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Approval of staff request to purchase the following 2014 Budgeted vehicles under the State Contract currently held with Shawnee Mission Ford: One (1) New 2015 F150 XL Crew Cab 4x4 Truck, Five (5) New 2015 F150 XL Super Cab 4x4 Trucks, One (1) New 2015 F250 Super Cab 4x2 Truck, One (1) New 2015 F250 Regular Cab 4x4 Truck, and One (1) New 2015 Ford Fusion Hybrid S for a final purchase amount of $170,205.00 and, if approved, authorize the issuance of the necessary purchase orders.

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Approval of staff's request to declare certain vehicles as surplus and authorize staff to dispose of the vehicles either through the receipt of sealed bids or to sell for salvage.

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Approval of staff recommendation to accept the donation of land located at 729 W. 3rd Street (described as Lot 48, Forest Park 2nd Addition to the City of Pittsburg, Crawford County, Kansas) from Jerald Gobl, of Ft. Scott, Kansas and, if approved, authorize the City Clerk to draft a letter accepting the donation.

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Approval of City staff's recommendation to place STOP signs at the intersections of 18th and Pine and 19th and Pine requiring traffic to stop at 18th Street and 19th Street and, if approved, authorize City staff to erect the STOP signs.

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Approval of staff request to reappoint Joseph Caskey to a second term effective January 1st, 2015 and to expire December 31st, 2017; appoint Bob Gilmore to serve the unexpired term of Aaron McConnell effective January 1st, 2015 and to expire December 31st, 2016; and appoint Dr. Tim Bailey to serve a first term effective January 1st, 2015 and to expire December 31st, 2017, all as members of the Board of Zoning Appeals.

2015 BZA Reappointment Memo 154

Approval of staff request to reappoint Dave Holloman to a first term effective January 1st, 2015 and to expire December 31st, 2017; reappoint Timothy Kundiger to a second term effective January 1st, 2015 and to expire December 31st, 2017; and appoint Francis DeMott to a first term effective January 1st, 2015 and to expire December 31st, 2017, all as members of the Planning and Zoning Commission.

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Approval of staff request to re-appoint Tony Dellasega to a second three-year term as a member of the Citizen's Advisory Board and to appoint Tony Sanchez to a first three-year term, effective January 1, 2015 and to expire on December 31, 2017.

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Approval of staff request to reappoint Kaylene Mayerske, Mark Newbold, Nazar Saman, and Marilyn Sheldon to second three-year terms as members of the Human Relations Commission effective January 1, 2015, and to expire on December 31, 2017.

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ORDINANCE NO. G-1216 - Consideration of Ordinance No. G-1216, annexing land into the limits and boundaries of The City of Pittsburg, Kansas, pursuant to K.S.A. 12-520c, as amended.

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3RD AND BROADWAY TRAFFIC SIGNAL - Staff is requesting Governing Body approval to remove the traffic signals at 3rd and Broadway and to replace them with STOP signs requiring traffic to stop at 3rd Street.

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EMPLOYEE HEALTH INSURANCE - Consider staff recommendation regarding City employee health insurance for the year 2015.

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Finance Director Jamie Clarkson will present information regarding 2013 Comprehensive Annual Financial Report.

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Consider supplying a Letter of Support to Crawford County casino applicants.

Casino Support Letter. 184

CITY OF PITTSBURG, KANSAS
COMMISSION AGENDA
Tuesday, November 25, 2014
5:30 PM

CALL TO ORDER BY THE MAYOR:

a. Invocation by Pete Mayo of Via Christi
b. Flag Salute Led by the Mayor
c. Proclamation - Disability Mentoring Day - Received by LouAnn Colyer
d. Public Input

CONSENT AGENDA:

a. Approval of the November 10, 2014, Special City Commission Meeting minutes.

b. Approval of Ordinance No. G-1213, amending Section 82-285 of the Pittsburg City Code concerning applications for water service, on first and only reading.

c. Approval of Ordinance No. G-1214, amending Section 10-73 of the Pittsburg City Code concerning the dates yearly registration fees for dogs are due without penalty, on first and only reading.

d. Approval of Ordinance No. G-1215, amending Section 42-35 of the Pittsburg City Code concerning the penalty due for delinquent payment of a business license, on first and only reading.

e. Approval of Ordinance No. S-1018, authorizing the City of Pittsburg, Kansas, to issue its Taxable Industrial Revenue Bonds, Series A, 2014 and Series B, 2014 (Pinamonti Physical Therapy Project) for the purpose of the acquisition, construction and equipping a physical therapy and wellness facility; and authorizing certain other documents and actions in connection therewith on first and only reading.

f. Approval of Change Order No. 1 reflecting an increase of $1,407.50 making a new contract construction amount of $34,407.50 and final payment in the amount of $7,378.10 to Goins Enterprises, of Joplin, Missouri, for the Street Widening Project on the East Side of Homer Street North of Ford Street.

g. Approval of Change Order No. 1 reflecting a deduct of $2,442.00 making a new contract construction amount of $84,381.00 and final payment in the amount of $9,741.66 to Polston Construction Co., Inc., of Lamar, Missouri, for the Meadowbrook Mall Sanitary Sewer Extension Project.

h. Approval of staff recommendation to reject the bids for the purchase of fiber optics materials, accessories and components to be utilized in the construction of the fiber optics improvements/communications backbone due to an irregularity in the bid and, if approved, authorize staff to revise the bid specifications and to re-bid at a later date.

i. Approval of the Public Utilities Department request to have the 2006 Schwarze Sweeper, Equipment Code 337-012, Model No. M6000, Serial No. 1FVAC8CS47H858277, declared as surplus property and to be utilized as trade-in value for the purchase of a 2014 Schwarze Model A7 Tornado Regenerative Air Street Sweeper mounted on a 2015 Model Freightliner M2 Conventional Chassis under the State of Missouri Purchasing Contract currently held by Elliott Equipment Co., of Grandview, Missouri, in the net after trade amount of $172,643.00 (total purchase price of $199,143.00 less trade-in price of $26,500.00)

j. Approval of the Public Utilities Department request to purchase a new slope mower under the State of Missouri Purchasing Contract currently held by Tiger Corporation through their servicing dealer Sellers Equipment, of Wichita, Kansas, in the amount of $65,622.00.

