal credit review by Lessor, including final lease documentation acceptable to both Lessee and Lessor.

This proposal is not intended to, and does not create, in any way, a legally binding or any other type of commitment or obligation on the part of Clayton Holdings, LLC, or any of its/their subsidiaries, and/or any of its/their employees. Information regarding this proposal, including the financial statements of Lessee necessary to complete the credit process, may be provided to third party funding sources in either written or electronic format.

The representatives shown below are "not" Municipal advisors, financial advisors, agents or fiduciaries to any person or entity. Clayton Holdings, LLC and its representatives are responding to an RFP issued by the Lessee. Lessee acknowledges that it is entitled to engage municipal advisory services should it elect to do so. Clayton Holdings, LLC is acting for its own loan account; this communication consists solely of general information under which Clayton Holdings, LLC may be willing to fund a loan. Thank you for the opportunity to offer this proposal. We appreciate your consideration and look forward to your favorable response. Should you have any questions, please do not hesitate to contact us.

Respectfully submitted,



Frank D. Hill
Officer of Clayton Holdings, LLC
Senior Vice President, Tax-Exempt Leasing & Finance
Phone: (785) 587-1541
Frank.Hill@CommerceBank.com



Matt Dority
Relationship Manager
Phone: (816) 234-7355
Matt.Dority@commercebank.com

KEARNEY

Kearney Trust Co.
 Jim Eldridge <jeldridge@kearneymo.us>

Re: Lease/Purchase Refinancing \$1,539,000

1 message

Keith Doss <keith@keameytrust.com>
 To: Jim Eldridge <jeldridge@kearneymo.us>

Fri, Sep 9, 2016 at 2:20 PM

Jim,

We would like to offer a fixed rate of 2.77 %. This would be calculated on a 365/365 basis. Our origination fee would be \$10,000.00 which would also cover any legal reviews we might require. Your attached principle payment schedule is fine with us. We would require interest payments quarterly. A prepayment penalty of 3% would be assessed on any additional principle payments during the the first five years of the lease agreement.

Thank you for your consideration.

Keith

— Original Message —

Received: 11:57 AM CDT, 08/29/2016

From: Jim Eldridge <jeldridge@kearneymo.us>

To: "Doss, Keith" <keith@keameytrust.com>, Middleton Scott <scott@keameytrust.com>

Subject: Lease/Purchase Refinancing \$1,539,000

Hello Keith and Scott :

Attached is a request for terms for a Lease/Purchase Refinancing \$1,539,000 that involves re-financing four City Lease/Purchase agreements and generates proceeds for a \$175,000 remodeling of the City's Police Station at 725 West 92 Highway, and \$300,000 for remodeling the building at 103 East Washington Street as an expansion to the Kearney Historic Museum.

The four lease/purchases to be refunded include:

- 2004 West Creek Interceptor Sewer
- 2006 Amphitheater Lease/Purchase
- 2009 Police Station Lease/Purchase
- 2010 Pavilion Lease/Purchase

The City Police Station will be the only property encumbered by the new lease/purchase.

Please review the attached information, and we hope you will provide a bid for this lease/purchase refinancing by Friday, September 9th, 3 p.m.

Thanks again for considering.

Jim Eldridge, City Administrator/Clerk
 City of Kearney, Missouri
 816.903.4729 direct
 jeldridge@kearneymo.us

- > _____
- > Attachment: Kearney Lease Purchase 2016.pdf
- > MIME Type: application/pdf

Platte Valley Bank
Jim Eldridge <jeldridge@kearney.com>

KEARNEY

2016 Tax-Exempt Lease-Purchase Bid

Cory Kruse <ckruse@plattevalleybank.com>
To: Jim Eldridge <jeldridge@kearney.com>

Fri, Sep 9, 2016 at 2:44 PM

Jim,

Attached is the bid proposal from Platte Valley Bank for the lease financing. If you have any questions please let me know.

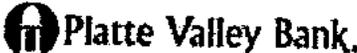
I appreciate the opportunity to bid on the lease financing.

Cory W. Kruse

Senior Vice-President, NMLS ID# 996535

p. 816.781.1288 | f. 816.781.6850 | www.plattevalleybank.com

ckruse@plattevalleybank.com



Liberty Branch

Member FDIC, Equal Housing Lender

CONFIDENTIALITY NOTICE: The materials enclosed with this email transmission are private and confidential. The information contained in the material is privileged and is intended only for the use of the individual(s) or entity(ies) named above. If you are not the intended recipient, be advised that unauthorized use, disclosure, copying, distribution or the taking of any action in reliance on the contents of this emailed information is strictly prohibited. If you have received this email transmission in error, please immediately notify us by telephone at 816-858-5400 to arrange for return of the forwarded documents to Platte Valley Bank of Missouri.

SCAN9005_000.pdf
32K



Platte Valley Bank

Member FDIC

Equal Housing Lender

102 South 291 Highway • Liberty, MO 64068 • (816) 781-1288 • Fax (816) 781-6850

September 9, 2016

City of Kearney, Missouri
City Administrator - Jim Eldridge
100 E. Washington Street
Kearney, MO 64060

RE: Request for terms on Series 2016 Tax-Exempt Lease-Purchase

Dear Mr. Eldridge;

Thank you for allowing Platte Valley Bank the opportunity to make a proposal to serve as direct lender of a tax exempt, bank qualified lease for improvements to the Kearney Police Station, remodel of Reed Museum and refinance of four existing lease purchase agreements. Listed below are the terms that have been approved:

Amount: \$1,539,000

Pricing: 3.25% fixed interest rate for 10 year term
Interest rate is fixed; there is no applicable index or spread.
Interest will be calculated on an Actual/360 basis.

Payment Frequency: Annual principal payments per the requested amortization schedule with semi-annual interest payments.

Closing Date: to be determined

Prepayment Penalty: None.

Fees: Origination fee - \$1,000.00.
City of Kearney responsible for any third party fees.
Termination Fee – 25% of applicable purchase price in effect as of the date of early termination.

Legal Fees: City of Kearney will be responsible for legal fees incurred to prepare and/or review the documents for the lease purchase financing by bank's counsel with fees capped at \$1,500.00.

Legal Counsel: Keith Hicklin
Witt, Hicklin & Snider, PC
2300 Higgins Road, Platte City, MO 64079
816-858-2750

Expiration of offering terms: December 1, 2016, unless extended.

Staffing:	Cory W. Kruse	Melissa Martin
	Senior Vice President	Loan Assistant
	<u>ckruse@plattevalleybank.com</u>	<u>mmartin@plattevalleybank.com</u>
	102 S. 291 Highway Liberty, MO 64068 816-781-1290	102 S. 291 Highway Liberty, MO 64068 816-781-1288

Feel free to contact me personally at (816) 781-1290 should you have any questions regarding the above terms. Both our Bank and Legal Counsel have extensive experience with lease financing and anticipate this to be a simple transaction. We appreciate your consideration on this matter.

Respectfully,


Cory W. Kruse
Senior Vice-President



Central Bank of the Midwest

CITY OF KEARNEY, MISSOURI
FINANCING PROPOSAL

Central Bank of the Midwest appreciates the opportunity to submit a proposal for funding a tax exempt lease to refinance existing leases and bonds and provide additional funds for remodeling and improvements of public buildings. This letter is to provide rates and terms for consideration by the board. While this proposal has had input from all appropriate levels and Central Bank of the Midwest (Central Bank) desires to provide the requested financing, this letter does not constitute a formal commitment. Pursuit of formal commitment will commence upon notification from you with desire to move forward.

Central Bank has a good working relationship with Piper Jaffray & Co. and Gilmore & Bell PC. Central Bank may engage another firm to review documents on the bank's behalf but our comfort with Gilmore & Bell will likely result in only having in-house counsel review the documents.

Central Bank is pleased to offer the following terms:

- Issuer: City of Kearney, Missouri
- Amount: \$1,539,000 (approximate)
- Interest Rate: Fully Tax Exempt, Bank Qualified Rate (BQ): An interest rate of 2.56% fixed for the first six years. The rate will then adjust to the following fixed rate for the remainder of the bond: 67% of the 5 year US Treasury Rate + 1.65%, with an interest rate ceiling of 3.80%.
- Payment Frequency: Annual principal payment with semiannual interest payments beginning March 1, 2017. The principal payments will reflect the amortization schedule shown in the original RFP.
- Maturity: March 1, 2026
- Collateral: General obligations of the City. A lien on the Police Station located at 725 West 92 Highway will not be required by Central Bank.
- Fees: Origination: \$2,500
- No 3rd party expenses are expected to be required by Central Bank due to the comfort level with Gilmore & Bell and not taking the real estate as collateral.
- All third party costs for services required by the City will remain the City's responsibilities.
- All fees can be paid out of pocket by the City or be included in the bond issue, unless deemed ineligible by the counsel.
- Other: Although Central Bank intends to fund on or prior October 4th, 2016, the terms in this letter will be available until October 28th, 2016 to allow any additional time that may be needed by Gilmore & Bell PC or the City.
- Central Bank intends to hold the unrated bonds until maturity and does not plan to resell any portion of the issuance.

Borrower will be responsible for providing Central Bank with information and documentation deemed necessary by Central Bank to complete the approval and funding process. This could include, but not be limited to, additional financial (3/31/16 audited financial statements) and budgetary information, counsel opinion letter(s), and Board resolution with certified copy of the minutes.

Annual audited financial information will be expected within 180 days of fiscal year end (presently 3/31), beginning with 3/31/17 information to be provided by the closing of the subject bond issue.

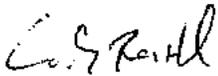
Prepayment: Prepayment will not be allowed for the first five years. No prepayment penalty after that period.

Standard documentation will be sought as part of this transaction, subject to legal opinion for compliance with all applicable laws and regulations. A specific list of all documentation and information required will be provided as we move toward getting final approval and closing. All documents and terms are subject to review and advice of Central Bank council prior to funding.

We look forward to meeting appropriate City representatives and would appreciate the opportunity to discuss additional banking opportunities with the City. We plan to fund this transaction, as requested, on or before October 4th, 2016. The terms in this letter must be accepted by September 29th, 2016 and are subject to change after October 28th, 2016 if funding has not occurred, unless updated or extended in writing. Cody Raihel can be reached at 816-224-7228 and Tony Yarbrough at 816-224-7272 to answer any questions concerning the terms.

Thank you again for this opportunity.

Sincerely,



Cody Raihel
Assistant Vice President-Commercial Lending



Tony Yarbrough
Market President – Blue Springs



BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE LEASING OF CERTAIN CITY PROPERTY PURSUANT TO A BASE LEASE AGREEMENT TO NORTHLAND DEVELOPMENT CORPORATION D/B/A KEARNEY AREA DEVELOPMENT COUNCIL AND APPROVING A LEASE-PURCHASE AGREEMENT WITH SUCH CORPORATION, FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE AND REFINANCE THE COSTS OF CAPITAL IMPROVEMENTS; AND AUTHORIZING AND APPROVING RELATED DOCUMENTS AND ACTIONS.

WHEREAS, the Northland Development Corporation d/b/a Kearney Area Development Council (the "Corporation") is a nonprofit corporation duly organized and existing under Chapter 355 of the Revised Statutes of Missouri, as amended, for the purpose of doing any and all things necessary or appropriate to promote economic development within the present and future geographical boundary of the Kearney R-1 School District of Clay County, Missouri (the "District") and acquiring, owning, buying, selling, leasing, mortgaging or otherwise managing or dealing in real property suitable to such uses; and

WHEREAS, the Board of Aldermen finds that it is necessary and desirable for the City to finance certain improvements for the City (the "Project") and refinance certain other improvements and personal property for the benefit of the City by calling certain obligations for prepayment (the "Refunded Obligations"), and it hereby further finds and determines that it is necessary and desirable for the City, for the purpose of providing funds to pay the costs of the Project and of refinancing the Refunded Obligations, to (1) lease to the Corporation, pursuant to a Base Lease Agreement (the "Base Lease"), certain real property situated within the boundaries of the District and within the City (the "Land") for the rental payments and upon the terms and conditions set forth in the Base Lease; (2) lease the Land and the portion of the Project situated thereon (collectively, the "Leased Property") back to the City pursuant to a Lease-Purchase Agreement (the "Lease"), on an annual basis in consideration of Rental Payments (as defined in the Lease) and upon the terms and conditions as therein provided; and (3) enter into a Tax Compliance Agreement (the "Tax Compliance Agreement") with the Corporation setting forth certain covenants and requirements with respect to the tax-exempt status of the Interest component of Rental Payments derived under the Lease; and

WHEREAS, the Board of Aldermen of the City further finds and determines that it is necessary and desirable in connection with the lease of the Land to the Corporation and the lease of the Leased Property from the Corporation, that the City enter into certain documents, and that the City take certain other actions and approve the execution of certain other documents as herein provided.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF KEARNEY, MISSOURI AS FOLLOWS:

Section 1. Approval of Corporation's Execution of the Assignment. The City hereby approves the execution and delivery by the Corporation of the Assignment, in substantially the form on file with the City Clerk, with such changes therein as shall be approved by the officers of the City executing the City's Documents (defined below).

Section 2. Authorization of City's Documents. The City is hereby authorized to enter into the following documents (collectively referred to as the "City's Documents"), in substantially the forms on file with the City Clerk, with such changes therein as shall be approved by the officers of the City executing said documents, such officers' signatures thereon being conclusive evidence of their approval thereof:

- (a) Base Lease Agreement.
- (b) Lease-Purchase Agreement.
- (c) Tax Compliance Agreement.

Section 3. Execution of Documents. The City is hereby authorized to enter into and the Mayor is hereby authorized and directed to execute and deliver, for and on behalf of and as the act and deed of the City, the City's Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance. The City Clerk is hereby authorized to attest to the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 4. Further Authority. The officers, agents and employees of the City, including the Mayor and the City Clerk, are authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance, and to carry out, comply with and perform the duties of the City with respect to the City's Documents, to make alterations, changes or additions to the City's Documents and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 5. Effective Date. This Ordinance shall take effect and be in full force immediately after its passage by the Board of Aldermen.

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PASSED by the Board of Aldermen and **APPROVED** by the Mayor of the City of Kearney, Missouri this 3rd day of October, 2016.

(seal)

Mayor

ATTEST:

City Clerk

Y:\wp\Ordinances\Ordinance Police Museum Refinance.doc

SOURCES AND USES OF FUNDS

Lease Purchase Agreement between Northland Development Corporation d/b/a Kearney A.D.C
 as Lessor, and the City of Kearney, Missouri
 LPA Dated as of October 1, 2016
 - KCB Proposal Numbers -

Dated Date 10/21/2016
 Delivery Date 10/21/2016

Sources:	New Money	Refund 04 Sewer Lease	Refund 06 Amphitheatre Lease	Refund 09 Police Station Lease	Refund Pavillion Lease	Total
Bond Proceeds: Par Amount	485,000.00	217,000.00	113,000.00	636,000.00	47,000.00	1,498,000.00
	485,000.00	217,000.00	113,000.00	636,000.00	47,000.00	1,498,000.00
Uses:	New Money	Refund 04 Sewer Lease	Refund 06 Amphitheatre Lease	Refund 09 Police Station Lease	Refund Pavillion Lease	Total
Project Fund Deposits: Project Fund	475,000.00					475,000.00
Refunding Escrow Deposits: Cash Deposit		211,348.96	110,290.28	622,826.01	45,296.18	989,761.43
Cost of Issuance: Legal Fees	5,180.24	2,317.76	1,206.94	6,793.06	502.00	16,000.00
Financial Advisor Fee	4,856.48	2,172.90	1,131.51	6,368.49	470.62	15,000.00
	10,036.72	4,490.66	2,338.45	13,161.55	972.62	31,000.00
Other Uses of Funds: Additional Proceeds	(36.72)	1,160.38	371.27	12.44	731.20	2,238.57
	485,000.00	217,000.00	113,000.00	636,000.00	47,000.00	1,498,000.00

BOND DEBT SERVICE

Lease Purchase Agreement between Northland Development Corporation d/b/a Kearney A.D.C
 as Lessor, and the City of Kearney, Missouri
 LPA Dated as of October 1, 2016
 - KCB Proposal Numbers -

Dated Date 10/21/2016
 Delivery Date 10/21/2016

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2017	115,000	2.000%	10,902.12	125,902.12	125,902.12
09/01/2017			14,137.33	14,137.33	
03/01/2018	312,000	2.000%	13,906.83	325,906.83	340,044.16
09/01/2018			10,948.00	10,948.00	
03/01/2019	172,000	2.000%	10,769.49	182,769.49	193,717.49
09/01/2019			9,189.77	9,189.77	
03/01/2020	178,000	2.000%	9,089.89	187,089.89	196,279.66
09/01/2020			7,370.22	7,370.22	
03/01/2021	140,000	2.000%	7,250.06	147,250.06	154,620.28
09/01/2021			5,939.11	5,939.11	
03/01/2022	131,000	2.000%	5,842.28	136,842.28	142,781.39
09/01/2022			4,600.00	4,600.00	
03/01/2023	134,000	2.000%	4,525.00	138,525.00	143,125.00
09/01/2023			3,230.23	3,230.23	
03/01/2024	136,000	2.000%	3,195.11	139,195.11	142,425.34
09/01/2024			1,840.00	1,840.00	
03/01/2025	124,000	2.000%	1,810.00	125,810.00	127,650.00
09/01/2025			572.44	572.44	
03/01/2026	56,000	2.000%	563.11	56,563.11	57,135.55
	1,498,000		125,680.99	1,623,680.99	1,623,680.99

BOND DEBT SERVICE

City of Kearney, Missouri
 Lease Purchase Agreement between Northland Development Corporation d/b/a Kearney A.D.C
 as Lessor, and the City of Kearney, Missouri
 LPA Dated as of October 1, 2016
 - KCB Proposal Numbers -
 New Money

Dated Date 10/21/2016
 Delivery Date 10/21/2016

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2017	17,000	2.000%	3,529.72	20,529.72	20,529.72
09/01/2017			4,784.00	4,784.00	
03/01/2018	48,000	2.000%	4,706.00	52,706.00	57,490.00
09/01/2018			4,293.33	4,293.33	
03/01/2019	49,000	2.000%	4,223.33	53,223.33	57,516.66
09/01/2019			3,792.44	3,792.44	
03/01/2020	50,000	2.000%	3,751.22	53,751.22	57,543.66
09/01/2020			3,281.33	3,281.33	
03/01/2021	51,000	2.000%	3,227.83	54,227.83	57,509.16
09/01/2021			2,760.00	2,760.00	
03/01/2022	52,000	2.000%	2,715.00	54,715.00	57,475.00
09/01/2022			2,228.44	2,228.44	
03/01/2023	53,000	2.000%	2,192.11	55,192.11	57,420.55
09/01/2023			1,686.67	1,686.67	
03/01/2024	54,000	2.000%	1,668.33	55,668.33	57,355.00
09/01/2024			1,134.67	1,134.67	
03/01/2025	55,000	2.000%	1,116.17	56,116.17	57,250.84
09/01/2025			572.44	572.44	
03/01/2026	56,000	2.000%	563.11	56,563.11	57,135.55
	465,000		52,226.14	537,226.14	537,226.14

BOND DEBT SERVICE

City of Kearney, Missouri
 Lease Purchase Agreement between Northland Development Corporation d/b/a Kearney A.D.C
 as Lessor, and the City of Kearney, Missouri
 LPA Dated as of October 1, 2016
 - KCB Proposal Numbers -
 Police Station Lease

Dated Date 10/21/2016
 Delivery Date 10/21/2016

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2017	24,000	2.000%	4,628.67	28,628.67	28,628.67
09/01/2017			6,256.00	6,256.00	
03/01/2018	73,000	2.000%	6,154.00	79,154.00	85,410.00
09/01/2018			5,509.78	5,509.78	
03/01/2019	75,000	2.000%	5,419.94	80,419.94	85,929.72
09/01/2019			4,743.11	4,743.11	
03/01/2020	76,000	2.000%	4,691.56	80,691.56	85,434.67
09/01/2020			3,966.22	3,966.22	
03/01/2021	77,000	2.000%	3,901.56	80,901.56	84,867.78
09/01/2021			3,179.11	3,179.11	
03/01/2022	79,000	2.000%	3,127.28	82,127.28	85,306.39
09/01/2022			2,371.56	2,371.56	
03/01/2023	81,000	2.000%	2,332.89	83,332.89	85,704.45
09/01/2023			1,543.56	1,543.56	
03/01/2024	82,000	2.000%	1,526.78	83,526.78	85,070.34
09/01/2024			705.33	705.33	
03/01/2025	69,000	2.000%	693.83	69,693.83	70,399.16
	636,000		60,751.18	696,751.18	696,751.18

SAVINGS

Lease Purchase Agreement between Northland Development Corporation d/b/a Kearney A.D.C
 as Lessor, and the City of Kearney, Missouri
 LPA Dated as of October 1, 2016
 - KCB Proposal Numbers -

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/21/2016 @ 2.0280347%
03/01/2017	104,928.27	105,372.40	(444.13)	(330.21)
03/01/2018	287,918.47	282,554.16	5,364.31	7,251.52
03/01/2019	141,399.66	136,200.83	5,198.83	6,245.40
03/01/2020	144,737.18	138,736.00	6,001.18	6,900.68
03/01/2021	102,795.38	97,111.12	5,684.26	6,151.49
03/01/2022	90,288.16	85,306.39	4,981.77	5,292.63
03/01/2023	90,288.16	85,704.45	4,583.71	4,843.99
03/01/2024	90,288.20	85,070.34	5,217.86	5,301.09
03/01/2025	75,236.07	70,399.16	4,836.91	4,854.83
	1,127,879.55	1,086,454.85	41,424.70	46,511.42

Savings Summary

Dated Date	10/21/2016
Delivery Date	10/21/2016
PV of savings from cash flow	46,511.42
Plus: Refunding funds on hand	2,275.29
Net PV Savings	48,786.71