k. Approval of staff request to purchase the following 2014 Budgeted vehicles under the State Contract currently held with Shawnee Mission Ford: One (1) New 2015 F150 XL Crew Cab 4x4 Truck, Five (5) New 2015 F150 XL Super Cab 4x4 Trucks, One (1) New 2015 F250 Super Cab 4x2 Truck, One (1) New 2015 F250 Regular Cab 4x4 Truck, and One (1) New 2015 Ford Fusion Hybrid S for a final purchase amount of $170,205.00 and, if approved, authorize the issuance of the necessary purchase orders.

l. Approval of staff's request to declare certain vehicles as surplus and authorize staff to dispose of the vehicles either through the receipt of sealed bids or to sell for salvage.

m. Approval of staff recommendation to accept the donation of land located at 729 W. 3rd Street (described as Lot 48, Forest Park 2nd Addition to the City of Pittsburg, Crawford County, Kansas) from Jerald Gobl, of Ft. Scott, Kansas and, if approved, authorize the City Clerk to draft a letter accepting the donation.

n. Approval of City staff's recommendation to place STOP signs at the intersections of 18th and Pine and 19th and Pine requiring traffic to stop at 18th Street and 19th Street and, if approved, authorize City staff to erect the STOP signs.

o. Approval of the applications submitted by Four Oaks Golf Course (910 Memorial Drive), Casey's General Store #2893 (2912 North Broadway), Casey's General Store #2961 (612 South Broadway), Casey's General Store #2962 (434 West 4th Street), Walgreens (1911 North Broadway), Bo's One Stop, Inc. (1116 West 4th Street), Pizza Hut (102 East Quincy), Snak Atak #5 (1101 East 4th Street), Pitt Stop (902 South Joplin), Pump N Pete's (4002 North Broadway), Pump N Pete's (1307 South Broadway), and Rhodes Grocery, Inc. (310 East Centennial) to sell Cereal Malt Beverages for the year 2015 and direct the City Clerk to issue the licenses.

p. Approval of staff request to reappoint Joseph Caskey to a second term effective January 1st, 2015 and to expire December 31st, 2017; appoint Bob Gilmore to serve the unexpired term of Aaron McConnell effective January 1st, 2015 and to expire December 31st, 2016; and appoint Dr. Tim Bailey to serve a first term effective January 1st, 2015 and to expire December 31st, 2017, all as members of the Board of Zoning Appeals.

q. Approval of staff request to reappoint Dave Holloman to a first term effective January 1st, 2015 and to expire December 31st, 2017; reappoint Timothy Kundiger to a second term effective January 1st, 2015 and to expire December 31st, 2017; and appoint Francis DeMott to a first term effective January 1st, 2015 and to expire December 31st, 2017, all as members of the Planning and Zoning Commission.

r. Approval of staff request to re-appoint Tony Dellasega to a second three-year term as a member of the Citizen's Advisory Board and to appoint Tony Sanchez to a first three-year term, effective January 1, 2015 and to expire on December 31, 2017.

s. Approval of staff request to reappoint Kaylene Mayerske, Mark Newbold, Nazar Saman, and Marilyn Sheldon to second three-year terms as members of the Human Relations Commission effective January 1, 2015, and to expire on December 31, 2017.

t. Approval of the Appropriation Ordinance for the period ending November 25, 2014, subject to the release of HUD expenditures when funds are received. **ROLL CALL VOTE.**

CONSIDER THE FOLLOWING:

a. ORDINANCE NO. S-1017 - Consideration of Ordinance No. S-1017, granting to Kansas Gas Service, a Division of ONE Gas, Inc., its successors and assigns, a natural gas franchise, prescribing the terms thereof and relating thereto, and repealing Ordinance No. S-915. **First and only reading.**

b. ORDINANCE NO. G-1216 - Consideration of Ordinance No. G-1216, annexing land into the limits and boundaries of The City of Pittsburg, Kansas, pursuant to K.S.A. 12-520c, as amended. **First and only reading.**

c. 3RD AND BROADWAY TRAFFIC SIGNAL - Staff is requesting Governing Body approval to remove the traffic signals at 3rd and Broadway and to replace them with STOP signs requiring traffic to stop at 3rd Street. **Approve or disapprove staff's request and, if approved, direct staff to take the appropriate action.**

d. EMPLOYEE HEALTH INSURANCE - Consider staff recommendation regarding City employee health insurance for the year 2015. **Approve or disapprove staff recommendation.**

NON-AGENDA REPORTS & REQUESTS:

a. Finance Director Jamie Clarkson will present information regarding 2013 Comprehensive Annual Financial Report.

b. Consider supplying a Letter of Support to Crawford County casino applicants.

ADJOURNMENT

Office of the Mayor

CITY OF PITTSBURG, KANSAS

Proclamation

Whereas: More than one million people with disabilities have entered the labor force since the passage of the Americans with Disabilities Act in 1990; and

Whereas: As taxpayers, consumers, and workers, people with disabilities are contributing to our society and to their own fulfillment of the American dream; and

Whereas: New generations of young people with disabilities are growing up in Pittsburg, graduating from high school, going to college, and preparing to participate in the workplace; and

Whereas: Both students and job seekers with disabilities have the right to maximize their potential by making the most of their intellect, talents, and abilities in an environment free of physical, programmatic, and attitudinal barriers; and

Whereas: Disability Mentoring Day provides an opportunity for students and job seekers with all types of disabilities to gain insight into career options by spending part of their day in the workplace "shadowing" an employee as he or she goes through a normal day on the job.

Now, Therefore, I, Monica Murnan, Mayor of the City of Pittsburg, Kansas, do hereby proclaim Tuesday, December 2nd, 2014, as

DISABILITY MENTORING DAY IN PITTSBURG

and encourage all citizens to recognize the enormous potential of people with disabilities and to work toward their full integration into the workforce.

Dated this 25th day of November, 2014.

ATTEST:

_____ CITY CLERK

_____ MAYOR

OFFICIAL MINUTES
OF THE MEETING OF THE
GOVERNING BODY OF THE
CITY OF PITTSBURG, KANSAS
November 10th, 2014

A Special Session of the Board of Commissioners was held at 5:30 p.m., on Monday, November 10th, 2014, in the City Commission Room, located in the Law Enforcement Center, 201 North Pine, with President of the Board Chuck Munsell presiding and the following members present: Michael Gray, John Ketterman, and Patrick O'Bryan. Mayor Monica Murnan was absent.

APPROVAL OF MINUTES – OCTOBER 28th, 2014 - On motion of O'Bryan, seconded by Gray, the Governing Body approved the October 28th, 2014, City Commission Meeting minutes as submitted. Motion carried. Absent: Murnan.

ORDINANCE NO. G-1211 – On motion of O'Bryan, seconded by Gray, the Governing Body approved Ordinance No. G-1211, amending Section 82-111 of the Pittsburg City Code fixing rates and minimum charges for water service, on first and only reading. Motion carried. Absent: Murnan.

ORDINANCE NO. G-1212 – On motion of O'Bryan, seconded by Gray, the Governing Body approved Ordinance No. G-1212, amending Section 82-141 of the Pittsburg City Code fixing rates and minimum charges for sewer service, on first and only reading. Motion carried. Absent: Murnan.

RESOLUTION NO. 1163 – On motion of O'Bryan, seconded by Gray, the Governing Body approved Resolution No. 1163, amending Resolution No. 1116 establishing the equivalent residential unit, ERU rate and undeveloped property rate; and providing an effective date of January 1, 2015. Motion carried. Absent: Murnan.

TENANT BASED RENTAL ASSISTANCE (TBRA) GRANT – On motion of O'Bryan, seconded by Gray, the Governing Body approved staff recommendation to accept funds in the amount of $100,000 from the Kansas Housing Resource Corporation for Tenant Based Rental Assistance (TBRA) to provide rental security deposit assistance to low-moderate income families in Pittsburg and authorized the President of the Board to sign the appropriate documents on behalf of the City. Motion carried. Absent: Murnan.

CHANGE ORDER NO. 1 AND FINAL PAYMENT – On motion of O'Bryan, seconded by Gray, the Governing Body approved Change Order No. 1 reflecting a deduct of $3,329.66 making a new contract construction amount of $296,544.14 and final payment in the amount of $296,544.14 to APAC-Missouri, Inc., of Springfield, Missouri, for the KLINK 1R Resurfacing Project on North Broadway (US-69B) from 11th Street to 19th Street (KDOT Project No. 69B-19 U-0192-01). Motion carried. Absent: Murnan.

STREET LIGHT MODIFICATION ORDER – On motion of O'Bryan, seconded by Gray, the Governing Body approved the Modification Order submitted by Westar Energy, Inc., for the placement of a 70 watt high pressure sodium street light in the 1100 block of South Stilwell Street and authorized the President of the Board to sign the Modification Order on behalf of the City. Motion carried. Absent: Murnan.

APPROPRIATION ORDINANCE – On motion of O'Bryan, seconded by Gray, the Governing Body approved the Appropriation Ordinance for the period ending November 10th, 2014, subject to the release of HUD expenditures when funds are received, with the following roll call vote: Yea: Gray, Ketterman, Munsell, and O'Bryan. Motion carried. Absent: Murnan.

FINANCING OF INFORMATION TECHNOLOGY NETWORK EQUIPMENT, SOFTWARE LICENSES AND INSTALLATION SERVICES – Following a verbal recommendation by Assistant City Manager Jay Byers, on motion of Ketterman, seconded by Gray, the Governing Body entered into a lease/purchase agreement with Commerce Bank/Clayton Holdings, LLC for financing with an interest rate in the amount of 1.45% to be used for the purchase of information technology network equipment, software licenses and installation services, pending negotiation of an acceptable lease/purchase agreement. Motion carried. Absent: Murnan.

BI-MONTHLY BUDGET REPORT - Director of Finance Jamie Clarkson provided the bi-monthly budget report for the period ending October 31, 2014.

ADJOURNMENT: On motion of O'Bryan, seconded by Ketterman, the Governing Body adjourned the meeting at 5:34 p.m. Motion carried.

_____
Chuck Munsell, President of the Board

ATTEST:

_____
Tammy Nagel, City Clerk

City of Pittsburg
Southeast Kansas

FINANCE AND ADMINISTRATION
201 West 4th Street · Pittsburg KS 66762
(620) 231-4100
www.pittks.org

Interoffice Memorandum

TO: Daron Hall, City Manager

FROM: Jamie Clarkson, Finance Director

DATE: November 12, 2014

SUBJECT: Ordinances Amending Sections 82-285, 10-73 and 42-35 of the Pittsburg City Code

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Ordinance G-1213 is amending Section 82-285 of the Pittsburg City Code amending the verbiage of the water service application. Previously Section 82-285 required written application for water service; however all water service applications are electronic so this ordinance will clean up any ambiguities.

Ordinance G-1214 is amending Section 10-73 of the Pittsburg City Code amending the delinquent dates for City dog licenses. Previously the delinquent dates for dog licenses were March 1 and June 1. The delinquent dates will now be February 1 and March 1.

Ordinance G-1215 is amending Section 42-35 of the Pittsburg City Code amending the delinquent dates for City business licenses. Previously the delinquent dates for business licenses were March 1 and June 1. The delinquent dates will now be February 1 and March 1.

cc: Tammy Nagel, City Clerk

(Published in The Morning Sun on December 2nd, 2014)

ORDINANCE NO. G-1213

AN ORDINANCE amending Section 82-285 of the Pittsburg City Code concerning applications for water service.

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

Section 1. Section 82-285 of the Pittsburg City Code is amended to read as follows:

Sec. 82-285. - Applications for water service.

> Every person desiring water service and the right to receive and use water from the City water system shall apply for each separate metered location and/or address, including the name of the individual responsible for payment of the account, to the office of the Department of Finance. Applications may be accepted by telephone, provided that the deposit, if required for water and sewer service, is secured by a credit card. The applicant shall state fully all the purposes for which water is to be used and confirm that the applicant will be responsible for the payment of all charges for water and sewer, including penalties and fees imposed pursuant to the terms of the ordinances of the City.

Section 2. This ordinance shall take effect and be in force from and after its passage and publication in the official city paper.

PASSED AND APPROVED BY THE GOVERNING BODY OF PITTSBURG, KANSAS, this 25th day of November, 2014.

_____
Monica Murnan, Mayor

ATTEST:

_____
Tammy Nagel, City Clerk

(SEAL)

(Published in The Morning Sun on December 2nd, 2014)

ORDINANCE NO. G-1214

AN ORDINANCE amending Section 10-73 of the Pittsburg City Code concerning the dates yearly registration fees for dogs are due without penalty.

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

Section 1. Section 10-73 of the Pittsburg City Code is amended to read as follows:

Sec. 10-73. - License; rabies inoculation.

(a) It shall be unlawful for any person to own, keep or harbor any dog within the corporate limits of the City without first having obtained a dog tag from the Department of Finance and without having paid the yearly registration fee:

(1) Neutered male or spayed female dog the sum established by ordinance, proof thereof to be made at time of obtaining license.

(2) Fertile male or female dog the sum established by ordinance.