SAVINGS

City of Kearney, Missouri
 Lease Purchase Agreement between Northland Development Corporation d/b/a Kearney A.D.C
 as Lessor, and the City of Kearney, Missouri
 LPA Dated as of October 1, 2016
 - KCB Proposal Numbers -
 Refund 2004 Sewer Lease

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/21/2016 @ 2.0280347%
03/01/2017	74,856.25	75,579.28	(723.03)	(717.78)
03/01/2018	144,856.25	145,899.72	(1,043.47)	(307.10)
	219,712.50	221,479.00	(1,766.50)	(1,024.88)

Savings Summary

Dated Date	10/21/2016
Delivery Date	10/21/2016
PV of savings from cash flow	(1,024.88)
Plus: Refunding funds on hand	1,160.38
Net PV Savings	135.50

SAVINGS

City of Kearney, Missouri
 Lease Purchase Agreement between Northland Development Corporation d/b/a Kearney A.D.C
 as Lessor, and the City of Kearney, Missouri
 LPA Dated as of October 1, 2016
 - KCB Proposal Numbers -
 Refund 2006 Amphitheatre Lease

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/21/2016 @ 2.0280347%
03/01/2017		822.39	(822.39)	(816.42)
03/01/2018	40,225.00	39,291.39	933.61	1,253.33
03/01/2019	38,562.50	37,541.11	1,021.39	1,294.16
03/01/2020	41,900.00	40,813.33	1,086.67	1,351.18
	120,687.50	118,468.22	2,219.28	3,082.26

Savings Summary

Dated Date	10/21/2016
Delivery Date	10/21/2016
PV of savings from cash flow	3,082.26
Plus: Refunding funds on hand	371.27
Net PV Savings	3,453.53

SAVINGS

City of Kearney, Missouri
 Lease Purchase Agreement between Northland Development Corporation d/b/a Kearney A.D.C
 as Lessor, and the City of Kearney, Missouri
 LPA Dated as of October 1, 2016
 - KCB Proposal Numbers -
 Police Station Lease

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/21/2016 @ 2.0280347%
03/01/2017	30,072.02	28,628.67	1,443.35	1,543.57
03/01/2018	90,288.21	85,410.00	4,878.21	5,606.41
03/01/2019	90,288.15	85,929.72	4,358.43	5,006.04
03/01/2020	90,288.18	85,434.67	4,853.51	5,375.92
03/01/2021	90,246.33	84,867.78	5,378.55	5,756.14
03/01/2022	90,288.16	85,306.39	4,981.77	5,292.63
03/01/2023	90,288.16	85,704.45	4,583.71	4,843.99
03/01/2024	90,288.20	85,070.34	5,217.86	5,301.09
03/01/2025	75,236.07	70,399.16	4,836.91	4,854.83
	737,283.48	696,751.18	40,532.30	43,680.61

Savings Summary

Dated Date	10/21/2016
Delivery Date	10/21/2016
PV of savings from cash flow	43,580.61
Plus: Refunding funds on hand	12.44
Net PV Savings	43,593.05

SAVINGS

City of Kearney, Missouri
 Lease Purchase Agreement between Northland Development Corporation d/b/a Kearney A.D.C
 as Lessor, and the City of Kearney, Missouri
 LPA Dated as of October 1, 2016
 - KCB Proposal Numbers -
 Refund Pavillion Lease

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/21/2016 @ 2.0280347%
03/01/2017		342.06	(342.06)	(339.58)
03/01/2018	12,549.01	11,953.05	595.96	698.88
03/01/2019	12,549.01	12,730.00	(180.99)	(54.80)
03/01/2020	12,549.00	12,488.00	61.00	173.58
03/01/2021	12,549.05	12,243.34	305.71	395.35
	50,196.07	49,756.45	439.62	873.43

Savings Summary

Dated Date	10/21/2016
Delivery Date	10/21/2016
PV of savings from cash flow	873.43
Plus: Refunding funds on hand	731.20
Net PV Savings	1,604.63

SUMMARY OF BONDS REFUNDED

Lease Purchase Agreement between Northland Development Corporation d/b/a Kearney A.D.C
 as Lessor, and the City of Kearney, Missouri
 LPA Dated as of October 1, 2016
 - KCB Proposal Numbers -

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
2004 Sewer COP, 04SWRCOP: TERM	03/01/2018	4.625%	210,000.00	10/21/2016	100.000
2006 Amphitheatre, 06AMP: TERM	10/01/2019	4.750%	110,000.00	10/21/2016	100.000
2009 Police Lease, 09LEASE: TERM	12/10/2024	4.250%	622,031.48	10/21/2016	100.000
Pavillion, PVAILLIO: TERM	09/01/2020	4.500%	45,018.67	10/21/2016	100.000
			987,050.15		

A. Base Lease

(Space above reserved for Recorder's use)

TITLE OF DOCUMENT:	BASE LEASE AGREEMENT
DATE OF DOCUMENT:	October 1, 2016
GRANTOR:	CITY OF KEARNEY, MISSOURI
GRANTOR'S MAILING ADDRESS:	100 E. Washington Street P.O. Box 797 Kearney, Missouri 64060
GRANTEE:	NORTHLAND DEVELOPMENT CORPORATION d/b/a KEARNEY AREA DEVELOPMENT COUNCIL
GRANTEE'S MAILING ADDRESS:	100 E. Washington Street P.O. Box 291 Kearney, Missouri 64060
RETURN DOCUMENTS TO:	E. Sid Douglas III Gilmore & Bell, P.C. 2405 Grand Boulevard, Suite 1100 Kansas City, Missouri 64108
LEGAL DESCRIPTION:	See Exhibit A

BASE LEASE AGREEMENT

THIS BASE LEASE AGREEMENT, made and entered into as of October 1, 2016 (this “**Base Lease**”), by and between the **CITY OF KEARNEY, MISSOURI**, a fourth class city and political subdivision of the state of Missouri, as lessor (the “**City**”), and the **NORTHLAND DEVELOPMENT CORPORATION d/b/a KEARNEY AREA DEVELOPMENT COUNCIL**, a Missouri nonprofit corporation, as lessee (the “**Corporation**”).

RECITALS

1. The Corporation is a nonprofit corporation duly organized and existing under Chapter 355 of the Revised Statutes of Missouri, as amended, for the purpose of doing any and all things necessary or appropriate to promote economic development within the present and future geographical boundary of the Kearney R-1 School District of Clay County, Missouri (the “**District**”) and acquiring, owning, buying, selling, leasing, mortgaging or otherwise managing or dealing in real property suitable to such uses.

2. The City is the owner of certain land and improvements located thereon situated within the boundaries of the District in Clay County, Missouri as described in Exhibit A attached hereto (the “**Land**”).

3. Pursuant to this Base Lease, the City will lease to the Corporation the Land for the rental payments and upon the terms and conditions herein set forth in order to provide funds to pay the costs of (1) purchasing, constructing and installing certain improvements on the Land and on other real property owned by the City (the “**Project**,” the Land and the portion of the Project located thereon being the “**Leased Property**”), and (2) refinancing certain other improvements and personal property for the benefit of the City by calling certain obligations for prepayment (the “**Refunded Obligations**”).

4. Pursuant to a Lease-Purchase Agreement of even date herewith (the “**Lease**”), by and between the Corporation and the City, the Corporation will lease the Leased Property back to the City on an annual basis in consideration of Rental Payments and upon the terms and conditions as therein provided.

5. To obtain funds to finance the costs of the Project and the costs of refunding the Refunded Obligations, pursuant to an Assignment Agreement of even date herewith (the “**Assignment**”), the Corporation will assign and convey to the Assignee (as defined in the Lease) certain of its rights under the Lease and **Section 2.02** of this Base Lease, excluding any right of the Corporation to indemnification thereunder and the payment of fees and expenses of the Corporation, but including the right to receive Rental Payments and certain other amounts (including without limitation insurance, condemnation and sale proceeds) under the Lease and **Section 2.02** of this Base Lease from the City.

Unless the context indicates otherwise, certain capitalized terms not specifically defined herein shall have the meanings set forth in the Lease.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I

DEMISE OF LAND, REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 1.01. Demise. Subject to and upon the terms, conditions, covenants and undertaking hereinafter set forth, the City hereby demises and leases to the Corporation, and the Corporation hereby

leases from the City FOR THE SUM OF ONE DOLLAR (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Land for a term commencing on the date on which this Base Lease is executed, and ending on March 31, 2040, unless the term of this Base Lease is terminated earlier in accordance with the provisions of **Section 2.01** hereof.

Section 1.02 Representations by the City. The City represents, warrants and covenants as follows:

- (a) The lease of the Land to the Corporation under this Base Lease and the lease of the Leased Property by the Corporation to the City, as provided in the Lease, is necessary, desirable and in the public interest and the City hereby declares its current need for the Leased Property;
- (b) The City has the power and authority to enter into the transactions contemplated by this Base Lease and the Lease and to carry out its obligations hereunder and thereunder, and has been duly authorized to execute and deliver this Base Lease and the Lease and by proper action has duly authorized the execution and delivery of this Base Lease and the Lease;
- (c) Neither the execution and delivery of this Base Lease nor the Lease, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound;
- (d) The City has good and marketable fee title to the Land;
- (e) All taxes, assessments or impositions of any kind with respect to the Land, except current taxes, if any, have been paid in full;
- (f) The City has not made, done, executed or suffered, and warrants that it will not make, do, execute or suffer, any act or thing whereby the City's interests in any property now or hereafter included in the Leased Property will be or may be impaired, changed or encumbered in any manner whatsoever except as permitted by this Base Lease and the Lease;
- (g) There is no proceeding pending or, to the City's knowledge, threatened in any court or before any governmental authority or arbitration board or tribunal relating to the Leased Property or challenging the validity of the proceedings of the City authorizing this Base Lease and the Lease or the power or authority of the City to enter into the Lease or this Base Lease or the validity or enforceability of the Lease or this Base Lease or which, if adversely determined, would adversely affect the transactions contemplated by the Lease or this Base Lease or the interest of the City under the Lease or this Base Lease;
- (h) The Land is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance that would prohibit or materially interfere with the construction of the Project, as contemplated by the Lease; and
- (i) The Land is properly zoned for the purpose of the portion of the Project to be completed thereon.

Section 1.03. Corporation's Representations. The Corporation represents, warrants and covenants to the City as follows:

- (a) The Corporation is a nonprofit corporation duly organized under the laws of the State of Missouri;
- (b) The Corporation has corporate power to enter into this Base Lease and the Lease, and by proper corporate action has duly authorized the execution and delivery of this Base Lease and the Lease by its duly authorized officers; and
- (c) The execution and delivery of this Base Lease and the Lease and the consummation of the transactions herein and therein contemplated will not conflict with or constitute a breach of or default under the Corporation's Articles of Incorporation or Bylaws or any bond, debenture, note or other evidence of indebtedness of the Corporation, or any contract, agreement or lease to which the Corporation is a party or by which it is bound.

ARTICLE II

TERMINATION

Section 2.01. Termination. Subject to the other provisions of this Base Lease, this Base Lease shall terminate prior to the term set forth in **Section 1.01** upon the occurrence of any one of the following events:

- (a) the payment by the City of all Rental Payments and other amounts owing to the Corporation under the Lease;
- (b) the exercise by the City of its option to purchase the Leased Property in accordance with the terms of the Lease;
- (c) termination of the Lease by the City for Non-appropriation in any Fiscal Year pursuant to the Lease, and the receipt by the Corporation of amounts from the Corporation's sublease and/or lease of its leasehold interest in the Leased Property sufficient to:
 - (1) reimburse the Corporation for all administrative costs and expenses, including reasonable attorneys' fees, incurred by the Corporation as a result of the termination of the Lease and the exercise of its remedies thereunder; and
 - (2) reimburse the Corporation for all capital costs and expenses in any manner incurred by the Corporation with respect to the Leased Property reasonably necessary in order to render the Leased Property suitable for sublease and/or lease for commercial or other lawful purpose; and
 - (3) pay to the Corporation an amount equaling the Purchase Option Price of the Leased Property under the Lease applicable on the last day of the Fiscal Year of the City for which the Lease last remains in effect;
- (d) termination of the Lease by the Corporation upon the occurrence of an event of default by the City thereunder and the receipt by the Corporation of amounts from the Corporation's sublease and/or lease of its leasehold interest in the Leased Property sufficient to:
 - (1) reimburse the Corporation for all administrative costs and expenses, including reasonable attorneys' fees, incurred by the Corporation as a result of the event of

default and termination of the Lease and the exercise of its remedies thereunder; and

- (2) reimburse the Corporation for all capital costs and expenses in any manner incurred by the Corporation with respect to the Leased Property reasonably necessary in order to render the Leased Property suitable for sublease and/or lease for commercial or other lawful purposes; and
- (3) pay to the Corporation an amount equaling the Purchase Option Price of the Leased Property under the Lease applicable on the last day of the Fiscal Year of the City in effect when the event of default occurs; and
- (4) pay to the Corporation an amount which will equal all Rental Payments due under the Lease through the end of the Fiscal Year of the City in effect when the event of default occurred and which remain unpaid by the City as well as any other amounts owing under the Lease and unpaid by the City as of the end of such Fiscal Year.

Section 2.02. Use of Sublease and/or Lease Rentals. The amounts referred to in Section 2.01, paragraphs (c) and (d), respectively, shall be known as the “Reimbursement Amount.” The Corporation shall be entitled to interest on the outstanding Reimbursement Amount at the rate per annum then applicable to the Lease, or, in the event that the Corporation shall receive an opinion of an attorney or firm of attorneys nationally recognized as bond counsel to the effect that such interest is includable in gross income of the recipient thereof for federal income tax purposes as a result of the default or Non-appropriation and the sublease of the Leased Property, a rate per annum three percent (3%) greater than that applicable to the Lease, during the period of time from the last Rental Payment Date in the Fiscal Year of the City for which the Lease was in effect until the time when the full Reimbursement Amount is received from sublease rentals. Any amounts of sublease rentals distributed to the Corporation after payment of administrative costs and interest shall be credited to the payment of the Reimbursement Amount.

Use of the Leased Property by the Corporation or its assignees, or any of their subsidiaries or affiliates, other than for the purpose of assuming control, making necessary changes in the Leased Property, and the initial subleasing and/or leasing thereof, shall be treated as the sublease and/or lease thereof on a monthly basis at the then prevailing fair market value. In the event that the Lease is terminated as a result of the City’s Non-appropriation of funds necessary to pay Rental Payments in any Fiscal Year or terminated by the Corporation as a result of the occurrence of an event of default by the City thereunder, the City may subsequently pay the Reimbursement Amount.

Section 2.03. Return of Leased Property Subject to Sublease or Lease. In the event that the Reimbursement Amount is received by the Corporation in full, and the Corporation’s interest in the Leased Property has been subleased and/or leased to any sublessee or the Corporation, as the case may be, pursuant to any subleases or leases that are still in effect, this Base Lease shall not terminate but the Corporation shall assign and set over to the City all of its interest in the Leased Property granted under this Base Lease, subject to all existing rights created in such sublessees of the Corporation of the Leased Property by any such subleases or leases.

Section 2.04. Reports. In the event that the Lease is terminated for Non-appropriation in any Fiscal Year or terminated as a result of the occurrence of an event of default by the City thereunder, the Corporation shall keep complete and accurate records regarding any sublease or lease of the Leased Property and shall, within sixty (60) days of the end of the Fiscal Year of the City deliver a written report to the City showing: (a) all amounts received by the Corporation from any sublease or lease of the Leased Property; (b) an analysis as to whether the Corporation has received the Reimbursement Amount, with all

supporting calculations; and (c) the date, if any, in the next Fiscal Year of the City on which the Corporation expects to receive the Reimbursement Amount. In the event that on the last day of any Fiscal Year of the City the Corporation has received the Reimbursement Amount, then all rentals with respect to any sublease or lease of the Leased Property payable after the close of such Fiscal Year, as well as any rentals payable during such Fiscal Year in excess of the amounts the Corporation is entitled to receive pursuant to **Section 2.02**, shall be the property of the City.

The City shall have the right, at its own expense, to examine the Corporation's records in so far as they relate to the Leased Property, such examination shall be made at the Corporation's offices during normal business hours.

ARTICLE III

USE OF PREMISES; ADDITIONAL COVENANTS

Section 3.01. Use. The Corporation shall not use or permit the use of the Land for any unlawful purpose. The Corporation agrees to use the Land solely for the purposes described in this Base Lease and in the Lease.

Section 3.02. Quiet Enjoyment. Subject to the terms of the Lease, the City covenants to provide the Corporation with the quiet use and enjoyment of the Land for the term of this Base Lease, and the Corporation shall during such term peaceably and quietly have and hold and enjoy the Land, without suit, trouble or hinderance from the City.

Section 3.03. Surrender of Leased Property. The Corporation agrees that upon the termination of this Base Lease it will surrender the Leased Property to the City free and clear of all liens and encumbrances created by or arising under the Corporation or its assignees, except Permitted Encumbrances; provided that in the event that the Leased Property is subject to the rights of any sublessee of the Corporation granted under any sublease or lease entered into in accordance with the terms of this Base Lease after the termination of the Lease for Non-appropriation by the City or as a result of an event of default by the City, the Corporation agrees to assign and set over to the City the Corporation's entire interest in the Leased Property granted under this Base Lease subject only to Permitted Encumbrances and the rights of such sublessees or the Corporation under any such subleases or leases.

Section 3.04. Assignment. In order to obtain funds to pay the costs of the Project and of refunding the Refunded Obligations, the Corporation will enter into the Assignment pursuant to which it will assign certain of its right, title and interest in, to and under the Lease and **Section 2.02** of this Base Lease to the Assignee. Except as described in the next paragraph, neither the Corporation nor the Assignee may further assign or otherwise dispose of or encumber this Base Lease without the written consent of the City which consent shall not be unreasonably withheld.

If the Lease is terminated for Non-appropriation or terminated by the Corporation as a result of an event of default by the City, the Corporation may assign its interest hereunder and may use, sublease and/or lease the Leased Property without the consent of the City. In either of such events, the City represents, covenants and warrants to and with the Corporation that the City for the remaining term of this Base Lease shall not (a) use its power of eminent domain to obtain title to or possession of the Leased Property for an amount less than the applicable Reimbursement Amount as defined in **Section 2.02** hereof, or (b) change or consent to the change of the comprehensive plan, zoning classification, permitted conditional or accessory uses or other land use controls applicable to the Leased Property from those reasonably necessary for the Corporation to exercise its rights under this Base Lease and the Lease.

Section 3.05. Additional Covenants. In the event that any person or entity, however organized (other than the Corporation or its assignees), shall be determined to hold any interest that in any manner

affects the City's good and marketable title to the Land, the City shall use its best efforts to acquire the interest in the Land so held, such acquisition to be made at the City's sole cost and expense. To the extent permitted by law, the City hereby agrees to save and hold harmless the Corporation and its assignees, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorney's fees) of whatever kind and nature, imposed on, incurred by or asserted against the Corporation or its assignees, that in any way relate to or arise out of the assertion of any interest affecting the City's good and marketable title to the Land by any person or entity, however organized (other than the Corporation or its assignees).

ARTICLE IV

CORPORATION'S DEFAULT; REMEDIES

Section 4.01. The Corporation's Default. The following shall be an "event of default" or a "default" hereunder: if the Corporation shall fail to (i) pay the consideration provided herein, or (ii) observe or perform any of the Corporation's obligations otherwise provided herein, or (iii) observe or perform any of its obligations under the Lease in accordance with the terms thereof.

Section 4.02. The City's Remedies. Upon the occurrence of an event of default by the Corporation hereunder, which shall remain uncured for thirty (30) days after receipt by the Corporation of written notice of such event of default, the City may thereafter or any time subsequently during the existence of such breach or default, subject to its obligation to continue Rental Payments pursuant to the Lease and to the rights of existing sublessees, (i) enter into and upon the Land and repossess the Leased Property, expelling and removing therefrom all persons and property, and (ii) terminate this Base Lease, holding the Corporation liable for damage for its breach.

ARTICLE V

HAZARDOUS SUBSTANCES

Section 5.01. Obligations and Liabilities.

The City shall not cause or permit to occur:

- (a) Any violation of any federal, state or local law, ordinance, or regulation now or hereafter enacted, related to environmental conditions on, under, or about the Land, or arising from the City's use or occupancy of the Land, including, but not limited to, soil and ground water conditions; or
- (b) The generation, release, manufacture, refining, production, processing, or disposal of any hazardous substance on, under, or about the Land of any hazardous substance.

For purposes of this Base Lease, "hazardous substance" means any hazardous substance, hazardous waste, toxic substances, polychlorinated biphenyls, asbestos, urea formaldehyde or related substances including, but not limited to "hazardous substances" as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 Subd. (14), as amended from time to time and any "hazardous substance," "hazardous waste," "infectious waste" or "waste explosives," as those terms are defined in the Revised Statutes of Missouri § 260.360 and 260.565, as amended from time to time.

The City shall, at its own expense, comply with all laws regulating the use, generation, storage, transportation, or disposal of petroleum or petroleum products, natural gas, natural gas liquids, liquified natural gas or synthetic gas usable for fuel or mixtures thereof (hereinafter, collectively, "petroleum

products”) and hazardous substances (collectively “Laws”), and obtain all necessary approvals and permits from the applicable governmental authorities.

The City shall, at its own expense, make all submissions to, provide all information required by, and comply with all requirements of the applicable governmental authorities under the Laws. The City shall promptly provide all information regarding the use, generation, storage, transportation or disposal of hazardous substances and the storage or disposal of petroleum products that is requested by the Corporation. If the City fails to fulfill any duty imposed under this Article within a reasonable time, the Corporation may, but has no obligation to, perform the obligations of the City, and, in such case, the City shall cooperate with the Corporation in order to prepare all documents the Corporation deems necessary or appropriate to determine the applicability of the Laws to the Land and the City’s use thereof, and for compliance therewith, and the City shall execute all documents promptly upon the Corporation’s request. No such action by the Corporation and no attempt made by the Corporation to mitigate damages under any law shall constitute a waiver of any of the City’s obligations under this Article.