Such registration shall expire December 31 of each year.

(b) It shall be the duty of the owner or person harboring a dog within the corporate limits of the City to have such dog inoculated against rabies. Persons owning or harboring a dog shall not be issued a license or dog tag as provided in this Section, unless the applicant exhibits an unexpired certificate by a licensed veterinarian showing compliance with the provisions of this Section. The metal plate or tag issued by the Department of Finance for the current year for such dog, as provided by subsection (d) of this Section, shall be deemed to have been inoculated for rabies.

(c) Penalties.

(1) The registration fee shall be increased by an amount established by ordinance on February 1 each year, the total registration fee, including penalty, to be as follows:

a. An amount established by ordinance on a neutered male or spayed female dog; and
b. An amount established by ordinance on a fertile male or female dog.

(2) The registration fee shall be increased an additional amount as established by ordinance on March 1 each year, the total registration fee including penalty to be as follows:

a. An amount established by ordinance on a neutered male or spayed female dog; and

b. An amount established by ordinance on a fertile male or female dog, to any person who has failed to register any dog; provided, however, that any person who acquires a dog after March 1 each year shall not be subject to the increased license fee as provided in this Section and shall pay only the yearly fee otherwise required upon furnishing the Department of Finance an affidavit showing the date on which such dogs were born or brought into the City.

(d) Such license tax shall be paid to the Department of Finance, and such department shall keep a record thereof and issue a receipt therefore giving the date of payment, a description of the dog and the name of the person paying such tax. On receipt of the payment of the license tax for any dog, the Department of Finance shall deliver to the person paying such tax a metal plate or tag on which shall be stamped the year for which the license tax has been paid, and the number of the receipt for the license tax. The Department of Finance shall authorize the animal control officer to collect such license tax and furnish a metal tag on impounded dogs and from owners of dogs in answer to a complaint.

Section 2. This ordinance shall take effect and be in force from and after its passage and publication in the official city paper.

PASSED AND APPROVED BY THE GOVERNING BODY OF PITTSBURG, KANSAS, this 25th day of November, 2014.

_____
Monica Murnan, Mayor

ATTEST:

_____
Tammy Nagel, City Clerk

(SEAL)

(Published in The Morning Sun on December 2nd, 2014)

ORDINANCE NO. G-1215

AN ORDINANCE amending Section 42-35 of the Pittsburg City Code concerning the penalty due for delinquent payment of a business license.

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

Section 1. Section 42-35 of the Pittsburg City Code is hereby amended as follows:

Sec. 42-35. When payable; penalty for delinquent payment.

All licenses shall be due and payable immediately upon the commencement of the occupation, business or profession for which the licenses are required. When any annual license shall expire, the license for the next year shall be due and payable on or before January 5 of the ensuing year. A ten percent penalty will be added to the license fees as set forth in Section 42-41 for any occupation, business or profession not renewing the license by February 1. An additional 20 percent penalty will then be added to the license fees for any occupation, business or profession not renewing the license by March 1. All occupation, business or profession failing to renew the license by May may be prosecuted under the provisions of Section 1-7 of this Code.

Section 2. This Ordinance shall take effect and be in force from and after its passage and publication in the official City newspaper.

ADOPTED AND PASSED by the Governing Body on this 25th day of November, 2014.

_____
Monica Murnan, Mayor

ATTEST:

_____
Tammy Nagel, City Clerk

GILMORE & BELL, P.C.
10/23/2014

ORDINANCE NO. S-1018

OF THE
CITY OF PITTSBURG, KANSAS

AUTHORIZING THE ISSUANCE OF
$5,000,000
TAXABLE INDUSTRIAL REVENUE BONDS
SERIES A, 2014 AND SERIES B, 2014
(PINAMONTI PHYSICAL THERAPY PROJECT)

(Published in *The Morning Sun*, December 2, 2014)

ORDINANCE NO. S-1018

AN ORDINANCE AUTHORIZING THE CITY OF PITTSBURG, KANSAS TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES A, 2014 AND SERIES B, 2014 (PINAMONTI PHYSICAL THERAPY PROJECT) FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING A PHYSICAL THERAPY AND WELLNESS FACILITY; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

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

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

B. The Issuer's governing body has determined that it is desirable in order to promote, stimulate and develop the general economic welfare and prosperity of the Issuer and the State of Kansas that the Issuer issue its Taxable Industrial Revenue Bonds, Series A, 2014 and Series B, 2014 (Pinamonti Physical Therapy Project) dated the date of issuance and delivery in the aggregate principal amount of $5,000,000 (the "Series 2014 Bonds"), for the purpose of paying the costs of the acquisition, construction and equipping of a certain physical therapy and wellness facility (the "Project") as more fully described in the Indenture and in the Lease authorized in this Ordinance, for lease to Pinamonti Physical Therapy, PA, a Kansas professional association (the "Tenant").

C. The Issuer's governing body finds that it is necessary and desirable in connection with the issuance of the Series 2014 Bonds to execute and deliver the following documents (collectively, the "Bond Documents"):

(i) a Trust Indenture dated as of December 1, 2014 (the "Indenture"), with Security Bank of Kansas City, Kansas City, Kansas, as Trustee (the "Trustee"), prescribing the terms and conditions of issuing and securing the Series 2014 Bonds;

(ii) a Lease dated as of December 1, 2014 (the "Lease"), with the Tenant, under which the Issuer will acquire, construct and equip the Project and lease it to the Tenant in consideration of Basic Rent and other payments;

(iii) a Bond Purchase Agreement (the "Series A, 2014 Bond Purchase Agreement") providing for the sale of the Series A, 2014 Bonds by the Issuer to University Bank, Pittsburg, Kansas (the "Series A, 2014 Purchaser");

(iv) a Bond Purchase Agreement (the "Series B, 2014 Bond Purchase Agreement") providing for the sale of the Series B, 2014 Bonds by the Issuer to Pinamonti Physical Therapy, PA (the "Series B, 2014 Purchaser"); and

(v) an Agreement for Payment in Lieu of Taxes (the "Agreement for Payment in Lieu of Taxes") with the Tenant, under which the Tenant will make certain payments in lieu of taxes for each year after issuance of the Series 2014 Bonds that the Project is exempt from ad valorem taxation.