Should any governmental authority or any third party demand or initiate legal action to compel the preparation of a corrective action plan or the undertaking of corrective action because of any deposit, spill, discharge, or other release of hazardous substances or petroleum products that occurs during the term of this Base Lease, at or from the Land, then the City shall, at its own expense, prepare and submit the required corrective action plans and all related bonds and other financial assurances; and the City shall carry out all such corrective action.

The City’s obligations and liabilities under this Article shall survive the termination of this Base Lease.

Section 5.02. Covenants and Warranties. The City covenants and warrants to the Corporation that, on the date of execution of this Base Lease, no toxic or hazardous substances or wastes, infectious wastes, pollutants or contaminants have been generated, treated, stored, transferred from, released or disposed of, or otherwise placed, deposited in or located on the Land. The Land is not now, and to the best knowledge of the City, never has been used as a landfill, dump or other disposal, storage, transfer or handling area for hazardous substances or for industrial, military or manufacturing purposes, or as a gasoline service station or a facility for selling, dispensing, storing, transferring or handling petroleum and/or petroleum products. No above-ground or underground tanks have been located under, in or about the Land and have subsequently been removed or filled. To the extent storage tanks exist on or under the Land, such storage tanks have been duly registered with all appropriate regulatory and governmental bodies and otherwise are in compliance with applicable federal, state and local statutes, regulations, ordinances, and other regulatory requirements. The City has delivered to the Corporation copies of all environmental reports and other documents relating to the environmental condition of the Land which are in the possession of the City.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Severability. If any term or provision of this Base Lease, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Base Lease or the application of such term or provision to persons or circumstance other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Base Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 6.02. Binding Effect. This Base Lease shall be binding upon, and inure to the benefit of, the parties hereto, and their successors and assigns.

Section 6.03. Counterparts. This Base Lease may be executed in counterparts, each of which shall constitute one and the same instrument.

Section 6.04. Applicable Law. This Base Lease shall be interpreted and enforced in accordance with the laws of the State of Missouri.

Section 6.05. No Merger of Title. There shall be no merger of this Base Lease or the leasehold created by this Base Lease with any other estate in the Land or any part thereof by reason of the fact that the same entity may acquire or own or hold, directly or indirectly, (a) the Land or any part thereof or any interest therein or (b) the Leased Property or any part thereof or any interest therein, and no such merger shall occur unless and until all persons having any interest in the Leased Property or any part thereof, shall join in a written instrument effecting such merger and shall duly record the same.

Section 6.06. Jury Trial Waiver. TO THE EXTENT PERMITTED BY LAW, THE PARTIES HERETO HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION OR PROCEEDINGS RELATING TO OR ARISING UNDER THIS BASE LEASE OR TRANSACTIONS HEREUNDER.

Section 6.07. Electronic Transactions. The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Base Lease Agreement as of the date first above written.

**NORTHLAND DEVELOPMENT CORPORATION
d/b/a KEARNEY AREA DEVELOPMENT
COUNCIL,**
the Corporation, as lessee

By _____
Name: Joe Wilmes
Title: Vice-President

ATTEST:

Name: Jim Eldridge
Title: Secretary

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF CLAY)

On this _____ day of _____, 2016, before me, the undersigned, a Notary Public in and for said State, personally appeared **JOE WILMES** who, being before me duly sworn, did say that he is the **VICE-PRESIDENT** of the **NORTHLAND DEVELOPMENT CORPORATION d/b/a KEARNEY AREA DEVELOPMENT COUNCIL**, a Missouri nonprofit corporation, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and said official acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said corporation.

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

Notary Public in and for said State
Commissioned in _____ County

My commission expires:

CITY OF KEARNEY, MISSOURI,
the City, as lessor

By _____
Name: Bill Dane
Title: Mayor

[SEAL]

ATTEST:

Name: Jim Eldridge
Title: City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF CLAY)

On this _____ day of October, 2016, before me, the undersigned, a Notary Public in and for said State, personally appeared **BILL DANE** who, being before me duly sworn, did say that he is the **MAYOR** of the **CITY OF KEARNEY, MISSOURI**, and that the seal affixed to the foregoing instrument is the seal of said city, and that said instrument was signed and sealed on behalf of said city by authority of its Board of Aldermen, and said official acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said city.

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

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

My commission expires:

EXHIBIT A

DESCRIPTION OF LAND

The Land consists of the following described real property and improvements located thereon:

All of the Northerly 300 feet of all that part of Lot 1, NORTH COUNTRY ESTATES, a subdivision of land in Kearney, Clay County, Missouri, described as follows: Beginning at the Northeast corner of said Lot 1, said point being on the Southerly right of way of Missouri State Highway No. 92; thence South 0 degrees 19' 54" East along the East line of said Lot 1, a distance of 660.05 feet; thence North 75 degrees 37' 45" West, a distance of 139.46 feet to a point on the East right of way of North Country Avenue; thence North 0 degrees 19' 53" West, along said East right of way, a distance of 625.05 feet to a point on the South right of way line of Missouri State Highway No. 92; thence North 89 degrees 40' 06" East along said South right of way line, a distance of 135.00 feet to the point of beginning.

B₀

LEASE-PURCHASE AGREEMENT

Between

**NORTHLAND DEVELOPMENT CORPORATION
d/b/a KEARNEY AREA DEVELOPMENT COUNCIL,**

as Lessor

and the

CITY OF KEARNEY, MISSOURI,

as Lessee

Dated as of October 1, 2016

Prepared by:

Gilmore & Bell, P.C.
2405 Grand Blvd, Suite 1100
Kansas City, MO 64108

LEASE PURCHASE AGREEMENT

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1. Definitions.....2
Section 1.2. Exhibits3

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of the City3
Section 2.2. Representations, Covenants and Warranties of the Corporation.....5
Section 2.3. Deposit of Funds5
Section 2.4. Project Acquisition Fund.....5
Section 2.5. Moneys in Funds; Investment6
Section 2.6. Default and Nonappropriation; Notice; Exercise of Rights7
Section 2.7. Administrative Provisions7

ARTICLE III

LEASE OF LEASED PROPERTY

Section 3.1. Lease7
Section 3.2. Possession and Enjoyment7
Section 3.3. Corporation's Access to the Leased Property7

ARTICLE IV

TERM OF LEASE

Section 4.1. Lease Term.....7
Section 4.2. Termination by the City7
Section 4.3. Intent to Continue Lease Term; Appropriations.....8
Section 4.4. Effect of Termination8
Section 4.5. Termination of Lease Term8

ARTICLE V

RENTAL PAYMENTS

Section 5.1.	Rental Payments.....	8
Section 5.2.	Current Expense.....	8
Section 5.3.	Interest Component.....	9
Section 5.4.	Rental Payments to be Unconditional.....	9

ARTICLE VI

INSURANCE AND NEGLIGENCE

Section 6.1.	Liability Insurance.....	9
Section 6.2.	Property Insurance.....	9
Section 6.3.	Worker's Compensation Insurance.....	9
Section 6.4.	Requirements For All Insurance.....	9
Section 6.5.	The City's Negligence.....	10
Section 6.6.	Damage to or Destruction of Leased Property.....	10

ARTICLE VII

OTHER OBLIGATIONS OF LESSEE

Section 7.1.	Use; Permits.....	10
Section 7.2.	Maintenance of Leased Property by the City.....	10
Section 7.3.	Taxes, Other Governmental Charges and Utility Charges.....	11
Section 7.4.	Advances.....	11

ARTICLE VIII

TITLE

Section 8.1.	Title.....	11
Section 8.2.	Liens.....	11
Section 8.3.	Installation of the City's Equipment.....	12
Section 8.4.	Modification of Leased Property.....	12

ARTICLE IX

WARRANTIES

Section 9.1.	Selection, Design and Construction of the Project.....	12
Section 9.2.	Maintenance of Leased Property.....	12
Section 9.3.	Contractor's Warranties.....	12
Section 9.4.	Patent Infringement.....	13
Section 9.5.	Disclaimer of Warranties.....	13

ARTICLE X

OPTION TO PURCHASE

Section 10.1. When Available..... 13
Section 10.2. Exercise of Option..... 13
Section 10.3. Release of the Corporation's Interest..... 13

ARTICLE XI

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 11.1. Assignment by the Corporation 14
Section 11.2. Assignment and Subleasing by the City..... 14
Section 11.3. Restriction on Mortgage or Sale of Leased Property by the City 14

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

Section 12.1. Events of Default Defined..... 14
Section 12.2. Remedies on Default 15
Section 12.3. Surrender of Leased Property..... 16
Section 12.4. No Remedy Exclusive..... 16

ARTICLE XIII

ADMINISTRATIVE PROVISIONS

Section 13.1. Notices 16
Section 13.2. Financial Information..... 16
Section 13.3. Binding Effect 16
Section 13.4. Severability 16
Section 13.5. Amendments, Changes and Modifications..... 16
Section 13.6. Captions 17
Section 13.7. Further Assurances and Corrective Instruments 17
Section 13.8. Execution of Counterparts..... 17
Section 13.9. Applicable Law 17

Signatures and Acknowledgements S-1

EXHIBIT A Description of the Land.....A-1
EXHIBIT B Rental Payment ScheduleB-1
EXHIBIT C Payment Request Form.....C-1

LEASE PURCHASE AGREEMENT

THIS LEASE-PURCHASE AGREEMENT dated as of October 1, 2016 (the "Lease"), by and between **NORTHLAND DEVELOPMENT CORPORATION d/b/a KEARNEY AREA DEVELOPMENT COUNCIL**, a Missouri nonprofit corporation, as lessor (the "Corporation"), whose mailing address is 100 E. Washington Street, P.O. Box 291, Kearney, Missouri 64060, and the **CITY OF KEARNEY, MISSOURI**, a fourth class city and political subdivision of the State of Missouri, as lessee (the "City"), whose mailing address is 100 E. Washington Street, P.O. Box 797, Kearney, Missouri 64060.

RECITALS

1. The Corporation is a nonprofit corporation duly organized and existing under Chapter 355 of the Revised Statutes of Missouri, as amended, for the purpose of doing any and all things necessary or appropriate to promote economic development within the present and future geographical boundary of the Kearney R-1 School District of Clay County, Missouri (the "District") and acquiring, owning, buying, selling, leasing, mortgaging or otherwise managing or dealing in real property suitable to such uses.

2. The City is the owner of certain land and improvements located thereon situated within the boundaries of the District in Clay County, Missouri as described in Exhibit A attached hereto (the "Land").

3. Pursuant to a Base Lease Agreement of even date herewith (the "Base Lease"), by and between the City and the Corporation, the City has leased to the Corporation the Land for the rental payments and upon the terms and conditions therein set forth in order to provide funds to pay the costs of (1) purchasing, constructing and installing certain improvements on the Land and on other real property owned by the City (the "Project," the Land and the portion of the Project located thereon being the "Leased Property"), and (2) refinancing certain other improvements and personal property for the benefit of the City by calling certain obligations for prepayment (the "Refunded Obligations").

4. Pursuant to this Lease, the Corporation will lease the Leased Property back to the City on an annual basis in consideration of Rental Payments (as defined herein) and upon the terms and conditions as herein provided.

5. To obtain funds to finance the costs of the Project and the costs of refunding the Refunded Obligations, pursuant to an Assignment Agreement dated of even date herewith (the "Assignment"), the Corporation will assign and convey to the Assignee (as defined herein) certain of its rights under this Lease and Section 2.02 of the Base Lease, excluding any right of the Corporation to indemnification and the payment of fees and expenses of the Corporation, but including the right to receive Rental Payments and certain other amounts (including without limitation insurance, condemnation and sale proceeds) under this Lease and Section 2.02 of the Base Lease from the City.

NOW THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease, have the meanings herein specified.

Assignee: KCB Bank, a state banking corporation organized and existing under the laws of the State of Missouri, and its successors and assigns.

Assignment: The Assignment Agreement between the Corporation and the Assignee, pursuant to which the Corporation will assign certain of its rights under this Lease and Section 2.02 of the Base Lease to the Assignee in consideration of the Assignee's agreement to provide funds to pay the costs of the Project.

Base Lease: The Base Lease Agreement dated as of the date hereof, by and between the City and the Corporation, whereby the City has leased the Land to the Corporation.

Corporation: Northland Development Corporation d/b/a Kearney Area Development Council, its successors and assigns.

Closing Date: The date upon which the amount specified in Section 2.3 is deposited with the Escrow Agent.

Escrow Agent: KCB Bank, acting as escrow agent, pursuant to its acceptance of such duties under the Assignment, or any successor appointed and so acting under the terms hereof.

Fiscal Year: The twelve month fiscal period of the City which commences on April 1 in every year and ends on the following March 31.

Independent Counsel: An attorney duly admitted to the practice of law before the highest court of the State who is not a full-time employee of the Corporation or the City.

Interest: The portion of any Rental Payment designated as and comprising interest as shown in the attached **Exhibit B**.

Land: The real property and the improvements thereon described on **Exhibit A** hereto.

Leased Property: The Land and the portion of the Project located thereon.

Net Proceeds: Any insurance proceeds or condemnation award, paid with respect to the Leased Property, remaining after payment therefrom of all expenses incurred in the collection thereof.

Non-appropriation: The failure of the Board of Aldermen to appropriate money for any Fiscal Year of the City sufficient for the continued performance of this Lease by the City.

Payment Date: The date upon which any Rental Payment is due and payable as provided in **Exhibit B**.

Permitted Encumbrances: As of any particular time: (i) liens for taxes and assessments not then delinquent, or which the City may, pursuant to provisions of **Section 7.3** hereof, permit to remain unpaid, (ii) this Lease, the Base Lease and amendments thereto and any financing statements filed in connection therewith, (iii) the Corporation's interest in the Leased Property, (iv) any mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right not filed or perfected in the manner

prescribed by law, other than any lien arising through a contractor or which the City may, pursuant to **Article VIII** hereof, permit to remain unpaid, (v) any utility easements of record, and (vi) restrictions contained in the instrument recorded August 30, 1990 in Book 1992 at Page 158.

Principal: The portion of any Rental Payment designated as principal in the attached **Exhibit B**.

Project: The Project includes renovating, purchasing, constructing and installing certain improvements, including (1) the renovation of existing space in the police station located on the Land to accommodate a training room and (2) remodeling the Reed Museum, which is not located on the Land and is not a part of the Leased Property.

Purchase Option Price: The amount described in Section 10.1 required to exercise the City's option to purchase the Leased Property.

Qualified Investment: Any obligation which is authorized by law as an eligible investment for funds of the City.

Rental Payment: The payment due from the City to the Corporation on each Payment Date during the Term of this Lease, as shown on **Exhibit B**.

State: The State of Missouri.

State and Federal Law or Laws: The Constitution and any law of the State and any rule or regulation of any agency or political subdivision of the State; and any law of the United States, and any rule or regulation of any federal agency.

Term of this Lease or Lease Term: The period during which this Lease is in effect as specified in **Section 4.1**.

Section 1.2. Exhibits.

The following Exhibits are attached to and by reference made a part of this Lease:

Exhibit A: A description of the Land.

Exhibit B: A schedule indicating the date and amount of each Rental Payment coming due during the Lease Term, the amount of each Rental Payment comprising Principal and Interest, and the price at which the City may exercise its option to purchase the Corporation's interest in the Leased Property in accordance with **Article X**.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of the City. The City represents, covenants and warrants as follows:

(a) The City is a duly formed and validly existing political subdivision of the State, governed by the Constitution and laws of the State;

(b) The lease of the Land to the Corporation under the Base Lease and the lease of the Leased Property by the Corporation to the City, as provided in this Lease, is necessary, desirable and in the public interest and the City hereby declares its current need for the Leased Property;

(c) The City has the power and authority to enter into the transactions contemplated by the Base Lease and this Lease and to carry out its obligations thereunder and hereunder, and has been duly authorized to execute and deliver the Base Lease and this Lease and by proper action has duly authorized the execution and delivery of the Base Lease and this Lease;

(d) The officers of the City executing the Base Lease and this Lease have been duly authorized to execute and deliver such documents under the terms and provisions of an ordinance of the City's governing body, or by other appropriate official action;

(e) In authorizing and executing this Lease, the City has complied with all State and Federal Laws applicable to this Lease and the acquisition of the Project by the City;

(f) The City will not pledge, mortgage or assign this Lease, or its duties and obligations hereunder to any other person, firm or corporation except as provided under the terms of this Lease;

(g) The City will use the Leased Property during the Lease Term only to perform its governmental functions;

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

(i) The City has good and marketable fee title to the Land;

(j) All taxes, assessments or impositions of any kind with respect to the Land, except current taxes, if any, have been paid in full;

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

(l) There is no proceeding pending or, to the City's knowledge, threatened in any court or before any governmental authority or arbitration board or tribunal relating to the Leased Property or challenging the validity of the proceedings of the City authorizing the Base Lease and this Lease or the power or authority of the City to enter into the Base Lease or this Lease or the validity or enforceability of the Base Lease or this Lease or which, if adversely determined, would adversely affect the transactions contemplated by the Base Lease or this Lease or the interest of the City under the Base Lease or this Lease;

(m) The Land is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the construction of portions of the Project on the Land, as contemplated by this Lease;

(n) The Land is properly zoned for the purpose of the portion of the Project located thereon;

(o) The City will take no action that would cause the Interest portion of the Rental Payments to become includable in gross income of the recipient for federal income tax purposes

under the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations promulgated thereunder (the "Regulations"), and the City will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the Interest portion of the Rental Payments does not become includable in gross income of the recipient for federal income tax purposes under the Code and Regulations;

(p) The City has funds available and properly appropriated to pay Rental Payments until the end of the current Fiscal Year; and

(q) The City has never terminated, or threatened to terminate, a lease-purchase or similar agreement for failure of its governing body to appropriate funds sufficient to perform its obligations thereunder for any Fiscal Year.

Section 2.2. Representations, Covenants and Warranties of the Corporation. The Corporation represents, covenants and warrants as follows:

(a) The Corporation is a nonprofit corporation duly organized under the laws of the State of Missouri;

(b) The Corporation has corporate power to enter into this Lease, the Base Lease and the Assignment; is possessed of full power to own and hold real and personal property, and to lease the same; and by proper corporate action has duly authorized the execution and delivery of this Lease, the Base Lease and the Assignment; and

(c) Neither the execution and delivery of this Lease, the Base Lease and the Assignment, nor the fulfillment of or compliance with the terms and conditions thereof, nor the consummation of the transactions contemplated thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Corporation, or upon the Leased Property except for Permitted Encumbrances.

Section 2.3. Deposit of Funds. Upon delivery of this Lease and the Base Lease, the Corporation will cause to be deposited the sum of \$507,533.20 into escrow pursuant to the terms and conditions of **Section 2.4** below, which amount shall be disbursed by the Escrow Agent in payment of the costs of the Project and the costs of issuing this Lease in accordance with this Lease. The Corporation shall arrange for the remainder of the proceeds of this Lease, in the amount of \$990,466.80, to be placed in escrow for the benefit of or wired directly to the holders of the Refunded Obligations to accomplish a defeasance and refunding of the Refunded Obligations.

Section 2.4. Project Acquisition Fund.

(a) The Escrow Agent (i) shall establish a special escrow fund designated as the Project Acquisition Fund (the "Project Acquisition Fund"), (ii) shall keep such Project Acquisition Fund separate and apart from all other funds and moneys held by it, and (iii) shall administer such Project Acquisition Fund as provided in this Section and **Section 2.5** hereof.

(b) There shall be credited to the Project Acquisition Fund the amount specified for such purpose in **Section 2.3** hereof. The Escrow Agent shall use the moneys in the Project Acquisition Fund to pay costs of the Project, upon receipt of a request for payment in the form attached hereto as **Exhibit C**, executed by the City, fully completed and with all supporting documents described therein attached thereto and in compliance with the requirements of

subsection (e) of this Section. Upon receipt of a Payment Request Form with respect to any component of the Project, an amount equal to the costs of the Project as shown therein shall be paid directly to the person or entity entitled to payment as specified therein.

(c) The Escrow Agent shall only be responsible for the safekeeping and investment of the moneys held in the Project Acquisition Fund and the disbursement thereof in accordance with this Section, and shall not be responsible for (i) the authenticity or accuracy of certifications or documents, (ii) the application of amounts paid pursuant to certifications by the persons or entities to which moneys are paid, or (iii) the sufficiency of the moneys credited to the Project Acquisition Fund to pay costs of the Project as herein required.

(d) Any moneys credited to the Project Acquisition Fund representing interest earned on the amounts originally deposited therein shall be transferred to the City upon the written request of the City and used to pay Rental Payments on the next Payment Date. No such transfer shall be requested if the amount remaining in the Project Acquisition Fund after such transfer will not be sufficient to pay all remaining costs of the Project. Any portion of the original deposit remaining in the Project Acquisition Fund after payment of all costs of the Project may be (i) expended on any capital expense directly related to the Project as directed by the City, upon receipt by the Escrow Agent of an opinion of an attorney or firm of attorneys nationally recognized as bond counsel to the effect that the planned expenditure will not cause the Interest component of the Rental Payments to become includable in gross income for federal income tax purposes or (ii) used to pay the Principal portion of Rental Payments coming due under this Lease. In any event, any moneys remaining on hand in the Project Acquisition Fund which have not been so used within three (3) years of the date of delivery of this Lease may be used to pay the principal portion of the Rental Payments as they next become due.

Section 2.5. Moneys in Funds; Investment.

(a) The moneys and investments held by the Escrow Agent hereunder are irrevocably held in trust for the benefit of the City and the Corporation, and such moneys, together with any income or interest earned thereon, shall be expended only as provided in this Lease and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the City or the Corporation.

(b) Moneys held by the Escrow Agent hereunder shall be invested and reinvested by the Escrow Agent only in Qualified Investments and in accordance with investment instructions given to the Escrow Agent by the City. The Escrow Agent shall be entitled to rely on such instruction of the City that an investment is a Qualified Investment. Such investments shall be registered in the name of the Escrow Agent and held by the Escrow Agent. With the approval of the City, the Escrow Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section. Such investments and reinvestments shall be valued at the lower of cost or fair market value and shall be made giving full consideration for the time at which funds are required to be available. In the absence of direction by the City, the Escrow Agent is hereby directed to invest in "tax-exempt bonds" as defined in Section 150(a)(6) of the Internal Revenue Code of 1986, as amended (the "Code"), other than "specified private activity bonds" as defined in Section 57(a)(5)(C) of the Code, rated at least AA or Aa by Standard & Poor's Corporation ("S&P") and Moody's Investors Services, Inc. ("Moody's"), respectively, or the equivalent by any other nationally recognized rating agency at the time of acquisition thereof.

(c) The Escrow Agent shall, without further direction from the City, sell such investments as and when required to make any payment from the Project Acquisition Fund for which such investments are held. Any income received on such investments shall be credited to the Project Acquisition Fund.

(d) Upon request, the Escrow Agent shall furnish to the City an accounting of all investments. The Escrow Agent shall not be responsible or liable for any loss suffered in connection with any investment of moneys made by it in accordance with this Section.

Section 2.6 Default and Nonappropriation; Notice; Exercise of Rights.

(a) If an event of default occurs under the Lease, or if the City fails to appropriate moneys to pay the Rental Payments in any subsequent Fiscal Year of the City, any amounts remaining in the Project Acquisition Fund shall be paid to the Corporation upon the Corporation's written request therefor.

(b) The Escrow Agent shall have no obligation to determine whether an event of default has occurred under this Lease, to determine whether this Lease has been terminated, to take any action to collect any Rental Payment not paid when due, or to exercise on behalf of the Corporation or any assignee of the Corporation their rights under this Lease or the Base Lease.

Section 2.7 Administrative Provisions. The Escrow Agent shall keep complete and accurate records of all moneys received and disbursed under this Lease, which shall be available for inspection by the City or the Corporation, or the agent of any of them, at any time during regular business hours.

ARTICLE III

LEASE OF LEASED PROPERTY

Section 3.1. Lease. The Corporation hereby subleases the Land and leases the Leased Property to the City, and the City hereby subleases the Land and leases the Leased Property from the Corporation, upon the terms and conditions set forth in this Lease.

Section 3.2. Possession and Enjoyment. The Corporation hereby covenants to provide the City during the Term of this Lease with the quiet use and enjoyment of the Leased Property, and the City shall during the Term of this Lease peaceably and quietly have and hold and enjoy the Leased Property, without suit, trouble or hindrance from the Corporation, except as expressly set forth in this Lease. The Corporation will, at the request of the City and at the City's cost, join in any legal action in which the City asserts its right to such possession and enjoyment to the extent the Corporation lawfully may do so.

Section 3.3. Corporation's Access to the Leased Property. The City agrees that the Corporation shall have the right at all reasonable times to examine and inspect the Leased Property. The City further agrees that the Corporation shall have such rights of access to the Leased Property as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by the City to perform its obligations hereunder.

ARTICLE IV

TERM OF LEASE

Section 4.1. Lease Term. This Lease shall be in effect for a Term commencing upon its date of delivery and ending as provided in **Section 4.5.**

Section 4.2. Termination by the City. In the sole event of Non-appropriation, the City shall have the right to terminate this Lease, in whole but not in part, at the end of any Fiscal Year of the City, in the manner and subject to the terms specified in this Section and **Section 4.4.** The City may effect such termination by giving the Corporation a written notice of termination and by paying to the Corporation any Rental Payments and other amounts which are due and have not been paid at or before the end of its then current Fiscal Year. The City shall endeavor to give notice of termination not less than sixty (60) days prior to the end of such Fiscal Year, and shall notify the Corporation of any anticipated termination.

In the event of termination of this Lease as provided in this Section, the City shall surrender possession of the Leased Property to the Corporation in accordance with **Section 12.3**, and shall convey to the Corporation or release its interest in the Leased Property within ten (10) days after the termination of this Lease.

Section 4.3. Intent to Continue Lease Term; Appropriations. The City presently intends to continue this Lease for its entire Term and to pay all Rental Payments specified in **Exhibit B**. The City agrees to include in the budget request to its governing body for each Fiscal Year the Rental Payments to become due in such Fiscal Year, and will use all reasonable and lawful means available to secure the appropriation of money for such Fiscal Year sufficient to pay the Rental Payments coming due therein. The City reasonably believes that moneys in an amount sufficient to make all such Rental Payments can and will lawfully be appropriated and made available for this purpose.

Section 4.4. Effect of Termination. Upon termination of this Lease as provided in **Section 4.2**, the City shall not be responsible for the payment of any additional Rental Payments coming due with respect to succeeding Fiscal Years, but if the City has not surrendered possession of the Leased Property to the Corporation in accordance with **Section 12.3** and conveyed to the Corporation or released its interest in the Leased Property within ten (10) days after the termination of this Lease, the termination shall nevertheless be effective, but the City shall be responsible for the payment of additional rent in an amount equal to the amount of the Rental Payments thereafter coming due under **Exhibit B** which are attributable to the number of days after such ten (10) day period during which the City fails to take such actions and for any other loss suffered by the Corporation as a result of the City's failure to take such actions as required.

Section 4.5. Termination of Lease Term. The Term of this Lease will terminate upon the occurrence of the first of the following events:

- (a) the termination thereof by the City in accordance with **Section 4.2**;
- (b) the exercise by the City of its option to purchase the Corporation's interest in the Leased Property pursuant to **Article X**;
- (c) a default by the City and the Corporation's election to terminate this Lease pursuant to **Article XII**; or
- (d) the payment by the City of all Rental Payments and other amounts authorized or required to be paid by the City hereunder.

ARTICLE V

RENTAL PAYMENTS

Section 5.1. Rental Payments. The City agrees to pay Rental Payments during the Term of this Lease, in the amounts and on the dates specified in **Exhibit B**. All Rental Payments shall be paid to the Corporation at its offices at the address specified in the first paragraph of this Lease, or to such other person or entity to which the Corporation has assigned such Rental Payments as specified in **Article XI**, at such place as such assignee may from time to time designate by written notice to the City. The City shall pay the Rental Payments exclusively from moneys legally available therefor, in lawful money of the United States of America, to the Corporation or, in the event of assignment of the right to receive Rental Payments by the Corporation, to its assignee.

Section 5.2. Current Expense. The obligations of the City under this Lease, including its obligation to pay the Rental Payments due with respect to the Leased Property, in any Fiscal Year for

which this Lease is in effect, shall constitute a current expense of the City for such Fiscal Year and shall not constitute an indebtedness of the City within the meaning of the Constitution and laws of the State. Nothing herein shall constitute a pledge by the City of any taxes or other moneys, other than moneys lawfully appropriated from time to time by or for the benefit of the City in the annual budget of the Board of Aldermen and the proceeds or Net Proceeds of the Leased Property, to the payment of any Rental Payment or other amount coming due hereunder.

Section 5.3. Interest Component. A portion of each Rental Payment is paid as and represents the payment of Interest. **Exhibit B** sets forth the Interest component of each Rental Payment.

Section 5.4. Rental Payments to be Unconditional. Except as provided in **Section 4.2**, the obligation of the City to make Rental Payments or any other payments required hereunder shall be absolute and unconditional in all events. Notwithstanding any dispute between the City and the Corporation or any other person, the City shall make all Rental Payments and other payments required hereunder when due and shall not withhold any Rental Payment or other payment pending final resolution of such dispute nor shall the City assert any right of set-off or counterclaim against its obligation to make such Rental Payments or other payments required under this Lease. The City's obligation to make Rental Payments or other payments during the Lease Term shall not be abated through accident or unforeseen circumstances (including, without limitation, the occurrence of any environmental liability). However, nothing herein shall be construed to release the Corporation from the performance of its obligations hereunder; and if the Corporation should fail to perform any such obligation, the City may institute such legal action against the Corporation as the City may deem necessary to compel the performance of such obligation or to recover damages therefor.

ARTICLE VI

INSURANCE AND NEGLIGENCE

Section 6.1. Liability Insurance. The City shall take such measures as may be necessary to insure that any liability for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the condition or the operation of the Leased Property or any part thereof, is covered by a blanket or other general liability insurance policy maintained by the City. The Net Proceeds of all such insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which any Net Proceeds may be paid.

Section 6.2. Property Insurance. The City shall have and assume the risk of loss with respect to the Leased Property. The City shall procure and maintain continuously in effect during the Term of this Lease, all-risk insurance, subject only to the standard exclusions contained in the policy, in such amount as will be at least sufficient so that a claim may be made for the full replacement cost of any part of the Leased Property damaged or destroyed and to pay the applicable Purchase Option Price of the Leased Property. Such insurance may be provided by a rider to an existing policy or under a separate policy. Such insurance may be written with customary deductible amounts. The Net Proceeds of insurance required by this Section shall be applied to the prompt repair, restoration or replacement of the Leased Property, or to the purchase of the Leased Property, as provided in **Section 6.6**. Any Net Proceeds not needed for those purposes shall be paid to the City.

Section 6.3. Worker's Compensation Insurance. If required by State law, the City shall carry worker's compensation insurance covering all employees on, in, near or about the Leased Property, and upon request, shall furnish to the Corporation certificates evidencing such coverage throughout the Term of this Lease.

Section 6.4. Requirements For All Insurance. All insurance policies (or riders) required by this Article shall be taken out and maintained with responsible insurance companies organized under the

laws of one of the states of the United States and qualified to do business in the State; and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least ten (10) days before the cancellation or revision becomes effective. All insurance policies or riders required by **Sections 6.1 and 6.2** shall name the City and the Corporation as insured parties, and any insurance policy or rider required by **Section 6.3** shall name the City as insured party. The City shall deposit with the Corporation policies (and riders) evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect. Before the expiration of any such policy (or rider), the City shall furnish to the Corporation evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article, unless such insurance is no longer obtainable in which event the City shall notify the Corporation of this fact.

Section 6.5. The City's Negligence. The City assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Leased Property and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of the City or of third parties, and whether such property damage be to the City's property or the property of others, which is proximately caused by the negligent conduct of the City, its officers, employees and agents. The City hereby assumes responsibility for and agrees to reimburse the Corporation for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorney's fees) of whatsoever kind and nature, imposed on, incurred by or asserted against the Corporation that in any way relate to or arise out of a claim, suit or proceeding based in whole or in part upon the negligent conduct of the City, its officers, employees and agents, or related to the Corporation's participation in the transactions contemplated by the Base Lease and this Lease, to the maximum extent permitted by law.

Section 6.6. Damage to or Destruction of Leased Property. If all or any part of the Leased Property is lost, stolen, destroyed or damaged beyond repair, the City shall as soon as practicable after such event either (1) replace the same at the City's sole cost and expense with property of equal or greater value to the Leased Property immediately prior to the time of the loss occurrence, such replacement to be subject to the Corporation's reasonable approval, whereupon such replacement shall be substituted in this Lease by appropriate endorsement or (2) apply Net Proceeds to the payment of the Purchase Option Price applicable as of the next occurring Payment Date, in which case, if the Net Proceeds are insufficient to pay the Purchase Option Price, the City shall pay such amounts as are necessary to equal the full Purchase Option Price, and if the Net Proceeds exceed the Purchase Option Price, such excess shall be retained by the City. The Net Proceeds of all insurance payable with respect to the Leased Property shall be available to the City and shall be used to discharge the City's obligation under this Section.

ARTICLE VII

OTHER OBLIGATIONS OF LESSEE

Section 7.1. Use; Permits. The City shall exercise due care in the use, operation and maintenance of the Leased Property, and shall not use, operate or maintain the Leased Property improperly, carelessly, in violation of any State and Federal Law or for a purpose or in a manner contrary to that contemplated by this Lease. The City shall obtain all permits and licenses necessary for the installation, operation, possession and use of the Leased Property. The City shall comply with all State and Federal Laws applicable to the installation, use, possession and operation of the Leased Property, and if compliance with any such State and Federal Law requires changes or additions to be made to the Leased Property, such changes or additions shall be made by the City at its expense.

Section 7.2. Maintenance of Leased Property by the City. The City shall, at its own expense, maintain, preserve and keep the Leased Property in good repair, working order and condition, and shall

from time to time make all repairs and replacements necessary to keep the Leased Property in such condition. The Corporation shall have no responsibility for any of these repairs or replacements.

Section 7.3. Taxes, Other Governmental Charges and Utility Charges. Except as expressly limited by this Section, the City shall pay all taxes and other charges of any kind which are at any time lawfully assessed or levied against or with respect to the Leased Property, the Rental Payments or any part thereof, or which become due during the Term of this Lease, whether assessed against the City or the Corporation. The City shall also pay when due all gas, water, steam, electricity, heat, power, telephone, and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Leased Property, and all special assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Leased Property; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due. The City shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate, or other similar tax payable by the Corporation, its successors or assigns, unless such tax is made in lieu of or as a substitute for any tax, assessment or charge which is the obligation of the City under this Section.

The City may, at its own expense and in its own name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments, utility or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation shall notify the City that, in the opinion of Independent Counsel, by nonpayment of any such items the interest of the Corporation in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes, assessments, utility or other charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation.

Section 7.4. Advances. If the City shall fail to perform any of its obligations under this Article, the Corporation may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the City shall be obligated to repay all such advances on demand, with interest at the rate of 10% per annum or the maximum rate permitted by law, whichever is less, from the date of the advance to the date of repayment.

ARTICLE VIII

TITLE

Section 8.1. Title. During the Term of this Lease, legal title to the Leased Property and any and all repairs, replacements, substitutions and modifications thereto shall be in the City. Legal title to the Land shall remain in the City, subject to the Corporation's interest under the Base Lease. Upon the payment by the City of all Rental Payments as indicated in **Exhibit B**, or the exercise by the City of its option to purchase the Leased Property pursuant to **Article X**, full and unencumbered legal title to the Leased Property shall pass to the City, and the Corporation shall have no further interest therein; and the Corporation shall execute and deliver to the City such documents as the City may request to evidence the passage of legal title to the Leased Property to the City and the termination of the Corporation's interest therein. Nothing herein shall require the Corporation to remove any lien, charge or encumbrance upon legal title to the Leased Property not arising through the Corporation.

Section 8.2. Liens. During the Term of this Lease, the City shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, other than the respective rights of the Corporation and the City as

herein provided and Permitted Encumbrances. Except as expressly provided in **Section 7.3** and this Article, the City shall promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The City shall reimburse the Corporation for any expense incurred by the Corporation in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 8.3. Installation of the City's Equipment. The City may at any time and from time to time, in its sole discretion and at its own expense, install items of equipment in or upon the Leased Property, which items are not fixtures under applicable law and which are not paid for with the proceeds of this Lease. All such items shall remain the sole property of the City, in which the Corporation shall have no interest, and may be modified or removed by the City at any time provided that the City shall repair and restore any and all damage to the Leased Property resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent the City from purchasing items to be installed pursuant to this Section under a conditional sale or lease with option to purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Leased Property.

Section 8.4. Modification of Leased Property. The City shall, at its own expense, have the right to make repairs to the Leased Property, and to make repairs, replacements, substitutions and modifications to all or any of the parts thereof. All such work and any part or component used or installed to make a repair or as a replacement, substitution or modification, shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease. Such work shall not in any way damage the Leased Property or cause it to be used for purposes other than those authorized under the provisions of State and Federal Law or those contemplated by this Lease; and the Leased Property, upon completion of any such work, shall be of a value which is not less than the value of the Leased Property immediately prior to the commencement of such work. Any property for which a replacement or substitution is made pursuant to this Section may be disposed of by the City in such manner and on such terms as are determined by the City. The City will not permit any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any repair, addition, modification or improvement made by the City pursuant to this Section; provided that if any such lien is established and the City shall first notify the Corporation of the City's intention to do so, the City may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Corporation shall notify the City that, in the opinion of Independent Counsel, by nonpayment of any such item the interest of the Corporation in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide the Corporation with full security against any such loss or forfeiture, in form satisfactory to the Corporation. The Corporation will cooperate fully with the City in any such contest, upon the request and at the expense of the City.

ARTICLE IX

WARRANTIES

Section 9.1. Selection, Design and Construction of the Project. The Project has been or will be selected, designed and constructed by the City, and the Corporation shall not have any responsibility in connection with the selection, design or construction of the Project or its suitability for the use intended by the City.

Section 9.2. Maintenance of Leased Property. The Corporation shall not have any obligation to test, inspect, service or maintain the Leased Property under any circumstances, but such actions shall be the obligation of the City.

Section 9.3. Contractor's Warranties. The Corporation hereby assigns to the City for and during the Term of this Lease, all of its interest in all contractor's warranties and guarantees, if any, express or implied, issued on or applicable to the Project or any portion thereof, and the Corporation hereby authorizes the City to obtain the customary services furnished in connection with such warranties and guarantees at the City's expense.

Section 9.4. Patent Infringement. The Corporation hereby assigns to the City for and during the Term of this Lease all of its interest in patent indemnity protection provided by any contractor with respect to the Project. Such assignment of patent indemnity protection by the Corporation to the City shall constitute the entire liability of the Corporation for any patent infringement by the Project furnished pursuant to this Lease.

Section 9.5. Disclaimer of Warranties. THE PROJECT IS DELIVERED AS IS, AND THE CORPORATION MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE CITY OF THE PROJECT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROJECT.

ARTICLE X

OPTION TO PURCHASE

Section 10.1. When Available. The City shall have the option to purchase the Corporation's interest in the Leased Property on any date in the manner provided in this Article. If the purchase date selected is a Payment Date, the Purchase Option Price shall be the amount set forth in **Exhibit B** for such Payment Date. If the purchase date selected is not a Payment Date, the Purchase Option Price shall be equal to the amount set forth in **Exhibit B** for the Payment Date immediately preceding such purchase date, plus a pro rata portion (calculated by dividing the number of days between the most recent Payment Date and the purchase date by 180) of the Interest Payment set forth in **Exhibit B** for the next Payment Date after the purchase date.

Section 10.2. Exercise of Option. The City shall give notice to the Corporation and Paying Agent of its intention to exercise its option not less than thirty (30) days prior to the Payment Date on which the option is to be exercised. On or before the designated Payment Date, the City shall (i) deposit, or cause to be deposited, with the Corporation an amount equal to all Rental Payments and any other amounts then due or past due (including the Rental Payment due on such Payment Date) and the Purchase Option Price, or (ii) in the event of substantial damage to or destruction or taking under the exercise, or threat of exercise, of the power of eminent domain of substantially all of the Leased Property, on the day the City specifies as the purchase date in the City's notice to the Corporation of its exercise of the purchase option, deposit payment in full of the Rental Payments and all other amounts then due hereunder plus (a) an amount equal to the part of the Interest portion of the next Rental Payment scheduled to come due that has accrued to the date of purchase and (b) the then applicable Purchase Option Price to the Corporation. The closing shall be on the applicable Payment Date at the office of the Corporation.

Section 10.3. Release of the Corporation's Interest. Upon exercise of the Purchase Option by the City, the Corporation shall convey or release to the City, all of its right, title and/or interest in and to the Leased Property by delivering to the City such documents as the City deems necessary for this purpose.

ARTICLE XI

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 11.1. Assignment by the Corporation. The City agrees that the Corporation will assign its interests herein to the Assignee pursuant to the Assignment. The City shall pay all Rental Payments due hereunder to or at the direction of the Assignee. During the Lease Term, the City shall keep a complete and accurate record of any further assignment of the Corporation's or the Assignee's interests under this Lease. The Corporation's interest in, to and under this Lease may not be reassigned, in whole or in part, by the Corporation.

Section 11.2. Assignment and Subleasing by the City. Neither this Lease nor the City's interest in the Leased Property may be assigned by the City without the written consent of the Corporation. However, the Leased Property may be subleased by the City, in whole or in part, without the consent of the Corporation, subject, however, to each of the following conditions:

(i) This Lease and the obligation of the City to make Rental Payments hereunder, shall remain obligations of the City.

(ii) The sublessee shall assume the obligations of the City hereunder to the extent of the interest subleased.

(iii) the City shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Corporation a true and complete copy of such sublease.

(iv) No sublease by the City shall cause the Leased Property to be used for a purpose other than a governmental function authorized under the provisions of the Constitution and laws of the State.

(v) No sublease shall cause the Interest component of the Rental Payments due with respect to the Leased Property to become includable in gross income of the recipient for federal income tax purposes.

Section 11.3. Restriction on Mortgage or Sale of Leased Property by the City. Except as provided in **Section 11.2**, the City will not mortgage, sell, assign, transfer or convey the Leased Property or any portion thereof during the Term of this Lease, without the written consent of the Corporation.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

Section 12.1. Events of Default Defined. The following shall be "events of default" under this Lease and the terms "events of default" and "default" shall mean, whenever they are used in this Lease, any one or more of the following events:

(i) Failure by the City to pay any Rental Payment or other payment required to be paid under this Lease at the time specified herein and the continuation of said failure for a period of ten (10) business days after written notice given by the Corporation that the payment referred to in such notice has not been received, such telephonic or telegraphic notice to be subsequently confirmed in writing, or after written notice.

(ii) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Subsection (i) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be

remedied has been given to the City by the Corporation, unless the Corporation shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Corporation will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected.

(iii) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of the City to carry on its governmental or proprietary function or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the federal bankruptcy statutes, as amended, or under any similar acts which may hereafter be enacted.

The provisions of this **Section 12.1** and **Section 12.2** are subject to the following limitation: if by reason of *force majeure* the City is unable in whole or in part to carry out its obligations under this Lease, other than its obligation to pay Rental Payments with respect thereto which shall be paid when due notwithstanding the provisions of this paragraph, the City shall not be deemed in default during the continuance of such inability. The term "*force majeure*" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the State or their respective departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of the City and not resulting from its negligence. The City agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the City from carrying out its obligations under this Lease; provided that the settlement of strikes, lockouts and other labor disturbances shall be entirely within the discretion of the City and the City shall not be required to make settlement of strikes, lockouts and other labor disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the City unfavorable to the City.