D. The Issuer's governing body has found that under the provisions of K.S.A. 79-201a *Twenty-Fourth*, the Project purchased or constructed with the proceeds of the Series 2014 Bonds is eligible for exemption from ad valorem property taxes for up to ten years, commencing in the calendar year following the calendar year in which the Bonds are issued, if proper application is made. The Issuer's governing body has further found that the Project should be exempt from ad valorem property taxes for a period of eight years, subject to a payment in lieu of taxes for each year of the exemption, as more particularly described in the Agreement for Payment in Lieu of Taxes. Prior to making this determination, the governing body of the Issuer has conducted the public hearing and reviewed the analysis of costs and benefits of such exemption required by K.S.A. 12-1749d.

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

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

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

Section 3. **Authorization of and Security for the Bonds**. The Issuer is authorized and directed to issue the Series 2014 Bonds, to be designated "City of Pittsburg Kansas Taxable Industrial Revenue Bonds, Series A, 2014 and Series B, 2014 (Pinamonti Physical Therapy Project)" in the aggregate principal amount of $5,000,000, for the purpose of providing funds to pay the costs of the acquisition, construction and equipping of the Project. The Series 2014 Bonds will be in such principal amounts, will be dated and bear interest, will mature and be payable at such times, will be in such forms, will be subject to redemption and payment prior to maturity, and will be issued according to the provisions, covenants and agreements in the Indenture. The Series 2014 Bonds will be special limited obligations of the Issuer payable solely from the Trust Estate under the Indenture, including revenues derived from the Lease of the Project. The Series 2014 Bonds will not be general obligations of the Issuer, nor constitute a pledge of the faith and credit of the Issuer, and will not be payable in any manner by taxation.

Section 4. **Authorization of Indenture**. The Issuer is authorized to enter into the Indenture with the Trustee in the form approved in this Ordinance. The Issuer will pledge the Trust Estate described in the Indenture to the Trustee for the benefit of the owners of the Series 2014 Bonds on the terms and conditions in the Indenture.

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

Section 6. **Approval of the Guaranty Agreement**. The form of the Guaranty Agreement dated as of December 1, 2014 between the Tenant and the Trustee, for the benefit of the owners of the Series A, 2014 Bonds is approved.

Section 7. **Authorization of Bond Purchase Agreements**. The Issuer is authorized to sell the Series A, 2014 Bonds to the Series A, 2014 Purchaser, according to the terms and provisions of the Series A, 2014 Bond Purchase Agreement, in the form approved in this Ordinance. The Issuer is further

authorized to sell the Series B, 2014 Bonds to the Series B, 2014 Purchaser, according to the terms and provisions of the Series B, 2014 Bond Purchase Agreement, in the form approved in this Ordinance.

Section 8. **Execution of Bonds and Bond Documents**. The Mayor of the Issuer is authorized and directed to execute the Series 2014 Bonds and deliver them to the Trustee for authentication on behalf of the Issuer in the manner provided by the Act and in the Indenture. The Mayor or member of the Issuer's governing body authorized by law to exercise the powers and duties of the Mayor in the Mayor's absence is further authorized and directed to execute and deliver the Bond Documents on behalf of the Issuer in substantially the forms presented for review prior to passage of this Ordinance, with such corrections or amendments as the Mayor or other person lawfully acting in the absence of the Mayor may approve, which approval shall be evidenced by his or her signature. The authorized signatory may sign and deliver all other documents, certificates or instruments as may be necessary or desirable to carry out the purposes and intent of this Ordinance and the Bond Documents. The City Clerk or the Deputy City Clerk of the Issuer is hereby authorized and directed to attest the execution of the Series 2014 Bonds, the Bond Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out the intent of this Ordinance under the Issuer's corporate seal.

Section 9. **Property Tax Exemption; Payment in Lieu of Taxes**. The Project will be exempt from ad valorem property taxes for eight years, commencing in the calendar year after the calendar year in which the Series 2014 Bonds are issued. The Tenant will prepare the application for exemption and submit it to the Issuer for its review. After its review, the Issuer will submit the application for exemption to the State Board of Tax Appeals. The Issuer is authorized to enter into the Agreement for Payment in Lieu of Taxes in substantially the form presented for review prior to passage of this Ordinance.

Section 10. **Pledge of the Project and Net Lease Rentals**. The Issuer hereby pledges the Project and the net rentals generated under the Lease to the payment of the Series 2014 Bonds in accordance with K.S.A. 12-1744. The lien created by the pledge will be discharged when all of the Series 2014 Bonds are paid or deemed to have been paid under the Indenture.

Section 11. **Authority To Correct Errors, Etc**. The Mayor or member of the Issuer's governing body authorized to exercise the powers and duties of the Mayor in the Mayor's absence, the City Clerk and any Deputy City Clerk are hereby authorized and directed to make any alterations, changes or additions in the instruments herein approved, authorized and confirmed which may be necessary to correct errors or omissions therein or to conform the same to the other provisions of said instruments or to the provisions of this Ordinance.

Section 12. **Further Authority**. The officials, officers, agents and employees of the Issuer are authorized and directed to take whatever action and execute whatever other documents or certificates as may be necessary or desirable to carry out the provisions of this Ordinance and to carry out and perform the duties of the Issuer with respect to the Series 2014 Bonds and the Bond Documents.

Section 13. **Effective Date**. This Ordinance shall take effect after its passage by the governing body of the Issuer and publication once in the Issuer's official newspaper.

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PASSED by the governing body of the Issuer on November 25, 2014 and **SIGNED** by the Mayor.

(SEAL)

_____
Mayor

ATTEST:

_____
City Clerk

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GILMORE & BELL, P.C.
11/07/2014

CITY OF PITTSBURG, KANSAS

AS ISSUER

AND

SECURITY BANK OF KANSAS CITY
KANSAS CITY, KANSAS

AS TRUSTEE

TRUST INDENTURE

DATED AS OF DECEMBER 1, 2014

$5,000,000
TAXABLE INDUSTRIAL REVENUE BONDS
SERIES A, 2014 AND SERIES B, 2014
(PINAMONTI PHYSICAL THERAPY PROJECT)

KAB\600551.011\INDENTURE (11-07-14)

TRUST INDENTURE

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TRUST INDENTURE

THIS TRUST INDENTURE, dated as of December 1, 2014 (the "Indenture"), between the City of Pittsburg, Kansas (the "Issuer"), and Security Bank of Kansas City, Kansas City, Kansas, as Trustee (the "Trustee");

WITNESSETH:

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

WHEREAS, pursuant to such authorization, the Issuer's governing body has passed an ordinance authorizing the Issuer to issue its Taxable Industrial Revenue Bonds, Series A, 2014 and Series B, 2014 (Pinamonti Physical Therapy Project), in the aggregate principal amount of $5,000,000 (collectively, the "Series 2014 Bonds"), for the purpose of providing funds for the acquisition, construction and equipping of a physical therapy and wellness facility (the "Project" as hereinafter more fully described), and authorizing the Issuer to lease the Project to Pinamonti Physical Therapy, PA, a Kansas professional association (the "Tenant"); and

WHEREAS, pursuant to such ordinance, the Issuer is authorized (i) to execute and deliver this Indenture for the purpose of issuing and securing the Series 2014 Bonds and any Additional Bonds (collectively the "Bonds"), as hereinafter provided, and (ii) to enter into a Lease Agreement of even date herewith (the "Lease"), between the Issuer and the Tenant, pursuant to which Issuer shall lease the Project to the Tenant, in consideration of rentals which are intended to be sufficient to provide for the payment of the principal of, premium, if any, and interest on the Series 2014 Bonds as the same become due; and

WHEREAS, all things necessary to make the Series 2014 Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid and legally binding limited obligations of the Issuer, and to make this Indenture a valid and legally binding pledge and assignment of the Trust Estate herein made for the security of the payment of the principal of, premium, if any, and interest on the Bonds issued hereunder, have been done and performed, and the execution and delivery of this Indenture and the execution and issuance of the Series 2014 Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

GRANTING CLAUSES

That the Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Series 2014 Bonds by the Original Purchaser thereof, and of other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on all of the Bonds issued and Outstanding under this Indenture from time to time according to their tenor and effect, and to secure the performance and observance by the Issuer of all the covenants, agreements and conditions herein and in the Bonds contained, does hereby pledge and assign unto the Trustee and its successors and assigns, and grant to the Trustee and its successors and assigns a security interest in the property described in paragraphs (a), (b) and (c) below (said property being herein referred to as the "Trust Estate"), to wit:

(a) The real property or interests therein situated in Crawford County, Kansas, described in *Schedule I* attached to the Lease and constituting the Land (as defined herein), with all Improvements (as defined herein) now or hereafter located thereon, to the extent and subject to the limitations provided in the Lease, with the tenements, hereditaments, appurtenances, rights, privileges and immunities thereunto belonging or appertaining;

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

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

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

IN TRUST NEVERTHELESS, upon the terms and subject to the conditions herein set forth, for (i) the equal and proportionate benefit, protection and security of the Series 2014 Bonds and any Additional Bonds issued and Outstanding under this Indenture, without preference, priority or distinction as to lien or otherwise of any of the Bonds over any other of the Bonds except as expressly provided in or permitted by this Indenture;

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

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

ARTICLE I

DEFINITIONS

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

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

"Additional Bonds" means any Bonds issued in addition to the Series 2014 Bonds pursuant to *Section 2.09* of this Indenture.

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

"Bond" or **"Bonds"** means the Series 2014 Bonds and any Additional Bonds.

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

"Bond Purchase Agreement" means (i) with respect to the Series A, 2014 Bonds, the Bond Purchase Agreement dated as of December 1, 2014, between the Issuer, the Tenant and the Original Purchaser thereof; and (ii) with respect to the Series B, 2014 Bonds, the Bond Purchase Agreement dated as of December 1, 2014 between the Issuer and the Original Purchaser thereof.

"Bond Registrar" means the Trustee**.**

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

"Change of Circumstances" means the occurrence of any of the following events:

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

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

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

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

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

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

"**Dated Date**" means the Issue Date.

"Debt Service Fund" means the "City of Pittsburg, Kansas Debt Service Fund (Pinamonti Physical Therapy Project)" authorized and established with the Trustee pursuant to the Indenture.

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

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

(a) Default in the due and punctual payment of any interest on any Bond;

(b) Default in the due and punctual payment of the principal of or premium, if any, on any Bond on the Stated Maturity or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;

(c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer in this Indenture or in any Bonds contained, and the continuance thereof for a period of 30 days after written notice thereof shall have been given to the Issuer and the Tenant by the Trustee, or to the Trustee, the Issuer and the Tenant by Owner(s) of Bonds owning not less than 25% in aggregate principal amount of Priority Bonds then Outstanding; provided, however, if any default shall be such that it cannot be corrected within such 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer or the Tenant within such period and diligently pursued until such default is corrected; or

(d) An "Event of Default" as defined in the Lease.

"Existing Facilities" means all buildings and building improvements existing on the Land on the date of issuance of the Series 2014 Bonds.

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

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

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

"Guaranty Agreement" means the separate Guaranty Agreement dated as of December 1, 2014 of the Guarantor or Guarantors named therein and in favor of the Trustee for the benefit of the Owner(s) of Bonds, delivered concurrently with the issuance of the Series 2014 Bonds.

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

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

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

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

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

(a) Government Securities;

(b) obligations of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, National Bank for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Association;

(c) savings or other depository accounts or certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee and its affiliates), provided that such deposits shall be either of a bank, trust company or national banking association continuously and fully insured by the Federal Deposit Insurance Corporation, or continuously and fully secured by excess deposit insurance purchased through a private insurer, or such securities as are described above in clauses (a) or (b), which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such deposits and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association accepting such deposit or issuing such certificate of deposit;

(d) any Investment Contract or repurchase agreement with any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee) or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities described in clauses (a) or (b) above;

(e) any investment in shares or units of a money market fund or trust rated “AAAm” or “AAAm-G” or better by Standard & Poor’s (including one offered, managed or otherwise made available through the Trustee or any affiliate);

(f) investments in shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in clauses (a), (b) or (c) above.

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

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

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

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

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

"Notice Representative" means:

(1) With respect to the Tenant, its principal shareholder at its Notice Address (as defined in the Lease).

(2) With respect to the Issuer, its duly acting clerk at its Notice Address (as defined in the Lease).

(3) With respect to the Trustee, any corporate trust officer at its Notice Address (as defined in the Lease).

"Original Proceeds" means all sale proceeds, including accrued interest, from sale of the Series 2014 Bonds to the Original Purchaser and all investment earnings credited to the Project Fund prior to the Completion Date.

"Original Purchaser" means (i) with respect to the Series A, 2014 Bonds, University Bank, Pittsburg, Kansas; and (ii) with respect to the Series B, 2014 Bonds, Pinamonti Physical Therapy, PA, Pittsburg, Kansas.

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

(a) Bonds canceled by the Trustee or delivered to the Trustee for cancellation pursuant to this Indenture;

(b) Bonds for the payment or redemption of which moneys or investments have been deposited in trust with the Trustee and irrevocably pledged to such payment or redemption in accordance with the provisions of *Section 12.02* of this Indenture; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture.