Section 12.2. Remedies on Default. Whenever any event of default referred to in **Section 12.1** hereof shall have happened and be continuing with respect to the Leased Property, the Corporation shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

(i) the Corporation, with or without terminating this Lease, may declare all Rental Payments due or to become due during the Fiscal Year in effect when the default occurs to be immediately due and payable by the City, whereupon such Rental Payments shall be immediately due and payable.

(ii) the Corporation, with or without terminating this Lease, may repossess the Leased Property by giving the City written notice to surrender the Leased Property to the Corporation for the remaining term of the Base Lease, whereupon the City shall do so in the manner provided in **Section 12.3**. If the Leased Property or any portion of it has been destroyed or damaged beyond repair, the City shall pay the applicable Purchase Option Price of the Leased Property, as set forth in **Exhibit B** (less credit for Net Proceeds), to the Corporation. Notwithstanding the fact that the Corporation has taken possession of the Leased Property, the City shall continue to be responsible for the Rental Payments due during the Fiscal Year then in effect. If this Lease has not been terminated, the Corporation shall return possession of the Leased Property to the City at the City's expense when the event of default is cured.

(iii) If the Corporation terminates this Lease and takes possession of the Leased Property, the Corporation shall thereafter use its best efforts to sell or lease its interest in the Leased Property or any portion thereof in a commercially reasonable manner in accordance with applicable State laws. The Corporation shall apply the proceeds of such sale or lease to pay the following items in the following order: (a) all costs incurred in securing possession of the Leased Property; (b) all expenses incurred in completing the sale or lease; (c) the applicable Purchase Option Price of the Leased Property; and (d) the balance of any Rental Payments owed by the City during the Fiscal Year then in effect. Any sale proceeds remaining after the requirements of Clauses (a), (b), (c) and (d) have been applied shall be the property of the City.

(iv) If the proceeds of sale or lease of the Leased Property are not sufficient to pay the balance of any Rental Payments owed by the City during the Fiscal Year then in effect, the Corporation may take any other remedy available at law or in equity to require the City to perform any of its obligations hereunder and to enforce the Base Lease.

Section 12.3. Surrender of Leased Property. Upon the expiration or termination of this Lease prior to the payment of all Rental Payments in accordance with **Exhibit B**, the City shall surrender the Leased Property to the Corporation in the condition, repair, appearance and working order required in **Section 7.2**. If the City refuses to surrender the Leased Property in the manner designated, the Corporation may repossess the Leased Property and charge to the City the costs of such repossession or pursue any remedy described in **Section 12.2**.

Section 12.4. No Remedy Exclusive. No remedy conferred upon or reserved to the Corporation by this Article is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease. No delay or omission to exercise any right or power accruing upon any default 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 by the Corporation or its assignee.

ARTICLE XIII

ADMINISTRATIVE PROVISIONS

Section 13.1. Notices. All notices, certificates, legal opinions or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail in registered form with postage fully prepaid to the addresses specified on the first page hereof; provided that the Corporation and the City, by notice given hereunder, may designate different addresses to which subsequent notices, certificates, legal opinions or other communications will be sent.

Section 13.2. Financial Information. During the Term of this Lease, the City annually will provide the Corporation with current financial statements, budgets, proof of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of the City to continue this Lease as may be requested by the Corporation or its assignee.

Section 13.3. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Corporation and the City and their respective successors and assigns.

Section 13.4. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.5. Amendments, Changes and Modifications. This Lease may be amended or any of its terms modified only by written document duly authorized, executed and delivered by the Corporation and the City.

Section 13.6. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision, Article, Section or Clause of this Lease.

Section 13.7. Further Assurances and Corrective Instruments. The Corporation and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be, or for otherwise carrying out the expressed intention of this Lease.

Section 13.8. Execution in Counterparts. This Lease 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 13.9. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.

Section 13.10. Electronic Transactions. The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Corporation has caused this Lease to be executed in its corporate name by its duly authorized officer; and the City has caused this Lease to be executed in its name by its duly authorized officers, as of the date first above written.

**NORTHLAND DEVELOPMENT CORPORATION
d/b/a KEARNEY AREA DEVELOPMENT
COUNCIL,**
the Corporation, as lessor

By _____
Name: Joe Wilmes
Title: Vice-President

ATTEST:

Name: Jim Eldridge
Title: Secretary

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF CLAY)

On this _____ day of _____, 2016, before me, the undersigned, a Notary Public in and for said State, personally appeared **JOE WILMES** who, being before me duly sworn, did say that he is the **VICE-PRESIDENT** of the **NORTHLAND DEVELOPMENT CORPORATION d/b/a KEARNEY AREA DEVELOPMENT COUNCIL**, a Missouri nonprofit corporation, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and said official acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said corporation.

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

Notary Public in and for said State
Commissioned in _____ County

My commission expires:

CITY OF KEARNEY, MISSOURI,
the City, as lessee

[SEAL]

By _____
Name: Bill Dane
Title: Mayor

ATTEST:

Name: Jim Eldridge
Title: City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF CLAY)

On this _____ day of October, 2016, before me, the undersigned, a Notary Public in and for said State, personally appeared **BILL DANE** who, being before me duly sworn, did say that he is the **MAYOR** of the **CITY OF KEARNEY, MISSOURI**, and that the seal affixed to the foregoing instrument is the seal of said city, and that said instrument was signed and sealed on behalf of said city by authority of its Board of Aldermen, and said official acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said city.

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

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

My commission expires:

EXHIBIT A

DESCRIPTION OF THE LAND

The Land consists of the following described real property and improvements located thereon:

All of the Northerly 300 feet of all that part of Lot 1, NORTH COUNTRY ESTATES, a subdivision of land in Kearney, Clay County, Missouri, described as follows: Beginning at the Northeast corner of said Lot 1, said point being on the Southerly right of way of Missouri State Highway No. 92; thence South 0 degrees 19' 54" East along the East line of said Lot 1, a distance of 660.05 feet; thence North 75 degrees 37' 45" West, a distance of 139.46 feet to a point on the East right of way of North Country Avenue; thence North 0 degrees 19' 53" West, along said East right of way, a distance of 625.05 feet to a point on the South right of way line of Missouri State Highway No. 92; thence North 89 degrees 40' 06" East along said South right of way line, a distance of 135.00 feet to the point of beginning.

EXHIBIT B

Date	Rental Payment	Principal Component	Interest Component	Purchase Option Price
3/1/2017	\$125,902.12	\$115,000	\$10,902.12	\$1,383,000
9/1/2017	14,137.33	-	14,137.33	1,383,000
3/1/2018	325,906.83	312,000	13,906.83	1,071,000
9/1/2018	10,948.00	-	10,948.00	1,071,000
3/1/2019	182,769.49	172,000	10,769.49	899,000
9/1/2019	9,189.77	-	9,189.77	899,000
3/1/2020	187,089.89	178,000	9,089.89	721,000
9/1/2020	7,370.22	-	7,370.22	721,000
3/1/2021	147,250.06	140,000	7,250.06	581,000
9/1/2021	5,939.11	-	5,939.11	581,000
3/1/2022	136,842.28	131,000	5,842.28	450,000
9/1/2022	4,600.00	-	4,600.00	450,000
3/1/2023	138,525.00	134,000	4,525.00	316,000
9/1/2023	3,230.23	-	3,230.23	316,000
3/1/2024	139,195.11	136,000	3,195.11	180,000
9/1/2024	1,840.00	-	1,840.00	180,000
3/1/2025	125,810.00	124,000	1,810.00	56,000
9/1/2025	572.44	-	572.44	56,000
3/1/2026	56,563.11	56,000	563.11	1.00

EXHIBIT C

PAYMENT REQUEST FORM

To: KCB Bank, Escrow Agent

Re: Project Acquisition Fund established by the Lease-Purchase Agreement dated as of October 1, 2016 (the "Lease"), by and between **NORTHLAND DEVELOPMENT CORPORATION d/b/a KEARNEY AREA DEVELOPMENT COUNCIL** and the **CITY OF KEARNEY, MISSOURI** (the "City").

Ladies and Gentlemen:

Pursuant to **Section 2.4** of the Lease, the City hereby requests payment in accordance with this request and said **Section 2.4** and hereby states and certifies as follows:

- (a) All terms in this request are used with the meanings used in the Lease.
- (b) The names of the persons, firms or corporations to whom the payments requested hereby are due, the amounts to be paid and the general classification and description of the costs for which each obligation requested to be paid hereby was incurred are as set forth on **Attachment I** hereto.
- (c) The amounts requested either have been paid the City, or are justly due to contractors, subcontractors, materialmen, engineers, architects or other persons (whose names and addresses are stated on **Attachment I** hereto) who have performed necessary and appropriate work or furnished necessary and appropriate materials, equipment or furnishings in the acquisition, construction and installation of the Project.
- (d) No part thereof has been or is being made the basis for the withdrawal of any moneys in any previous or pending request under the Lease.
- (e) The amount remaining to be paid from the Project Acquisition Fund will, after payment of the amounts requested, be sufficient to pay the costs of the Project in accordance with the construction contracts, all in accordance with the plans and specifications for the Project.
- (f) This certificate contains no request for payment on account of any retained percentage which the City is on the date hereof entitled to retain.
- (g) There has not been filed with or served upon the City any notice of any lien, right to a lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts requested which has not been released or will not be released simultaneously with the payment of such obligation.
- (h) Lien waivers for all services or materials furnished by subcontractors or suppliers related to the amounts requested are attached hereto.

- (i) Invoices, statements, vouchers or bills for the amounts requested are attached hereto.

CITY OF KEARNEY, MISSOURI

By _____
Authorized Officer

C.

TAX COMPLIANCE AGREEMENT

Dated as of October 1, 2016

between the

**NORTHLAND DEVELOPMENT CORPORATION
D/B/A KEARNEY AREA DEVELOPMENT COUNCIL,**

and the

CITY OF KEARNEY, MISSOURI

\$1,498,000

**LEASE-PURCHASE AGREEMENT
DATED AS OF OCTOBER 1, 2016**

TAX COMPLIANCE AGREEMENT

TABLE OF CONTENTS

	<u>Page</u>
Parties	1
Recitals	1

ARTICLE I

DEFINITIONS

Section 1.1.	Definitions of Words and Terms	2
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ARTICLE II

GENERAL REPRESENTATIONS AND COVENANTS

Section 2.1.	Representations and Covenants of the Corporation and the City	6
Section 2.2.	Survival of Representations and Covenants	9

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

Section 3.1.	General	10
Section 3.2.	Reasonable Expectations	10
Section 3.3.	Purpose of Financing	10
Section 3.4.	Funds and Accounts	10
Section 3.5.	Amount and Use of Lease Proceeds	10
Section 3.6.	Multipurpose Issue	11
Section 3.7.	No Advance Refunding	11
Section 3.8.	Current Refunding	11
Section 3.9.	Project Completion	11
Section 3.10.	Sinking Funds	11
Section 3.11.	Reserve, Replacement and Pledged Funds	11
Section 3.12.	Purpose Investment Yield	11
Section 3.13.	Purchase Prices and Yield on Lease	11
Section 3.14.	Miscellaneous Arbitrage Matters	12
Section 3.15.	Conclusion	12

ARTICLE IV

POST-ISSUANCE TAX REQUIREMENTS, POLICIES AND PROCEDURES

Section 4.1.	General	12
Section 4.2.	Procedures Regarding Record Keeping, Use of Lease Proceeds and Use of the Financed Facility	13

Section 4.3.	Temporary Periods/Yield Restriction	14
Section 4.4.	Fair Market Value	14
Section 4.5.	Lease Exempt from the Rebate Requirement	17
Section 4.6.	Filing Requirements	17

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1.	Term of Tax Agreement	17
Section 5.2.	Amendments	17
Section 5.3.	Opinion of Special Counsel	18
Section 5.4.	Reliance	18
Section 5.5.	Severability	18
Section 5.6.	Benefit of Agreement	18
Section 5.7.	Default; Breach and Enforcement	18
Section 5.8.	Execution in Counterparts	18
Section 5.9.	Governing Law	18
Section 5.10.	Electronic Transactions	18
Signatures		20

Exhibit A – Debt Service Schedule and Proof of Yield

Exhibit B - IRS Form 8038-G

Exhibit C - Description of Property Comprising the Financed Facility

Exhibit D - Form of Annual Compliance Checklist

Exhibit E – Reimbursement Resolution

* * *

TAX COMPLIANCE AGREEMENT

THIS TAX COMPLIANCE AGREEMENT (the "Tax Agreement") entered into as of October 1, 2016, among the **NORTHLAND DEVELOPMENT CORPORATION D/B/A KEARNEY AREA DEVELOPMENT COUNCIL**, a nonprofit corporation duly organized and existing under the laws of the State of Missouri (the "Corporation"), and the **CITY OF KEARNEY, MISSOURI**, a political subdivision organized and existing under the laws of the State of Missouri (the "City");

RECITALS:

1. This Tax Agreement is being executed and delivered in connection with the execution and delivery of a \$1,498,000 principal amount Lease-Purchase Agreement dated as of October 1, 2016, between the City and the Corporation (the "Lease"), under which the City, as Lessee, will pay Rental Payments, the right to which has been assigned by the Corporation to KCB Bank, a state banking corporation organized and existing under the laws of the State of Missouri (the "Assignee").

2. The Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations and rulings issued by the U.S. Treasury Department (the "Regulations"), impose certain limitations on the uses and investment of the Lease proceeds and of certain other money relating to the Lease and set forth the conditions under which the Interest Component of the Rental Payments paid by the City to the Assignee will be excluded from gross income for federal income tax purposes.

3. The Corporation and the City are entering into this Tax Agreement in order to set forth certain facts, covenants, representations, and expectations, relating to the use of the Lease proceeds and the property refinanced with those proceeds and the investment of the Lease proceeds and other related money, and in order to establish and maintain the exclusion of the Interest Components of Rental Payments represented by the Lease from gross income for federal income tax purposes.

4. The City adopted a Tax-Exempt Financing Compliance Procedure on June 17, 2013 (the "Tax Compliance Procedure"), for the purpose of setting out general procedures for the Bond Compliance Officer to continuously monitor and comply with the federal income tax requirements set out in the Code and the Regulations.

5. This Tax Agreement is entered into as required by the Tax Compliance Procedure to set out specific tax compliance procedures applicable to the Lease.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, covenants and agreements set forth in this Tax Agreement, the Corporation and the City represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. Except as otherwise provided in this Tax Agreement or unless the context otherwise requires, capitalized words and terms used in this Tax Agreement have the same meanings as set forth in the Lease, and certain other words and phrases have

the meanings assigned in Code §§ 103, 141-150 and the Regulations. In addition, the following words and terms used in this Tax Agreement have the following meanings:

“Assignee” means KCB Bank, or successor or assign to whom its interests in the Lease are assigned.

“Assignment” means the Assignment Agreement between the Corporation and the Assignee dated as of the date of this Tax Agreement.

“Base Lease” means the Base Lease dated as of the date of this Tax Agreement between the City and the Corporation, as from time to time amended and supplemented in accordance with the provisions thereof.

“Bond Compliance Officer” means the City’s City Administrator or the person to whom he or she delegates in writing the responsibilities set forth in this Tax Agreement.

“City” means the City of Kearney, Missouri.

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

“Corporation” means the Northland Development Corporation d/b/a Kearney Area Development Council, and its successors and assigns, or any body, agency or instrumentality of the State of Missouri succeeding to or charged with the powers, duties and functions of the Corporation.

“Final Written Allocation” means the written allocation of expenditures of proceeds of the Original Obligations as set forth on Exhibit C.

“Financed Facility” means any of the property financed or refinanced with the proceeds of the Original Obligations as described on Exhibit C.

“Gross Proceeds” means (a) sale proceeds (any amounts actually or constructively received by the City from the sale of the Lease, including amounts used to pay underwriting discount or fees, but excluding pre-issuance accrued interest), (b) Investment proceeds (any amounts received from investing sale proceeds), (c) any amounts held in a sinking fund for the Lease, (d) any amounts held in a pledged fund or reserve fund for the Lease, (e) any other replacement proceeds and (f) any transferred proceeds. Specifically, Gross Proceeds includes (but is not limited to) amounts held in the following funds:

- (a) Project Acquisition Fund;
- (b) Escrow Fund – Series 2006 Certificates; and
- (c) Escrow Fund – Series 2004 Certificates.

“Guaranteed Investment Contract” is any Investment with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, including any agreement to supply Investments on two or more future dates (e.g., a forward supply contract).

“Interest Component” means the Interest Component of Rental Payments as provided by the Lease.

“Investment” means any security, obligation, annuity contract or other investment type property which is purchased directly with, or otherwise allocated to, Gross Proceeds. This term does not include a

tax-exempt bond, except for “specified private activity bonds” as such term is defined in Code § 57(a)(5)(C), but it does include the investment element of most interest rate caps.

“**IRS**” means the United States Internal Revenue Service.

“**Issue Date**” means October 21, 2016.

“**Lease**” means the Lease-Purchase Agreement dated as of October 1, 2016, described in the recitals.

“**Lease Year**” means each one-year period (or shorter period for the first Lease Year) ending March 1, or another one-year period selected by the City.

“**Management Agreement**” means any legal agreement defined in Regulations § 1.141-3(b) as a management, service, or incentive payment contract with an entity that provides services involving all or a portion of any function of the Financed Facility, such as a contract to manage the entire Financed Facility or a portion of the Financed Facility. However, contracts for services that are solely incidental to the primary governmental function of the Financed Facility (for example, contracts for janitorial, office equipment repair, billing, or similar services) are not treated as Management Agreements.

“**Measurement Period**” means with respect to each item of property financed as part of the Financed Facility with proceeds of the Original Obligations, the period beginning on the later of (a) the issue date of the Original Obligations, or (b) the date the property was or will be placed in service and ending on the earlier of (1) the final maturity date of the Lease, or (2) the expected economic useful life of the property.

“**Minor Portion**” means the lesser of \$100,000 or 5% of the sale proceeds of the Lease.

“**Net Proceeds**” means the sale proceeds of the Lease (excluding pre-issuance accrued interest), less any proceeds deposited in a reasonably required reserve or replacement fund, plus all Investment earnings on such sale proceeds.

“**New Money Portion**” means the portion of the Lease described in **Section 3.6**.

“**Non-Qualified Use**” means use of Lease proceeds or the Financed Facility in a trade or business carried on by any Non-Qualified User. The rules set out in Regulations §1.141-3 determine whether Lease proceeds or Financed Facility are “used” in a trade or business. Generally, ownership, a lease, or any other use that grants a Non-Qualified User a special legal right or entitlement with respect to the Financed Facility, will constitute use under Regulations §1.141-3.

“**Non-Qualified User**” means any person or entity other than a Qualified User.

“**Opinion of Special Counsel**” means the written opinion of Gilmore & Bell, P.C. or other nationally recognized firm of bond counsel. Unless otherwise specifically noted herein an Opinion of Special Counsel must conclude that the action or proposed action or the failure to act or proposed failure to act for which the opinion is required will not adversely affect the exclusion of the Interest Component of Rental Payments represented by the Lease from gross income for federal income tax purposes.

“Original Obligations” means: (1) the Series 2006 Certificates, (2) the Series 2004 Certificates, (3) the Series 2010 Lease, and (4) the Series 2009 Lease, which were the first issues of tax-exempt governmental obligations that financed a portion of the Financed Facility.

“Post-Issuance Compliance Checklist” means a checklist or questionnaire, an example of which is attached to this Tax Agreement as **Exhibit D**, prepared and completed annually for each discrete asset comprising the Financed Facility designed to ensure compliance with the requirements of this Tax Agreement after the Issue Date.

“Post-Issuance Tax Requirements” means those requirements related to the use of proceeds of the Lease, the use of the Financed Facility and the investment of Gross Proceeds after the Issue Date.

“Proposed Regulations” means the proposed arbitrage regulations REG 106143-07 (published at 72 Fed. Reg. 54606 (Sept. 26, 2007)).

“Qualified Use Agreement” means any of the following:

(a) A lease or other short-term use by members of the general public who occupy the Financed Facility on a short-term basis in the ordinary course of the City’s governmental purposes.

(b) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facility for a period up to 200 days in length pursuant to an arrangement whereby (1) the use of the Financed Facility under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business, and (2) the compensation for the use is determined based on generally applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed. Any Qualified User or Non-Qualified User using all or any portion of the Financed Facility under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(c) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facility for a period up to 100 days in length pursuant to arrangements whereby (1) the use of the property by the person would be general public use but for the fact that generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business, (2) the compensation for the use under the arrangement is determined based on applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed, and (3) the Financed Facility was not constructed for a principal purpose of providing the property for use by that Qualified User or Non-Qualified User. Any Qualified User or Non-Qualified User using all or any portion of the Financed Facility under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(d) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facility for a period up to 50 days in length pursuant to a negotiated arm’s-length arrangement at fair market value so long as the Financed Facility was not constructed for a principal purpose of providing the property for use by that person.

“Qualified User” means a State, territory, a possession of the United States, the City, or any political subdivision thereof, or any instrumentality of such entity, but it does not include the United States or any agency or instrumentality of the United States.

“Refunded Obligations” means the Original Obligations currently outstanding.

“Refunding Portion” means the sale proceeds of the Lease identified in Section 3.6 together with the remaining Gross Proceeds of the Lease properly allocable to the refunding of the Refunded Obligations.

“Regulations” means all regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to the Lease.

“Rental Payments” means the rental payments required by the Lease. All or a portion of each Rental Payment represents an Interest Component.

“Series 2004 Certificates” means the City of Kearney, Missouri Certificates of Participation, Series 2004.

“Series 2006 Certificates” means the City of Kearney, Missouri Certificates of Participation, Series 2006.

“Series 2009 Lease” means the City of Kearney, Missouri Lease-Purchase Agreement dated December 10, 2009.

“Series 2010 Lease” means the City of Kearney, Missouri Pavilion Lease Purchase Agreement dated November 2, 2010.

“Special Counsel” means Gilmore & Bell, P.C., or other firm of nationally recognized bond counsel acceptable to the City.

“Tax Agreement” means this Tax Compliance Agreement as it may from time to time be amended and supplemented in accordance with its terms.

“Tax-Exempt Bond File” means documents and records for the Lease, the Refunded Obligations and the Original Obligations maintained by the Bond Compliance Officer pursuant to the Tax Compliance Procedure.

“Transcript” means the Transcript of Proceedings relating to the authorization and delivery of the Lease.

“Yield” means yield on the Lease, computed under Regulations § 1.148-4, and yield on an Investment, computed under Regulations § 1.148-5.

ARTICLE II

GENERAL REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants of the Corporation and the City. The Corporation and the City represent and covenant as follows:

- (a) *Organization and Authority.*

(1) Corporation. The Corporation (A) is a nonprofit corporation duly organized and existing under the laws of the State of Missouri, (B) has lawful power and authority to enter into, execute and deliver the Lease, the Base Lease, the Assignment and this Tax Agreement and to carry out its obligations under this Tax Agreement, the Base Lease and the Lease, and (C) by all necessary action has been duly authorized to execute and deliver the Lease, the Base Lease, the Assignment and this Tax Agreement, acting by and through its duly authorized officials.

(2) City. The City (A) is a political subdivision duly organized and existing under the laws of the State of Missouri, (B) has lawful power and authority to enter into, execute and deliver the Lease, the Base Lease and this Tax Agreement and to carry out its obligations under this Tax Agreement, the Base Lease and the Lease, and (C) by all necessary action has been duly authorized to execute and deliver the Lease, the Base Lease and this Tax Agreement, acting by and through its duly authorized officials.

- (b) *Tax-Exempt Status of Lease--General Representations and Covenants*. In order to maintain the exclusion of the Interest Component of the Rental Payments from gross income for federal income tax purposes, the Corporation and the City (1) will take whatever action, and refrain from whatever action, necessary to comply with the applicable requirements of the Code; (2) will not use or invest, or permit the use or investment of, any Lease proceeds or other funds of the City, in a manner that would violate applicable provisions of the Code; and (3) will not use, or permit the use of, any portion of the Financed Facility in a manner that would cause any Lease or the Lease to become a "private activity bond" as defined in Code § 141.
- (c) *Governmental Obligations--Use of Proceeds*. Throughout the Measurement Period, all of the Financed Facility has been and is expected to be owned by the City or other Qualified User. Throughout the Measurement Period, no portion of the Financed Facility has been or is expected to be used in a Non-Qualified Use. Throughout the Measurement Period, the City will not permit any Non-Qualified Use of the Financed Facility without first obtaining an Opinion of Special Counsel.
- (d) *Governmental Obligations--Private Security or Payment*. As of the Issue Date the Corporation and the City expect that none of the Rental Payments represented by the Lease will be (under the terms of the Lease or any underlying arrangement) and the payment of the principal and interest on the Refunded Obligations has not been directly or indirectly:
- (1) secured by (A) any interest in property used or to be used for a private business use, or (B) any interest in payments in respect of such property; or
 - (2) derived from payments (whether or not such payments are made to the City) in respect of property, or borrowed money, used or to be used for a private business use.

For purposes of the foregoing, taxes of general application, including payments in lieu of taxes, are not treated as private payments or as private security. The Corporation and the City will not permit any private security or payment with respect to the Lease or the Lease without first obtaining an Opinion of Special Counsel.

- (e) *No Private Loan.* Not more than 5% of the Net Proceeds of the Lease will be loaned directly or indirectly to any Non-Qualified User.
- (f) *Management Agreements.* As of the Issue Date, the City has no Management Agreements with Non-Qualified Users. During the Measurement Period, the City will not enter into or renew any Management Agreement with any Non-Qualified User without first obtaining an Opinion of Special Counsel.
- (g) *Leases.* Except for the Base Lease and the Lease, which do not give rise to Non-Qualified Use, as of the Issue Date, the City has not entered into any leases of any portion of the Financed Facility other than Qualified Use Agreements. During the Measurement Period, the City will not enter into any lease or similar agreement or arrangement other than a Qualified Use Agreement without first obtaining an Opinion of Special Counsel.
- (h) *Limit on Maturity of Lease.* A list of the assets included in the Financed Facility and a computation of the “average reasonably expected economic life” is attached to this Tax Agreement as **Exhibit C**. Based on this computation, the “average maturity” of the Lease, as computed by Special Counsel, does not exceed 120% of the average reasonably expected economic life of the Financed Facility.
- (i) *Final Allocation of Lease Proceeds to Expenditures.* The City understands that, under Regulations § 1.148-6(d), the City is required to account for the allocation of Lease proceeds to expenditures (including expenditures made before and after the Issue Date of the Lease) within 18 months after the later of (1) the date the expenditure is made, or (2) the date the Financed Facility is placed in service, and in any event not later than the date that is 60 days after the fifth anniversary of the Issue Date or the date the Lease are retired, if earlier (a “Final Allocation”). The City will maintain accurate records of all expenditures made for the Financed Facility, including the amount, the date paid, a description of the purpose, and the source of funds (whether Lease proceeds or other money) initially allocated to each Financed Facility expenditure. Not later than the time limit set forth above, the City will prepare a Final Allocation, showing the allocation of Lease proceeds and other money to all Financed Facility costs and identifying the Financed Facility, and will maintain the Final Allocation in its books and records. The City reserves the right to make modifications to the expected allocation of Lease proceeds and other money for purposes of compliance with the limitations on Non-Qualified Use following completion of the Financed Facility in accordance with, and within the time limits prescribed in, the Regulations.

On August 15, 2016, the governing body of the City adopted a resolution declaring the intent of the City to finance the New Money Portion of the Financed Facility with tax-exempt obligations and to reimburse the City for expenditures made for the New Money Portion of the Financed Facility prior to the issuance of those obligations. A copy of the resolution is attached to this Tax Agreement as **Exhibit E**. \$ _____ of the proceeds of the Lease will be allocated to expenditures paid by the City prior to the Issue Date and should be shown on line 45 of Form 8038-G. No portion of the Net Proceeds of the New Money Portion of the Lease will be used to reimburse an expenditure paid by the City more than 60 days prior to the date the resolution was adopted. No reimbursement allocation will be made more than three years following the later of (1) the date of the expenditure or (2) the date the Financed Facility was placed in service.

- (j) *Registered Lease.* The Lease will be issued and held in registered form within the meaning of Code § 149(a).
- (k) *Lease Not Federally Guaranteed.* The Corporation and the City will not take any action or permit any action to be taken which would cause the Lease or any Lease to be “federally guaranteed” within the meaning of Code § 149(b).
- (l) *IRS Form 8038-G.* Attached as **Exhibit B** is a copy of IRS Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) that is being executed by a representative of the Corporation and which is being filed with the Internal Revenue Service in connection with the execution and delivery of the Lease as required by Code § 149(e). Special Counsel prepared Form 8038-G in connection with the execution and delivery of the Lease. The Corporation and the City know of no inaccuracies in the Form 8038-G prepared by Special Counsel. The City is the sole Qualified User of the proceeds of the Lease listed on Lines 11-18 of Form 8038-G.
- (m) *Hedge Bonds.* At least 85% of the net sale proceeds of the Original Obligations were used to carry out the governmental purpose of the Original Obligations within three years after the issue date of the Original Obligations, and not more than 50% of the proceeds of the Original Obligations were invested in Investments having a substantially guaranteed Yield for four years or more.
- (n) *Compliance with Future Tax Requirements.* The Corporation and the City understand that the Code and the Regulations may impose new or different restrictions and requirements on the Corporation and the City in the future. The Corporation and the City will comply with such future restrictions that are necessary to maintain the exclusion of the Interest Components of the Basic Rent Payments represented by the Lease from gross income for federal income tax purposes.
- (o) *Single Issue; No Other Issues.* The Lease constitutes a single “issue” under Regulations §1.150-1(c). No other debt obligations of the Corporation or the City (1) are being sold within 15 days of the sale of the Lease, (2) are being sold under the same plan of financing as the Lease, and (3) are expected to be paid from substantially the same source of funds as the Lease (disregarding guarantees from unrelated parties, such as bond insurance).
- (p) *Interest Rate Swap.* As of the Issue Date, neither the Corporation nor the City have entered into an interest rate swap agreement or any other similar arrangement designed to modify its interest rate risk with respect to the Lease. The Corporation and the City will not enter into any such arrangement in the future without obtaining an Opinion of Special Counsel.
- (q) *Guaranteed Investment Contract.* As of the Issue Date of the Lease, neither the Corporation nor the City expect to enter into a Guaranteed Investment Contract for any Gross Proceeds of the Lease. The Corporation and the City will be responsible for complying with **Section 4.3(d)** if they decide to enter into a Guaranteed Investment Contract at a later date.

- (r) *Bank Qualified Tax-Exempt Obligation.* The Corporation and the City designate the Lease as “qualified tax-exempt obligations” under Code § 265(b)(3), and with respect to this designation certifies as follows:
- (1) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) that will be issued by or on behalf of the Corporation or the City (and all subordinate entities of the Corporation) during the calendar year that the Lease are issued, including the Lease, will not exceed \$10,000,000; and
 - (2) the Corporation and the City (including all subordinate entities of the Corporation) will not issue tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) during the calendar year that the Lease are issued, including the Lease, in an aggregate principal amount or aggregate issue price in excess of \$10,000,000, without first obtaining an Opinion of Special Counsel that the designation of the Lease as “qualified tax-exempt obligations” will not be adversely affected.

Section 2.2. Survival of Representations and Covenants. All representations, covenants and certifications of the Corporation and the City contained in this Tax Agreement or in any certificate or other instrument delivered by the Corporation or the City under this Tax Agreement, will survive the execution and delivery of such documents and the execution and delivery of the Lease, as representations of facts existing as of the date of execution and delivery of the instruments containing such representations. The foregoing covenants of this Section will remain in full force and effect notwithstanding the defeasance of the Lease.

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

Section 3.1. General. The purpose of this Article is to certify, under Regulation § 1.1482(b), the expectations of the Corporation and the City as to the sources, uses and investment of Lease proceeds and other money, in order to support the Corporation’s and City’s conclusion the Lease is not an arbitrage bond. The persons executing this Tax Agreement on behalf of the Corporation and the City are each an officer of the Corporation and the City, respectively, responsible for delivering the Lease.

Section 3.2. Reasonable Expectations. The facts, estimates and expectations set forth in this Article are based upon and in reliance upon the Corporation’s and City’s understanding of the documents and certificates that comprise the Transcript, and the representations, covenants and certifications of the parties contained therein. To the knowledge of the Corporation and the City, the facts and estimates set forth in this Tax Agreement are accurate, and the expectations of the Corporation and the City set forth in this Tax Agreement are reasonable. The Corporation and City have no knowledge that would cause it to believe that the representations, warranties and certifications described in this Tax Agreement are unreasonable or inaccurate or may not be relied upon.

Section 3.3. Purpose of Financing. The Lease is being delivered for the purpose of providing funds to (a) current refund the Refunded Obligations, (b) pay certain costs of a project for the City, and (c) pay certain costs in connection with the execution and delivery of the Lease. The purpose of

the refunding of the Refunded Obligations is to achieve an interest cost savings, release certain properties from the lien of existing financing documents and achieve an orderly plan of finance.

Section 3.4. Funds and Accounts. The Project Acquisition Fund has been established under the Lease. Additionally, the Escrow Fund – Series 2006 Certificates and Escrow Fund – Series 2004 Certificates have been established under escrow letters of instructions relating to such Refunded Obligations.

Section 3.5. Amount and Use of Lease Proceeds.

(a) *Amount of Lease Proceeds.* The total proceeds to be received by the City from the sale of the Lease will be as follows:

Principal Amount	<u>\$1,498,000.00</u>
Total Proceeds Received by Corporation	<u>\$1,498,000.00</u>

(b) *Use of Lease Proceeds.* The Lease proceeds will be deposited and used as follows:

(1) \$507,533.20 from the proceeds of the Lease shall be deposited in the Project Acquisition Fund, of which \$31,000.00 will be used to pay costs of issuance and \$476,533.20 will be used to pay project costs; and

(2) \$990,466.80 from proceeds of the Lease will be transferred to the lessors and trustees for the Refunded Obligations, to be used to pay the principal of and interest on the Refunded Obligations, as follows:

- (a) \$211,807.60 will be placed in the Escrow Fund – Series 2004 Certificates to prepay the outstanding Series 2004 Certificates on November 8, 2016;
- (b) \$110,537.01 will be placed in the Escrow Fund – Series 2006 Certificates to prepay the outstanding Series 2006 Certificates on November 8, 2016;
- (c) \$622,826.01 will be transferred to the holder of the Series 2009 Lease as full payment of the Series 2009 Lease on the Issue Date; and
- (d) \$45,296.18 will be transferred to the holder of the Series 2010 Lease as full payment of the Series 2010 Lease on the Issue Date.

Section 3.6. Multipurpose Issue. The Corporation is applying the arbitrage rules to separate financing purposes of the issue that have the same initial temporary period as if they constitute a single issue for purposes pursuant to Regulations § 1.148-9(h)(3)(i). Under Regulations § 1.148-9(h), the Lease will be treated as two separate issues (a New Money Portion and a Refunding Portion for purposes of applying certain of the arbitrage restrictions under Code § 148. The sales proceeds of the Lease allocable to the Refunding Portion is \$ _____. The sales proceeds of the Lease allocable to the New Money Portion is \$ _____.

Section 3.7. No Advance Refunding. No proceeds of the Lease will be used more than 90 days following the Issue Date to pay principal or interest on any other debt obligation.

Section 3.8. Current Refunding.

(a) *Proceeds Used For Current Refunding.* Proceeds of the Lease will be used to pay principal and interest on the Refunded Obligations. All such proceeds shall be spent not later than 90 days after the Issue Date.

(b) *Transferred Proceeds.* There are no unspent proceeds (sale proceeds, Investment proceeds or transferred proceeds) of the Refunded Obligations. Therefore there are no transferred proceeds of the Lease.

Section 3.9. Project Completion, New Money Portion. The City has incurred, or will incur within 6 months after the Issue Date, a substantial binding obligation to a third party to spend at least 5% of the Net Proceeds of the New Money Portion on the Financed Facility. The completion of the Financed Facility and the allocation of the Net Proceeds of the New Money Portion to expenditures will proceed with due diligence. At least 85% of the Net Proceeds of the New Money Portion will be allocated to expenditures on the Financed Facility within three years after the Issue Date.

Section 3.10. Sinking Funds. No sinking fund or other similar fund that is expected to be used to make Rental Payments has been established or is expected to be established.

Section 3.11. Reserve, Replacement and Pledged Funds.

(a) *Reserve Fund.* No reserve or replacement fund has been established for the Lease.

(b) *No Other Replacement Funds.* None of the Lease proceeds will be used as a substitute for other funds that were intended or earmarked to pay costs of the Financed Facility or refund the Refunded Obligations, and that instead has been or will be used to acquire higher yielding Investments. There are no funds pledged or committed in a manner that provides a reasonable assurance that such funds would be available for payment of Rental Payments represented by the Lease if the City encounters financial difficulty.

Section 3.12. Purpose Investment Yield. The proceeds of the Lease will not be used to purchase an Investment for the purpose of carrying out the governmental purpose of the financing.

Section 3.13. Purchase Prices and Yield on Lease.

(a) *Purchase Prices.* In the Assignee's Closing Certificate, the Assignee has certified that it has purchased its portion of the Lease as principal for its own accounts and has not acted as agent for any person or entity. As of the date hereof, the Assignee has not sold and has no present intention to sell their portion of the Lease to any person. The aggregate initial purchase price of the Lease is \$1,498,000.

(b) *Yield on the Lease.* Based on the purchase prices of the Lease, the Yield on the Lease is 2.028035%, as computed by Special Counsel and shown on **Exhibit A** attached hereto. Neither the Corporation nor the City have entered into an interest rate swap agreement with respect to any portion of the proceeds of the Lease.

Section 3.14. Miscellaneous Arbitrage Matters.

- (a) *No Abusive Arbitrage Device.* The Lease are not and will not be part of a transaction or series of transactions that has the effect of (1) enabling the Corporation or the City to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (2) overburdening the tax-exempt bond market.
- (b) *No Over-Issuance.* The sale proceeds of the Lease, together with expected Investment earnings thereon and any other money contributed by the City, do not exceed the cost of the governmental purpose of the Lease as described above.

Section 3.15. Conclusion. On the basis of the facts, estimates and circumstances set forth in this Tax Agreement, the Corporation and the City do not expect that the Lease proceeds will be used in a manner that would cause the Lease to be an “arbitrage bond” within the meaning of Code §148 and the Regulations.

ARTICLE IV

POST-ISSUANCE TAX REQUIREMENTS, POLICIES AND PROCEDURES

Section 4.1. General.

(a) *Purpose of Article.* The purpose of this Article is to supplement the Tax Compliance Procedure and to set out specific policies and procedures governing compliance with the federal income tax requirements that apply after the Lease are issued. The City recognizes that the Interest Component of Rental Payments will remain excludable from gross income only if Post-Issuance Tax Requirements are followed after the Issue Date. The City further acknowledges that written evidence substantiating Post-Issuance Tax Requirements must be retained in order to permit the Lease to be refinanced with tax-exempt obligations and substantiate the position that the Interest Component of Rental Payments represented by the Lease is excluded from gross income in the event of an audit of the Lease by the IRS.

(b) *Written Policies and Procedures of the City.* The City intends for the Tax Compliance Procedure, as supplemented by this Tax Agreement, to be its primary written policies and procedures for monitoring compliance with the Post-Issuance Tax Requirements for the Lease and to supplement any other formal policies and procedures related to tax compliance that the City has established. The provisions of this Tax Agreement are intended to be consistent with the Tax Compliance Procedure. In the event of any inconsistency between the Tax Compliance Procedure and this Tax Agreement, the terms of this Tax Agreement will govern.

(c) *Bond Compliance Officer.* The City when necessary to fulfill its Post-Issuance Tax Requirements will, through its Bond Compliance Officer, participate in any federal income tax audit of the Lease or related proceedings under a voluntary compliance agreement procedures (VCAP) or undertake a remedial action procedure pursuant to Regulations §§ 1.141-12 and 1.145-2. In each case, all costs and expenses incurred by the City shall be treated as a reasonable cost of administering the Lease and the City shall be entitled to reimbursement and recovery of its costs to the same extent as provided in the Lease or State law.

Section 4.2. Procedures Regarding Record Keeping; Use of Lease Proceeds and Use of the Financed Facility.

(a) *Record Keeping.* The Bond Compliance Officer will maintain the Tax-Exempt Bond File for the Lease in accordance with the Tax Compliance Procedure. Unless otherwise specifically instructed in a written Opinion of Special Counsel or to the extent otherwise provided in this Tax Agreement, the Bond Compliance Officer shall retain records related to Post-Issuance Tax Requirements until 3 years following the final maturity of (i) the Lease or (ii) any obligation issued to refund the Lease. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (1) ensure an accurate and complete transfer of the hardcopy records which indexes, stores, preserves, retrieves and reproduces the electronic records, (2) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (3) exhibit a high degree of legibility and readability both electronically and in hardcopy, (4) provide support for other books and records of the City and (5) not be subject to any agreement that would limit the ability of the IRS to access and use the electronic storage system on the City's premises.

(b) *Accounting and Allocation of Lease Proceeds to Expenditures.* Proceeds of the Lease and other money will be used as describe in Sections 3.5, 3.7 and 3.8. The Bond Compliance Officer will maintain accounting records showing the investment and expenditure of this money as part of the Tax-Exempt Bond File. The Bond Compliance Officer has prepared written substantiation records of the allocation of proceeds the Original Obligations to the Financed Facility. This allocation is summarized on **Exhibit C** and is intended to constitute the Final Written Allocation for the Original Obligations.

(c) *Annual Compliance Checklist.* Attached as **Exhibit D** is a form of annual compliance checklist for the Lease. The Bond Compliance Officer will prepare and complete an annual compliance checklist for the Financed Facility at least annually in accordance with the Tax Compliance Procedure. In the event the annual compliance checklist identifies a deficiency in compliance with the requirements of this Tax Agreement, the Bond Compliance Officer will take the actions identified in an Opinion of Special Counsel or Section 4.4 of the Tax Compliance Procedure to correct any deficiency.

(d) *Opinions of Special Counsel.* The Bond Compliance Officer is responsible for obtaining and delivering to the City and the Corporation any Opinion of Special Counsel required under the provisions of this Tax Agreement, including any Opinion of Special Counsel required by this Tax Agreement or the annual compliance checklist.

Section 4.3. Temporary Periods/Yield Restriction. Except as described below, Gross Proceeds must not be invested at a Yield greater than the Yield on the Lease:

- (a) *Project Acquisition Fund.* Lease proceeds deposited in the Project Acquisition Fund, including amounts held for costs of issuance, allocable to the New Money Portion and investment earnings on those proceeds may be invested without Yield restriction for up to 3 years following the Issue Date. If any unspent proceeds remain in the Project Acquisition Fund after 3 years, those amounts may continue to be invested without Yield restriction so long as the City pays to the IRS all Yield reduction payments in accordance with Regulations § 1.148-5(c). These payments are required whether or not the Lease is exempt from the arbitrage rebate requirements of Code § 148.
- (b) *Proceeds Allocable to Current Refunding.* Lease proceeds allocable to a current refunding of the Refunded Obligations (see Section 3.8) may be invested without Yield restriction for up to 90 days after the Issue Date.

- (c) *Minor Portion.* In addition to the amounts described above, Gross Proceeds not exceeding the Minor Portion may be invested without Yield restriction.

Section 4.4. Fair Market Value.