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

"Paying Agent" means the Trustee.

"Payment Date" means any Interest Payment Date or any Principal Payment Date.

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

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

"Priority Bonds" shall mean the Series A, 2014 Bonds and any Additional Bonds issued on a parity with the Series A, 2014 Bonds.

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

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

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

(a) all costs and expenses necessary or incident to the acquisition of the Land and such of the Improvements as are acquired, constructed or in progress at the date of such issuance of the Series 2014 Bonds;

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

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

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

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

(f) interest accruing on the Series 2014 Bonds prior to the Completion Date, if and to the extent Original Proceeds deposited to the credit of the Debt Service Fund pursuant to *Section 602* of this Indenture are insufficient for payment of such interest; and

(g) Costs of Issuance.

"Project Fund" means the "City of Pittsburg, Kansas Project Fund (Pinamonti Physical Therapy Project)" authorized and established with the Trustee pursuant to the Indenture.

"Purchase Price" means the amount set forth in the Bond Purchase Agreement.

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

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

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

"SBA 504 Loan" means the U.S. Small Business Administration 504 Loan No. 67715050-05 in the amount of $1,942.000.

"Series 2014 Bonds" means, collectively, the Series A, 2014 Bonds and the Series B, 2014 Bonds.

"Series A, 2014 Bonds" means the City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series A, 2014 (Pinamonti Physical Therapy Project) dated the Issue Date in the aggregate principal amount of $4,600,000.

"Series B, 2014 Bonds" means the City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series B, 2014 (Pinamonti Physical Therapy Project) dated the Issue Date in the aggregate principal amount of $400,000.

"State" means the State of Kansas.

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

"Subordinate Bonds" means the Series B, 2014 Bonds and any Additional Bonds issued on a parity with the Series B, 2014 Bonds.

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

"Tenant" means Pinamonti Physical Therapy, PA, a Kansas professional association, its successors and assigns.

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

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

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

Section 1.02. Rules of Interpretation.

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

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

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

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

ARTICLE II

THE BONDS

Section 2.01. Title and Amount of Bonds. No Bonds may be issued under this Indenture except in accordance with the provisions of this Article. The Bonds authorized to be issued under this Indenture shall be designated as "City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series A, 2014 (Pinamonti Physical Therapy Project)" and "City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series B, 2014 (Pinamonti Physical Therapy Project)," with such other appropriate particular designation added to or incorporated in such title for the Bonds of any particular series of Additional Bonds as the Issuer may determine. The total principal amount of Bonds that may be issued hereunder is hereby expressly limited to the $5,000,000 principal amount of Series 2014 Bonds and any Additional Bonds permitted hereunder.

Section 2.02. Limited Nature of Obligations.

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

(b) The full and prompt payment of the principal of, premium, if any, and interest on the Series A, 2014 Bonds has been unconditionally guaranteed to the Trustee for the benefit of the Owner(s) of the Series A, 2014 Bonds under the terms of the Guaranty Agreement (including realization upon any collateral securing the undertakings under the Guaranty Agreement). The Trustee shall enforce the Guaranty Agreement for the benefit and protection of the Owner(s) of Bonds so long as any of the Series A, 2014 Bonds remain Outstanding. The Trustee shall not permit or consent to any change, amendment, modification or termination of the Guaranty Agreement except to the extent provided for therein.

(c) No provision, covenant or agreement contained in this Indenture or the Bonds, or any obligation herein or therein imposed upon the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge upon its general credit or powers of taxation. In making the agreements, provisions and covenants set forth in this Indenture, the Issuer has not obligated itself except with respect to the Project and the application of the payments, revenues and receipts therefrom as hereinabove provided. Neither the officers of the Issuer nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

Section 2.03. Denomination, Numbering and Dating of Bonds.

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

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

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

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

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

Section 2.05. Execution and Authentication of Bonds.

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

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

Section 2.06. Registration, Transfer and Exchange of Bonds.

(a) The Trustee shall keep books for the registration and for the transfer of the Series 2014 Bonds and any Additional Bonds as provided in this Indenture.

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

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

immediately preceding the selection of Bonds for such redemption or after such Bonds or any portion thereof has been selected for redemption.

(d) Any proposed transfer of Series 2014 Bonds shall be made by the Trustee only upon delivery to the Trustee, the Issuer and the Tenant of an opinion of counsel to the proposed transferor either (1) that the proposed transfer is a part of a transaction exempt from the application of the Securities Act of 1933, as amended (the "1933 Act"), or (2) that the transfer is a part of a transaction that is in compliance with the registration provisions of the 1933 Act, which opinion shall be in form and substance acceptable to both the Trustee, the Issuer and the Tenant.

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

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

Section 2.08. Authorization of Series 2014 Bonds.

(a) There shall be initially issued and secured pursuant to this Indenture, two series of Bonds in the aggregate principal amount of $5,000,000 for the purpose of providing funds to pay Project Costs, which series of Bonds shall be designated the "City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series A, 2014 (Pinamonti Physical Therapy Project)" and "City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series B, 2014 (Pinamonti Physical Therapy Project)." The Series 2014 Bonds shall be in such principal amounts, shall be payable, and shall be dated, bear interest, and be subject to redemption and transfer as set forth in *Appendices A-1* and *A-2* hereto. All of the terms and provisions of the Series 2014 Bonds as set forth in *Appendices A-1* and *A-2* are incorporated into this Indenture by reference.

(b) The Series 2014 Bonds and the interest and redemption premium, if any, thereon will not be a general obligation of the Issuer, but shall be payable solely out of the revenues derived by the Issuer pursuant to the Lease (except to the extent payable from proceeds of sale or re-letting of the Project or from moneys paid pursuant to the Guaranty Agreement). Notwithstanding the foregoing, the Series B, 2014 Bonds shall be junior and subordinate with respect to the payment of principal and interest from the Trust Estate and in all other respects to the Series A, 2014 Bonds and any Additional Bonds issued on a parity with the Series A, 2014 Bonds (the "Priority Bonds"), and, in the event of any default in the payment of either principal of, premium, if any, or interest on any of the Priority Bonds, the Trust Estate will be applied solely to the payment of the principal of and interest on the Priority Bonds until all Outstanding principal, premium if any, and accrued interest on the Priority Bonds have been paid in full, or provision has been made for such payment pursuant to *Article XIII* of this Indenture. The Series B, 2014 Bonds shall be subordinate with respect to the payment of principal or interest from the Trust Estate or otherwise to the Parity Bonds hereafter issued in accordance with the provisions of this Indenture.