- (a) *General.* No Investment may be acquired with Gross Proceeds for an amount (including transaction costs) in excess of the fair market value of such Investment, or sold or otherwise disposed of for an amount (including transaction costs) less than the fair market value of the Investment. The fair market value of any Investment is the price a willing buyer would pay to a willing seller to acquire the Investment in a bona fide, arm's-length transaction. Fair market value will be determined in accordance with §1.148-5 of the Regulations.
- (b) *Established Securities Market.* Except for Investments purchased for a yield-restricted defeasance escrow, if an Investment is purchased or sold in an arm's-length transaction on an established securities market (within the meaning of Code §1273), the purchase or sale price constitutes the fair market value. Where there is no established securities market for an Investment, market value must be established using one of the paragraphs below. The fair market value of Investments purchased for a yield-restricted defeasance escrow must be determined in a bona fide solicitation for bids that complies with §1.148-5 of the Regulations.
- (c) *Lease of Deposit.* The purchase price of a certificate of deposit (a "CD") is treated as its fair market value on the purchase date if (1) the CD has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, (2) the yield on the CD is not less than the yield on reasonably comparable direct obligations of the United States, and (3) the yield is not less than the highest yield published or posted by the CD issuer to be currently available on reasonably comparable CDs offered to the public.
- (d) *Guaranteed Investment Contracts.* The Corporation and the City is applying to the Lease Regulations § 1.148-5(d)(6)(iii)(A) as amended by the Proposed Regulations (relating to electronic bidding of Guaranteed Investment Contracts). The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if all of the following requirements are met:
 - (1) Bona Fide Solicitation for Bids. The Corporation or the City makes a bona fide solicitation for the Guaranteed Investment Contract, using the following procedures:
 - (A) The bid specifications are in writing and are timely forwarded to potential providers or are made available on an internet website or other similar electronic media that is regularly used to post bid specifications to potential bidders. A writing includes a hard copy, a fax or an electronic e-mail copy.
 - (B) The bid specifications include all "material" terms of the bid. A term is material if it may directly or indirectly affect the yield or the cost of the Guaranteed Investment Contract.

- (C) The bid specifications include a statement notifying potential providers that submission of a bid is a representation (i) that the potential provider did not consult with any other potential provider about its bid, (ii) that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the City or any other person (whether or not in connection with the issue), and (iii) that the bid is not being submitted solely as a courtesy to the City or any other person, for purposes of satisfying the requirements of the Regulations.
 - (D) The terms of the bid specifications are “commercially reasonable.” A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the Guaranteed Investment Contract.
 - (E) The terms of the solicitation take into account the City’s reasonably expected deposit and draw-down schedule for the amounts to be invested.
 - (F) All potential providers have an equal opportunity to bid. If the bidding process affords any opportunity for a potential provider to review other bids before providing a bid, then providers have an equal opportunity to bid only if all potential providers have an equal opportunity to review other bids. Thus, no potential providers may be given an opportunity to review other bids that is not equally given to all potential providers (that is no exclusive “last look”).
 - (G) At least three “reasonably competitive providers” are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of Investments being purchased.
- (2) Bids Received. The bids received by the Corporation or the City must meet all of the following requirements:
- (A) The Corporation or the City receives at least three bids from providers that were solicited as described above and that do not have a “material financial interest” in the issue. For this purpose, (i) a lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the Issue Date of the issue, (ii) any entity acting as a financial advisor with respect to the purchase of the Guaranteed Investment Contract at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue, and (iii) a provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.
 - (B) At least one of the three bids received is from a reasonably competitive provider, as defined above.

- (C) If the Corporation or the City uses an agent or broker to conduct the bidding process, the agent or broker did not bid to provide the Guaranteed Investment Contract.
- (3) Winning Bid. The winning bid is the highest yielding bona fide bid (determined net of any broker's fees).
- (4) Fees Paid. The obligor on the Guaranteed Investment Contract certifies the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the Guaranteed Investment Contract.
- (5) Records. The City retains the following records with the transcript documents until three years after the last outstanding Lease is redeemed:
 - (A) A copy of the Guaranteed Investment Contract.
 - (B) The receipt or other record of the amount actually paid by the Corporation or the City for the Guaranteed Investment Contract, including a record of any administrative costs paid by the Corporation or the City, and the certification as to fees paid, described in paragraph (d)(4) above.
 - (C) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results.
 - (D) The bid solicitation form and, if the terms of Guaranteed Investment Contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.
- (e) *Other Investments*. If an Investment is not described above, the fair market value may be established through a competitive bidding process, as follows:
 - (1) at least three bids on the Investment must be received from persons with no financial interest in the Lease (e.g., as underwriters or brokers); and
 - (2) the Yield on the Investment must be equal to or greater than the Yield offered under the highest bid.

Section 4.5. Rebate Requirement

- (a) *The New Money Portion Qualifies as a Rebate-Exempt Small Issue*.
 - (1) the City is a governmental unit under State law with general taxing powers;
 - (2) no portion of the Lease allocable to the New Money Portion is a "private activity bond" as defined in Code § 141;

(3) 95% or more of the Net Proceeds of the New Money Portion are to be used for local governmental activities of the City; and

(4) the aggregate face amount of all tax-exempt bonds (other than private activity bonds and qualified tax credit bonds as defined in Code § 54A(d)(1) to be issued by the City during the current calendar year is not reasonably expected to exceed \$5,000,000. The City understands that, for this purpose; (a) the City and all entities which issue bonds on behalf of the City are treated as 1 issuer; (b) all bonds issued by an entity subordinate to the City are treated as issued by the City; and (c) bonds issued by the City to currently refund any other bond are not taken into account to the extent that the amount of the refunding bonds does not exceed the outstanding amount of the refunded obligations.

(b) *Rebate Instructions – Refunding Portion.* All of the Refunding Portion and investment earnings thereon will be either (a) applied to pay all outstanding principal and accrued interest on the Refunded Obligations on or before November 8, 2016, or (b) used to pay costs of issuing the Lease within three months of the Issue Date. Based on these certifications, Special Counsel has advised the City and the Corporation that no rebate or Yield restriction computations are required with respect to the Lease, so long as the sale proceeds of the Refunding Portion and Investment earnings thereon are invested and spent as described in this paragraph and no reserve or replacement fund is created. If such sale proceeds and Investment earnings are not invested and spent as described in this paragraph or if a reserve or replacement fund is established, then the City is obligated to engage Special Counsel, an independent certified public accountant or a rebate analyst to compute arbitrage rebate and Yield reduction amounts on the Lease and to pay arbitrage rebate or Yield reduction payments to the United States at least once every five years, and within 60 days after the discharge of the final maturity of the Lease, in accordance with Code § 148(f). The City will hold all records showing investment of Lease proceeds in its Tax-Exempt Bond File.

Section 4.6. Filing Requirements. The Corporation and the City will file or cause to be filed with the Internal Revenue Service such reports or other documents as are required by the Code in accordance with an Opinion of Special Counsel.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Term of Tax Agreement. This Tax Agreement will be effective concurrently with the execution and delivery of the Lease and will continue in force and effect until the Rental Payments represented by the Lease have been fully paid and all such Lease are cancelled; provided that, the provisions of Article IV of this Tax Agreement regarding payment of arbitrage rebate and all related penalties and interest will remain in effect until all such amounts are paid to the United States.

Section 5.2. Amendments. This Tax Agreement may be amended from time to time by the parties to this Tax Agreement without notice to or the consent of any of the Lease holders, but only if such amendment is in writing and is accompanied by an Opinion of Special Counsel to the effect that, under then existing law, assuming compliance with this Tax Agreement as so amended such amendment will not cause the Interest Component of the Rental Payments to be included in gross income for federal income tax purposes. No such amendment will become effective until the Corporation and the City receive an Opinion of Special Counsel, addressed to the Corporation and the City, that such amendment

will not adversely affect the exclusion of the Interest Component of Rental Payments from gross income for federal income tax purposes.

Section 5.3. Opinion of Special Counsel. The Corporation and the City may deviate from the provisions of this Tax Agreement if furnished with an Opinion of Special Counsel to the effect that the proposed deviation will not adversely affect the exclusion of the Interest Component of Rental Payments represented by the Lease from gross income for federal income tax purposes. The Corporation and the City further agree to comply with any further or different instructions provided in an Opinion of Special Counsel to the effect that the further or different instructions need to be complied with in order to maintain the validity of the Lease or the exclusion from gross income of the Interest Component of Rental Payments.

Section 5.4. Reliance. In delivering this Tax Agreement, the Corporation and the City are making only those certifications, representations and agreements as are specifically attributed to them in this Tax Agreement. The Corporation and the City are not aware of any facts or circumstances which would cause it to question the accuracy of the facts, circumstances, estimates or expectations of any other party providing certifications as part of this Tax Agreement and, to the best of its knowledge, those facts, circumstances, estimates and expectations are reasonable. The parties to this Tax Agreement understand that its certifications will be relied upon by the law firm of Gilmore & Bell, P.C., in rendering its opinion as to the validity of the Lease and the exclusion from federal gross income of the Interest Component of Rental Payments represented by the Lease.

Section 5.5. Severability. If any provision in this Tax Agreement or in the Lease is determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not be affected or impaired.

Section 5.6. Benefit of Agreement. This Tax Agreement is binding upon the Corporation and the City and their respective successors and assigns, and inures to the benefit of the parties to this Tax Agreement and the owners of the Lease. Nothing in this Tax Agreement or the Lease, express or implied, gives to any person, other than the parties to this Tax Agreement and their successors and assigns, and the owners of the Lease, any benefit or any legal or equitable right, remedy or claim under this Tax Agreement.

Section 5.7. Default; Breach and Enforcement. Any misrepresentation of a party contained herein or any breach of a covenant or agreement contained in this Tax Agreement is an Event of Default under the Lease. Remedies for an Event of Default may be pursued pursuant to the terms of the Lease or any other document which references the tax covenants in this Tax Agreement and gives remedies for such an Event of Default thereunder.

Section 5.8. Execution in Counterparts. This Tax Agreement may be executed in any number of counterparts, each of which so executed will be deemed to be an original, but all such counterparts will together constitute the same instrument.

Section 5.9. Governing Law. This Tax Agreement will be governed by and construed in accordance with the laws of the State of Missouri.

Section 5.10. Electronic Transactions. The parties agree that the transaction described in this Tax Agreement may be conducted, and related documents may be stored, by electronic means.

[remainder of page intentionally left blank]

The parties to this Tax Agreement have caused this Tax Agreement to be duly executed by their duly authorized officers as of the Issue Date of the Lease.

**NORTHLAND DEVELOPMENT CORPORATION
D/B/A KEARNEY AREA DEVELOPMENT
COUNCIL**

By: _____
Title: Vice-President

CITY OF KEARNEY, MISSOURI

By: _____
Title: Mayor

EXHIBIT A

DEBT SERVICE SCHEDULE AND PROOF OF YIELD

EXHIBIT B

IRS FORM 8038-G

EXHIBIT C

**DESCRIPTION OF PROPERTY COMPRISING THE FINANCED FACILITY
&
ALLOCATION OF ORIGINAL OBLIGATIONS**

[See attached spreadsheet]

EXHIBIT D

FORM OF ANNUAL COMPLIANCE CHECKLIST

Part I

Asset description ("Asset"):

Name of tax-exempt obligations financing Asset: \$1,498,000 Lease-Purchase Agreement dated as of October 1, 2016

Issue Date of Lease: October 21, 2016

Placed in service date of Asset:

Name of person completing checklist:

Title:

Email address:

Telephone number:

Period covered by request (Annual Period): April 1, 20__ to March 31, 20__

Part II *(Completed by Reporting Party)*

Item	Question	Response
1	Were the Assets owned by the City during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Ownership	If No: Were the Assets (or any portion of the Asset) sold or otherwise disposed of solely because it was determined that the property was inadequate, obsolete or worn out?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If No: What is the legal name of the New Owner?	
	Date New Owner acquired the Asset:	
	Is the New Owner a state or local government or controlled by a state or local government (a "Qualified User")?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure
2	Other than the Base Lease and the Lease, during the Annual Period, was any part of the Assets leased at any time pursuant to an agreement for more than 50 days by another nonaffiliated corporation, association, firm, or other entity (this includes space sharing with a federal governmental agency)? <i>(Do Not Include Qualified Use Agreements – See Item 3.)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
Leases	If Yes: What is the legal name of the Tenant?	

	Is the Tenant a Qualified User?	Yes No Unsure
	Attach a copy of the lease if not previously provided in a prior report and Opinion of Special Counsel.	
	List approximate percentage of Assets leased by Tenant (e.g., 30% of total building square footage).	

3 Qualified Use Agreements	During the Annual Period, was any part of the Assets leased to individuals that used the asset for purposes other than a trade or business (e.g., residents lease space for meetings)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If Yes: Attach a form of such an agreement.	

4 Management or Service Agreements	During the Annual Period, has the management of all or any part of the operations of the Assets (e.g., concessions, etc.) been assumed by or transferred to another entity?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If Yes: Attach a copy of the agreement(s).	

5 Other	Was any other agreement entered into with an individual or entity (other than a Qualified User) that grants special legal rights to the Asset?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If Yes: Attach a copy of the agreement(s).	

Signature, Name and Title of Person Completing Questionnaire:

By: _____
Printed Name: _____
Title: _____
Date Completed: _____

8A

RESOLUTION NO. _____

A RESOLUTION APPROVING A LETTER OF UNDERSTANDING WITH THE KEARNEY SCHOOL DISTRICT REGARDING THE TENNIS COURTS ON SOUTH CAMPUS

WHEREAS, the City of Kearney intends to use the old tennis courts located on 19th Street on the Kearney School District's South Campus for a Skate Park and Pickle Ball Courts consistent with the attached letter of understanding, and

WHEREAS, the Tennis courts on located on public property owned by the School District; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF KEARNEY, MISSOURI, AS FOLLOWS:

Section 1. The Mayor is hereby authorized to sign the attached letter of understanding with the Kearney R-1 School District for use of the property known as the old Tennis Courts located on 19th Street on South Campus, legally described herein:

Tennis Courts Tract - Description

All that part of the Northwest Quarter of Section 2, Township 52, Range 31, Clay County Missouri, described as follows: Commencing at the Southeast Corner of the Southwest Quarter of Section 35, Township 53 North, Range 31 West, thence South 00°11'01" East, a distance of 30 feet; thence South 89°42'40" West, a distance of 715.48 feet; thence South 00°20'46" West, a distance of 10 feet to the Point of Beginning; thence North 89°42'40" East along the south side of the 19th Street Trailway, a distance of 217.55 feet; thence South 00°38'14" West, a distance of 210.00 feet; thence South 89°42'40" West, a distance of 217.55 feet, to the west property line of the Kearney Reorganized School District Number 1; thence North 00°38'14" East, along said west property line, 217.55 feet, to the Point of Beginning. Said tract contains 45,685.50 square feet, or 1.05 acres.

Section 2. This resolution shall be effective immediately upon passage.

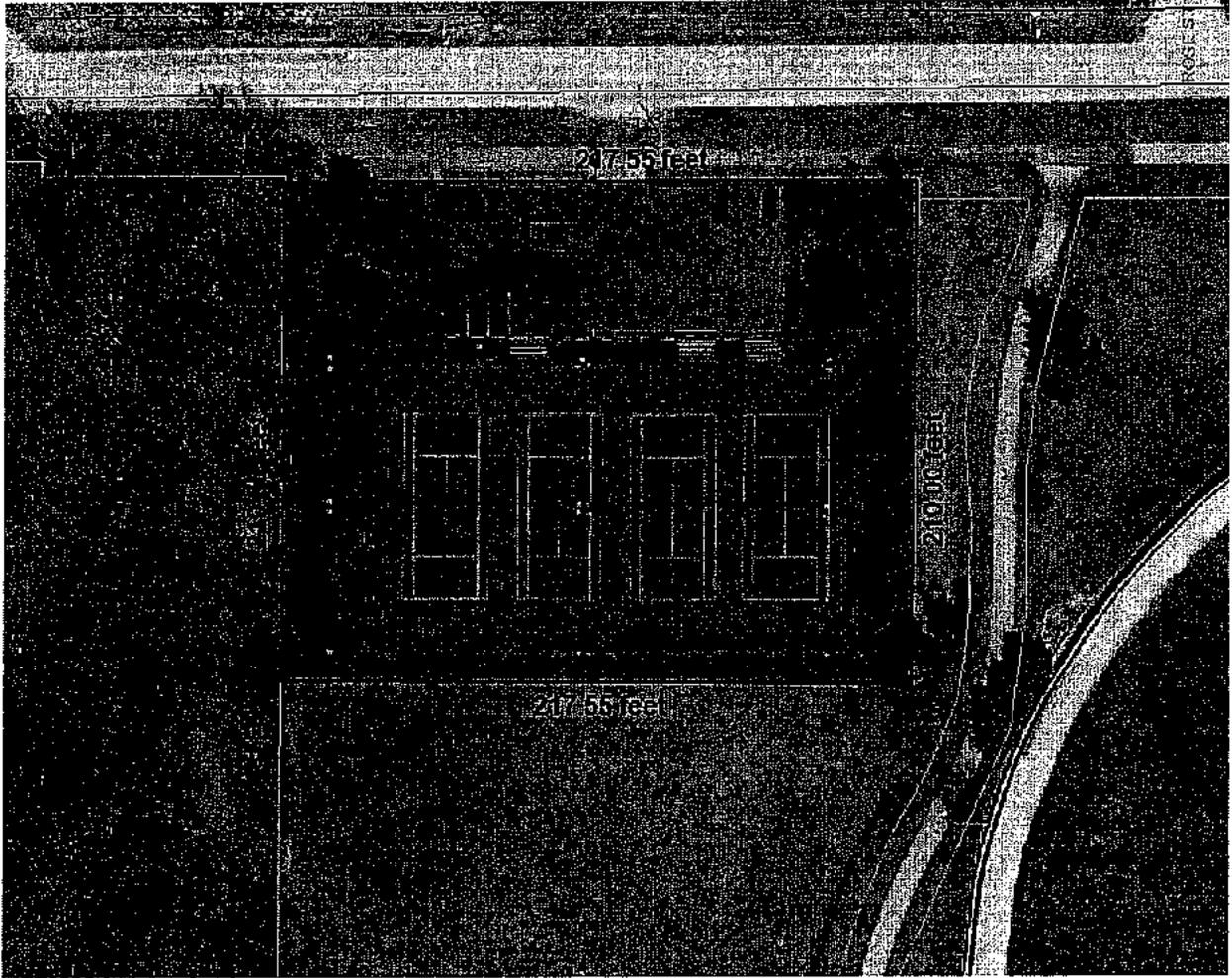
PASSED AND RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF KEARNEY, MISSOURI, AND APPROVED BY THE MAYOR THIS _____ DAY OF October, 2016.

APPROVED:

Bill Dane, Mayor

ATTEST:

Jim Eldridge, City Clerk



Law Offices of
R. Brian Hall
Attorney at Law

1201 N.W. Briarcliff Pkwy., Suite 200
Kansas City, MO 64116

Kansas City Office:
(816) 673-7566
Fax: (816) 673-7501
(816) 628-

Other Office:
Kearney, Missouri

September 6, 2016

Dr. Bill Nicely
Kearney R-1 School District
1002 S. Jefferson St.
Kearney MO 64060

Bill Dane
P.O. Box 797
Kearney, MO 64060

LETTER OF INTENT

I have been asked to set forth the terms of a proposed transaction where the District's existing tennis court and adjacent parking property is initially leased for 10 years with a renewal opportunity at the completion of that term and every 5th year up to 100 years at \$1.00 per year to the City of Kearney, Missouri for its recreational and municipal purposes.

1. It proposed that the District enter into an intergovernmental agreement to lease property legally described on Exhibit A (tennis court property) for \$1.00 per year for a period of 99 years subject to being renewed for an additional term upon mutual agreement of the parties.

2. The City during the term of the lease will be solely responsible for maintenance of the property and will not allow waste. The City will be responsible to pay for electricity for the existing lights and any other utility charges during the term of the lease.

3. It is agreed that City's current proposed use of the property for a pickle ball court and a skate park are appropriate uses. Any additional uses, would have to receive the approval of the City' Park Board and the District.

4. The lease is subject to District's right to reasonably use a portion of the parking area on the tennis court property for student parking during school hours.

5. City agrees to provide statutorily required liability insurance for the leased property and to add the District as an additional party insured.

6. It is recognized by both parties that the property is leased in "as is" condition and District makes no warranties expressed or implied as to the condition of the property.

7. District warrants to City a right of quiet enjoyment of the leased property so long as City complies with the terms of the lease.

Yours truly,

R. Brian Hall,
Attorney for City

**Kearney R-1
Meeting Minutes**

Printed : 9/19/2016 1:33 PM CST

**KEARNEY R-1 SCHOOL BOARD OF
EDUCATION MEETING**

9/15/2016 7:00:00 PM

Kearney High School
Media Center

Attendees - voting members

Mike Miller	President
Ed Haney	Board Member
Mark Kelly	Board Member
John Kern	Board Member
David Lehman	Board Member
Steve McDonald	Board Member
Dan Weakley	Board Member

Attendees - other

Dr. Bill Nicely	Superintendent
Carolyn Switzer	Board/Supt. Secretary

UN-OFFICIAL

- I. Preliminaries of the Meeting
 - A. Call to order
 - B. Pledge of Allegiance
 - C. Roll Call
 - D. Establishment of a quorum
 - E. Adopt/amend Agenda

A motion was made that the agenda be approved as presented.

Motion made by: Mark Kelly

Motion seconded by: David Lehman

Voting

Unanimously Approved

Recognition Certificates were presented to Dogwood Elementary and to Bob Tate.

- II. Public Comment – there was none
- III. Consent Agenda

A motion was made that the consent agenda be approved as presented.

Motion made by: Mark Kelly

Motion seconded by: David Lehman

Voting

Unanimously Approved

- A. Approval of Minutes

- B. Approval of bills for the month
- C. Change date for October Monthly board meeting
- D. Technology Surplus
- E. Academy Sports Grant
- F. Grant Proposal for Pathways for Teachers
- G. Contracts
 - 1. Enterprise Leasing

IV. Information Items

- A. Administrative Items
 - 1. Bulldog Report
 - 2. Bond Issue Update
- B. Agriculture Program Update
- C. Financial Reports

V. Action Items

- A. Tuition Rate

A motion was made to set the tuition rate for the 2016-2017 school year at \$9,400.
Motion made by: Mark Kelly
Motion seconded by: David Lehman
Voting
Unanimously Approved
- B. Federal Programs

A motion was made to approve the Federal Programs evaluation as presented.
Motion made by: Mark Kelly
Motion seconded by: David Lehman
Voting
Unanimously Approved
- C. Health and Wellness Program Evaluation

A motion was made to approve the Health and Wellness Evaluation as presented.
Motion made by: Mark Kelly
Motion seconded by: David Lehman
Voting
Unanimously Approved
- D. Policy IKF - Graduation Requirements

A motion was made to approve and adopt policy IKF on first reading.
Motion made by: Mark Kelly
Motion seconded by: David Lehman

Voting

Unanimously Approved

E. City use of existing Tennis Courts

A motion was made to approve the agreement with the city to be implemented once the existing courts are vacated for the new ones.

Motion made by: Mark Kelly

Motion seconded by: David Lehman

Voting

Unanimously Approved

VI. Board Member Comments

VII. Important Dates

VIII. Miscellaneous

Action for a closed session to immediately precede the regular meeting in October including any record or vote, to discuss items and issues allowable under section 610-021 or the Missouri Sunshine Law. Roll call Vote Required.

Motion made by: Mark Kelly

Motion seconded by: David Lehman

Voting

<u>Ed Haney</u>	<u>Yes</u>
<u>Mark Kelly</u>	<u>Yes</u>
<u>John Kern</u>	<u>Yes</u>
<u>David Lehman</u>	<u>Yes</u>
<u>Steve McDonald</u>	<u>Yes</u>
<u>Dan Weakley</u>	<u>Yes</u>
<u>Mike Miller</u>	<u>Yes</u>

Unanimously Approved

IX. Adjournment

Board Chairperson

UN-OFFICIAL
Caryn Switzer
Secretary



M-1

September 21, 2016

Jim Eldridge
City of Kearney
P.O. Box 797
Kearney, MO 64060

Dear Jim:

Please join us for the annual meeting of the Kearney Area Development Council and the Kearney Community Foundation at noon on Friday, October 14, 2016.

This will be a great opportunity for our members to learn more about the scope of each organization. In addition, we will provide an update on our work over the past year.

The Kearney Fire and Rescue Protection District has kindly agreed to host the meeting in their basement training room, located at 201 E. 6th Street. Please use the Prospect Street entrance. Lunch will be provided. Please RSVP to Shawna Searcy at (816) 628-3343 or via email at shawnasearcy@kearneyadc.com.

We appreciate your continued support and hope you will be able to join us on Oct. 14th.

Sincerely,

Jim Eldridge
Secretary



September 21, 2016

Mr. Jim Eldridge, City Administrator
CITY OF KEARNEY
P.O. Box 797
Kearney, MO 64060



9001 State Line Road; Ste. 200
Kansas City, Missouri 64114
[P] 816.361.0440
[F] 816.361.0045
LRA-inc.com

Re: Collection system Surcharging
Kearney, Missouri

M-2

Dear Jim:

From our recent phone conversation, we understand that the collection system in the area of Prospect Street and 19th Street surcharged during recent heavy rains. In your efforts to prevent future surcharging in this area, we recommend you consider the following steps:

- Pull the manhole lids in the area of the surcharge, downstream to the east interceptor at 17th Street. Inspect each manhole for evidence of surcharging. While the manhole lids are off, measure the depth of the manhole.
- If there is a noticeable change in surcharge depth between two adjacent manholes, have that section of sewer cleaned.
- If any manholes are located near a ditch, and it appears the top of the manhole is lower than the high water level in the ditch, raise that manhole lid.
- If there are sewer crossings of ditches that surcharged, CCTV that section of pipe.
- Smoke test at least the area feeding into the sewer that surcharged. Consider smoke testing the Prospect sewer down to the east interceptor.
- Perform a study of the Prospect Street sewer. If plans for the Prospect Street sewer are available, the plans would be used in the study. If plans are not available, we propose surveying to obtain the top and invert elevations of each manhole.

After you have had a chance to review, please let me know how you wish to proceed.

Sincerely,

A handwritten signature in black ink that reads "Greg S. Kendall".

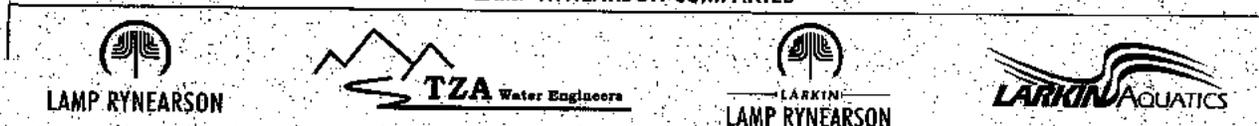
Greg S. Kendall, P.E.
Senior Project Manager

GSK/ldc

C: M. Clark Thompson, P.E.
Dan Miller, P.E.

L:\0316004 Kearney MO 2016 City Engineering\LRA Folders\DOCUMENTS\092116 ltr Jim Eldridge re Collection System Surcharging.docx

LAMP RYNEARSON COMPANIES



Sun	Mon	Tue	Wed	Thu	Fri	Sat
25	26	27	28	29	30	31
					2 pm - October Fest @ JJ Park	
2	3	4	5	6	7	8
	11:30am - Senior Meals @ Senior 6:30pm - Board of Aldermen	1pm - Senior Citizens Dancing @	Chamber Luncheon 11:30am - Senior Meals @ Senior		11:30am - Senior Meals @ Senior	Large Item pick up for the whole 1pm - Kids Fall Festival @ JJ Park
9	10	11	12	13	14	15
	11:30am - Senior Meals @ Senior 6:30pm - P & Z Meeting @	1pm - Senior Citizens Dancing @ 6:30pm - Court @ Kearney City	11:30am - Senior Meals @ Senior	Lion's Club Meeting @ Kearney	11:30am - Senior Meals @ Senior	1pm - Kids Festival Rain Date @
16	17	18	19	20	21	22
	11:30am - Senior Meals @ Senior 6:30pm - Board of Alderman	1pm - Senior Citizens Dancing @ 6:30pm - Park Board Meeting @	11:30am - Senior Meals @ Senior	6:30pm - Road Distict Meeting @	11:30am - Senior Meals @ Senior	10am - Prescription Drug Take
23	24	25	26	27	28	29
	11:30am - Senior Meals @ Senior 6:30pm - Court @ Kearney City	1pm - Senior Citizens Dancing @	Senior Trip (Barry, Belle & 11:30am - Senior Meals @ Senior	Lion's Club Meeting @ Kearney	11:30am - Senior Meals @ Senior 4pm - Downtown Trick or Treat	
30	31	1	2	3	4	5
	11:30am - Senior Meals @ Senior					

R-1

KEARNEY POLICE DEPARTMENT

WHERE INDIVIDUALS ARE CITED, CASES ARE PENDING IN EITHER CLAY COUNTY CIRCUIT COURT OR THE KEARNEY MUNICIPAL COURT. ALLEGATIONS ARE PROVIDED AT THE REQUEST OF THE KEARNEY COURIER FROM THE KEARNEY MO POLICE LOGS FOR THE WEEK OF: 09-05-16 to 09-11-16

9/5

Check the welfare investigation in the 200 block of Southbrook Parkway.

Assisted Kearney Fire and Rescue on stove fire in the 1300 block of Laurel.

Motorist assistance MO 92 Hwy at MO 33 Hwy.

Check the welfare investigation in the 100 block of South Jefferson.

Sandra L Wendel-female-47-Kearney-cited for making a illegal left turn.

Sung Van Bui-male-45-KCMO-cited for illegal left turn.

John I Barchers-male-45-Liberty-cited for illegal U turn.

Investigation of a 2 vehicle property damage accident in the 500 block of West MO 92 Hwy.

Check the welfare investigation in the 400 block of Porter Ridge.

9/6

Assisted Kearney Fire and Rescue on a EMS call in the 200 block of West 6th.

16 year old Kearney female cited for failure to maintain current vehicle insurance.

Jacquelyn C Walters-female-21-Maryville-cited for failure to maintain current vehicle insurance.

Lisa M Stockham-female-35-Kearney-cited for failure to maintain current vehicle insurance.

Jeffery G Ball-male-18-Holt-cited for speeding and failure to maintain current vehicle insurance.

Erin M Martineau-female-46-Liberty-cited for speeding.

16 year old Kearney male cited for operating a motor vehicle with vision reducing material greater than 35%

Stealing investigation in the 500 block of Porter Ridge.

Identity theft investigation in the 800 block of Regency.

Motorist assistance Bennett and MO 92 Hwy.

9/7

16 year old Kearney male cited for speeding.

Assisted Kearney Fire and Rescue on a EMS call in the 300 block of East 21st.

Assisted Kearney Fire and Rescue on a EMS call in the 100 block of 8th.

Business alarm investigation in the 100 block of East Washington.

Stealing investigation in the 300 bock of West Major.

Assisted Kearney Fire and Rescue on a EMS call in the 1700 block of Stonelake.

Assisted Kearney Fire and Rescue on a EMS call in the 100 block of North Grove.

Check the welfare investigation in the 100 block of West 4th.

Investigation of a domestic assault in the 100 block of South Jefferson.

Death investigation in the 1800 block of Sunset.

Jeffrey M Hibler-male-52-Cameron-cited for failure to yield to the right of way resulting in a 2 vehicle property damage accident MO 92 Hwy at I-35.

9/8

Investigation of a 2 vehicle leaving the scene accident in the 1400 block of South Prospect.

Robyn S Clayton-female-59-Kearney-cited for failure to yield to oncoming traffic in a round about.

Keri L Stewart-male-34-Kearney-cited for expired temp tag.

Investigation of a 2 vehicle property damage accident 19th at MO 33 Hwy.

Brian A Landis-male-27-Kearney-cited for making an illegal left turn.

16 year old Kearney male cited for failure to yield resulting in a 2 vehicle property damage accident 11th Street at Ada.

9/9

Brenae N Tate-female-19-Kearney-cited for failure to maintain current vehicle insurance.

Investigation of a peace disturbance in the 1300 block of Ada.

Investigation of a domestic peace disturbance in the 1100 block of Regency Drive.

Investigation of a 911 hang up in the 500 block of Shanks Avenue.

Business alarm investigation in the 100 block of West Washington.

Investigation of a attempted suicide in the 1900 block of Cardinal Circle.

Citizen assistance in the on West MO 92 Hwy.

Motorist assistance MO 92 Hwy at I-35.

Investigation of a juvenile complaint in the 2300 block of Crimson Court.

9/10

Investigation of illegal dumping in the 1000 block of Couchman Drive.

Citizen assistance in the 600 block of West MO 92 Hwy.

Motorist assistance MO 92 Hwy at I-35.

Investigation of a peace disturbance in the 600 block of East 7th.

Investigation of a peace disturbance in the 1100 block of Brookwood.

9/11

Investigation of a parking complaint Park Lane and Regency Drive.

Investigation of a residential alarm in the 600 block of North Grove.

Investigation of a 2 vehicle property damage accident MO 92 Hwy at MO 33 Hwy.

Business alarm investigation in the 900 block of North Jefferson.

KEARNEY POLICE DEPARTMENT

WHERE INDIVIDUALS ARE CITED, CASES ARE PENDING IN EITHER CLAY COUNTY CIRCUIT COURT OR THE KEARNEY MUNICIPAL COURT. ALLEGATIONS ARE PROVIDED AT THE REQUEST OF THE KEARNEY COURIER FROM THE KEARNEY MO POLICE LOGS FOR THE WEEK OF: 09-12-16 to 09-18-16

9/12

Kailey L Reagan-female-25-Lone Jack-cited for illegal left turn.

Dog bite investigation in the 1300 block of Robin Circle.

Investigation of a domestic peace disturbance in the 500 block of Porter Ridge.

Citizen assistance in the 200 block of East 22nd Terrace.

Citizen assistance in the 1100 block of Stonecrest.

Assisted Kearney Fire and Rescue on a EMS call in the 700 block of East 15th Street.

Peace disturbance investigation in the 300 block of Evening Star Drive.

Assisted Kearney Fire and Rescue on a EMS call in the 800 block of East 18th Street.

Motorist assistance in the 600 block of West MO 92 Hwy.

9/13

Investigation of a juvenile complaint in the 2200 block of Campus Drive.

Assault investigation in the 2200 block of Campus Drive.

Investigation of a stolen auto in the 100 block of West Major.

Assisted Clay County Sheriff's Department with traffic control for a 2 vehicle accident MO 92 Hwy at Cordell.

9/14

Ellsha Ulyssess-Verg Jr-male-48-KCMO-cited for illegal left turn.

Investigation of a juvenile complaint in the 100 block of West Major.

Citizen assistance in the 700 block of West MO 92 Hwy.

9/15

16 year old juvenile male cited for failure to maintain current vehicle insurance.

Anthony J Abernathy-male-47-Holt-cited for failure to register vehicle and failure to maintain current vehicle insurance.

Justin A Lamb-male-38-Kearney-cited for illegal left turn, operating a motor vehicle while revoked, failure to restrain a child under 3 years old and failure to maintain current vehicle insurance.

Assisted Kearney Fire and Rescue on a EMS call in the 800 block of Blueberry Circle.

Harassment investigation in the 600 block of Centerville.

Assault investigation in the 500 block of Porter Ridge.

9/16

James M.T. Burnett-male-30-Excelsior Springs-cited for expired temporary license plates.

Assisted Kearney Fire and Rescue on a EMS call in the 100 block of North Grove.

9/17

Property damage investigation in the 900 block of Oakridge.

Business alarm investigation in the 100 block of Platte Clay Way.

property damage investigation in the 900 block of Porter Ridge.

Investigation of a 2 vehicle property damage accident MO 33 Hwy at Boude.

Chad J Boyd-male-40-arrested on a Clay County warrant.

9/18

Check the welfare investigation in the 1400 block of Susan.

Citizen assistance in the 500 block of Porter Ridge.

Motorist assistance in the 3000 block of North Jefferson.

Investigation of a 2 vehicle leaving the scene accident in the 3000 block of Jesse James Farm Road.

Investigation of an animal complaint in the 1700 block of Sunset.

Trespassing complaint in the 100 block of East Major.

Investigation of a domestic assault in the 500 block of Porter Ridge.

KEARNEY POLICE DEPARTMENT

WHERE INDIVIDUALS ARE CITED, CASES ARE PENDING IN EITHER CLAY COUNTY CIRCUIT COURT OR THE KEARNEY MUNICIPAL COURT. ALLEGATIONS ARE PROVIDED AT THE REQUEST OF THE KEARNEY COURIER FROM THE KEARNEY MO POLICE LOGS FOR THE WEEK OF: 09-19-16 to 09-25-16

9/19

Investigation of a 2 vehicle leaving the scene accident in the 900 block of West MO 92 Hwy.

Property damage investigation in the 200 block of East MO 92 Hwy.

Business alarm investigation in the 500 block of Platte Clay Way.

Check the welfare investigation in the 500 block of Porter Ridge.

Property damage investigation in the 700 block of West MO 92 Hwy.

Check the welfare investigation Northbound I-35 at the 22.6 mile marker.

Citizen assistance in the 500 block of Porter Ridge.

Check the welfare investigation Northbound on ramp to I-35.

Citizen assistance in the 100 block of North Grove.

Harassment investigation in the 800 block of Blueberry Circle.

9/20

David P Wilmoth-male-38-Kearney-cited for failure to maintain current vehicle insurance.

Check the welfare investigation Jefferson at 8th Street.

Citizen assistance in the 1000 block of East 16th Street.

Business alarm investigation in the 900 block of North Jefferson.

Check the welfare investigation in the 100 block of West Major.

9/21

Investigation of a 1 vehicle injury accident MO 92 Hwy at Regency.

Investigation of a 2 vehicle property damage accident MO 92 Hwy at Star.

Investigation of a juvenile complaint in the 400 block of Porter Ridge.

Animal control on the walking trail at Meadowbrook.

Business alarm investigation in the 400 block of West Washington.

9/22

James J Swartz-male-28-Liberty-cited for illegal left turn.

Randall C Coburn-male-54-Harrisonville-cited for illegal left turn.

Assisted Kearney Fire and Rescue on a EMS call in the 200 block of Meadowbrook Drive.

Stealing investigation in the 300 block of East 9th.

Stealing investigation in the 300 block of Southbrook Parkway.

Investigation of a domestic assault in the 500 block of Porter Ridge.

9/23

Darryl T Johnson-male-55-White Lake MI-cited for illegal left turn.

Amanda Pompey-female-34-Kearney-cited for failure to maintain current vehicle insurance.

Alan L Miller-male-50-Kearney-cited for failure to register a motor vehicle and failure to maintain current vehicle insurance and arrested on a Liberty fail to appear warrant.

Peace disturbance investigation in the 900 block of Walnut.

Fraud investigation in the 500 block of North Grove.

Citizen assistance in the 700 block of West MO 92 Hwy.

Recovered property MO 92 Hwy at MO 33 Hwy.

9/24

Business alarm investigation in the 1000 block of East MO 92 Hwy.

Investigation of a juvenile complaint in the 900 block of Susan.

Recovered property damage MO 92 Hwy at MO 33 Hwy.

Investigation of an animal complaint in the 200 block of East 6th.

Investigation of a 2 vehicle property damage accident in the 13000 block of MO 33 Hwy.

Investigation of a 1 vehicle property damage accident MO 33 Hwy at Washington.

9/25

Joshua L Willmon-male-19-Liberty-arrested on a Clay County Probation Violation warrant.

Stealing investigation in the 600 block of West MO 92 Hwy.

Investigation of a juvenile complaint in the 900 block of Susan.

Motorist assistance I-35 at the 24.5 mile marker.

Citizen assistance in the 1600 block of Clear Creek Drive.

Tyler A Downard-male-21-Overland Park KS-arrested for failure to use turn signal and driving while intoxicated with a BAC of .17%

Business alarm investigation in the 600 block of South Jefferson.

Date Affcd	Owner L	Subdvn	Lot No	Proj Address	Pmt No	Sq Ftg	Bldg Type
8/5/2016	CUNNINGHAM CONSTRUCTION	WESTWOOD VILLAGE 3RD	56	505 CRESTRIDGE DRIVE	059-16	2200	S
8/5/2016	LYNNE SCOTT CONSTRUCTION	WESTWOOD VILLAGE	47	407 BUCK COURT	060-16	1470	S
8/8/2016	LYNNE SCOTT CONSTRUCTION	HILLS OF WESTWOOD 3RD	71	909 CHISAM ROAD	061-16	1470	S
8/8/2016	LYNNE SCOTT CONSTRUCTION	ESTATES OF MARIMACK	17	123 NORTH MARIMACK DRIVE	062-16	1593	S
8/8/2016	LYNNE SCOTT CONSTRUCTION	JAMESTOWNE VILLAGE 2ND	12	1706 BAY COURT	063-16	1686	S
8/8/2016	LYNNE SCOTT CONSTRUCTION	CLEAR CREEK VALLEY	27	1311 CLEAR CREEK DRIVE	064-16	1532	S
8/16/2016	COMET CUSTOM HOMES	ESTATES OF MARIMACK	9	109 SOUTH MARIMACK	065-16	2300	S
8/16/2016	DWELLINGS BY DESIGN	CLEAR CREEK VALLEY	15	716 EAST 13TH TERRACE	066-16	1400	S
8/16/2016	H2 DEVELOPMENT	VILLAS OF MARIMACK	40	605 EAST PORTER RIDGE	067-16	1827	S
8/18/2016	BEGGS CONSTRUCTION	SHADOWBROOK 3RD	183	411 TAMERA DRIVE	068-16	1850	S
8/19/2016	COMET CUSTOM HOMES	ESTATES OF MARIMACK	38	114 SOUTH MARIMACK	069-16	2300	S
8/23/2016	HOFFMAN CUSTOM HOMES	SHADOWBROOK 3RD	164	1301 REGENCY DRIVE	070-16	1500	S
8/23/2016	HOFFMAN CUSTOM HOMES	SHADOWBROOK 3RD	163	1209 REGENCY DRIVE	071-16	1500	S
8/24/2016	ROBERTSON CONSTRUCTION	BROOKE HAVEN 6TH	256	1207 EAST 15TH STREET	072-16	2600	S
8/24/2016	ROBERTSON CONSTRUCTION	BROOKE HAVEN 7TH	348	1029 EAST 14TH STREET	073-16	1687	S
8/29/2016	SETH BUILDERS	SHADOWBROOK 3RD	152	404 SHADOWBROOK DRIVE	074-16	2043	S

P-3

SINGLE FAMILY PERMIT COMPARISON

YR TO DAT % DIFF

	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC	
2015	4	2	3	6	10	5	5	10					45
2016	7	6	13	9	12	8	3	16					74
% DIFFER	75%	200%	333%	50%	20%	60%	-40%	60%					164%

CERTIFICATE OF OCCUPANCY COMPARISON

YR TO DAT % DIFF

	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC	
2015	0	1	6	10	7	6	6	7					43
2016	5	5	9	4	7	9	4	9					52
% DIFFER	#DIV/0!	400%	50%	-60%	0%	50%	-33%	29%					121%

CO Issue Date	Proj Address	Lot No	Pmt No	Owner L	Bldg Type
8/15/2016	400 ANTHONY CIRCLE	7	010-15	BOULEVARD HOMES	S
8/22/2016	812 EAST 13TH TERRACE	25	013-16	DWELLINGS BY DESIGN	S
8/1/2016	1703 LAUREN LANE	223	014-16	ROBERTSON CONSTRUCTION	S
8/11/2016	722 EAST 13TH COURT	3	018-16	LYNNE SCOTT	S
8/25/2016	402 EVENING STAR DRIVE	8	022-16	LYNNE SCOTT	S
8/23/2016	203 NORTH MARIMACK DRIVE	18	066-15	LYNNE SCOTT	S
8/26/2016	104 PRAIRIE COURT	35	036-16	NTJ BUILDERS	S
8/24/2016	115 WEST WASHINGTON		639-16	ROCK AND RUN	C
8/11/2016	1729 CAMBRIDGE CIRCLE		1059-15	LYNNE SCOTT	S
8/23/2016	1201 EAST 15TH STREET	262	062-15	ROBERTSON CONSTRUCTION	S

Bld Permits & CO's
Aug 2016