(c) The Trustee is hereby designated as the Issuer's Paying Agent for the payment of the principal of, premium, if any, and interest on the Series 2014 Bonds. The Trustee may appoint one or more financial institutions to act as co-paying agent for the Series 2014 Bonds.

(d) Upon the original issuance and delivery of the Series 2014 Bonds, the effective date of registration thereof shall be their Dated Date.

(e) The Series 2014 Bonds shall be substantially in the form and manner set forth in *Article IV* hereof and delivered to the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of the Bonds by the Trustee, there shall be filed with the Trustee the following:

(i) An original or certified copy of the Ordinance enacted by the Issuer's governing body authorizing the issuance of the Series 2014 Bonds and the execution of this Indenture and the Lease.

(ii) An original executed counterpart of this Indenture.

(iii) An original executed counterpart of the Lease.

(iv) An original executed counterpart of the Guaranty Agreement.

(v) An opinion of Bond Counsel to the effect that the Series 2014 Bonds constitute valid and legally binding obligations of the Issuer.

(vi) Such other certificates, statements, receipts and documents as the Trustee shall reasonably require for the delivery of the Series 2014 Bonds.

(f) When the documents specified in subsection (e) of this Section shall have been filed with the Trustee, and when certificates representing all the Series 2014 Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver the Series 2014 Bonds to or upon the order of the Original Purchaser thereof, but only upon payment to the Trustee of the Purchase Price of the Series 2014 Bonds. The Original Proceeds, including accrued interest and premium thereon, if any, shall be immediately paid over to the Trustee, and the Trustee shall deposit and apply such proceeds as provided in *Article V* hereof.

Section 2.09. Authorization of Additional Bonds.

(a) Additional Bonds may be issued under and equally and ratably secured by this Indenture on a parity with the Series 2014 Bonds and any other Additional Bonds Outstanding at any time and from time to time, upon compliance with the conditions hereinafter provided in this Section, for any of the following purposes:

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

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

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

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

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

(c) Such Additional Bonds shall have the same designation as the Series 2014 Bonds, except for an identifying series letter or date and the addition of the word "Refunding" when applicable, shall be dated, shall be stated to mature on Principal Payment Dates in such year or years, shall bear interest at such rate or rates not exceeding the maximum rate then permitted by law, and shall be redeemable at such times and prices (subject to the provisions of *Article III* of this Indenture), all as may be provided by the Supplemental Indenture authorizing the issuance of such Additional Bonds. Except as to any difference in the date, the maturity or maturities, the rate or rates of interest or the provisions for redemption, such Additional Bonds may be on a parity with and shall be entitled to the same benefit and security of this Indenture as the Series A, 2014 Bonds and any other Priority Bonds Outstanding at the time of the issuance of such Additional Bonds, or alternatively may be on a parity with and shall be entitled to the same benefit and security of this Indenture as the Series B, 2014 Bonds and any other Subordinate Bonds Outstanding at the time of the issuance of such Additional Bonds, all as provided in the Supplemental Indenture authorizing the issuance of such Additional Bonds.

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

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

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

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

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

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

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

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

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

(f) Except as provided in this Section, the Issuer will not otherwise issue any obligations ratably secured and on a parity with either series of the Series 2014 Bonds.

Section 2.10. Temporary Bonds.

(a) Until definitive Bonds of any series are available for delivery, the Issuer may execute, and upon request of the Issuer, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same limitations and conditions as definitive Bonds, temporary printed, engraved, lithographed or typewritten Bonds, in the form of fully registered Bonds in denominations of $5,000 or any integral multiple thereof, substantially of the tenor hereinabove set forth and with such appropriate omissions, insertions and variations as may be required with respect to such temporary Bonds.

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

Section 2.11. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond certificate shall become mutilated, or be lost, stolen or destroyed, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond certificate of like series, date and tenor as the Bond certificate mutilated, lost, stolen or destroyed. In the case of any mutilated Bond certificate, such mutilated Bond shall first be surrendered to the Trustee; and in the case of any lost, stolen or destroyed Bond certificate, there

shall be first furnished to the Issuer and the Trustee evidence of such loss, theft or destruction satisfactory to the Issuer and the Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a substitute Bond certificate the Issuer may pay or authorize the payment of the same without surrender thereof. Upon the issuance of any substitute Bond certificate, the Issuer and the Trustee may require the payment of an amount sufficient to reimburse the Issuer and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 2.12. Cancellation and Destruction of Bonds Upon Payment.

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

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

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

Section 2.14. Nonpresentment of Bonds. In the event that any Bond shall not be presented for payment when the principal thereof becomes due, either at its Stated Maturity or Redemption Date, or the Trustee is unable to locate the Owner for the payment of accrued interest or an accrued interest check remains uncashed, if funds sufficient to pay such Bond and accrued interest shall have been made available to the Trustee, all liability of the Issuer to the Owner(s) of Bonds for the payment of such Bond and accrued interest shall cease and be completely discharged, and the Trustee shall hold such funds, without interest, for the benefit of such Owner(s) of Bonds, who shall thereafter be restricted exclusively to such funds for any claim on, or with respect to, such Bond and interest. If any Bond shall not be presented for payment within four years following the date when it becomes due, whether by Maturity or otherwise, or the accrued interest cannot be paid as set out above, the Trustee shall repay to the Tenant the funds theretofore held by it for payment of such Bond and interest, and such Bond and interest shall thereafter be an unsecured obligation of the Tenant, subject to the defense of any applicable statute of limitation, and the Owner thereof shall be entitled to look only to the Tenant for payment, and then only to the extent of the amount so repaid, and the Tenant shall not be liable for any additional interest thereon.

ARTICLE III

REDEMPTION OF BONDS

Section 3.01. Redemption of Bonds Generally. The Series 2014 Bonds shall be subject to redemption prior to Stated Maturity in accordance with the terms and provisions of this Article. Additional Bonds shall be subject to redemption prior to Stated Maturity in accordance with the terms and provisions contained in this Article and as may be specified in the Supplemental Indenture authorizing such Additional Bonds.

Section 3.02. Redemption of Series 2014 Bonds. The Series 2014 Bonds shall be subject to redemption as follows:

(a) *Optional Redemption – Series A, 2014 Bonds*. Series A, 2014 Bonds are subject to redemption in whole or in part, at the option of and upon instructions from the Tenant to the Issuer, on any date, at the par value of the principal amount thereof, without premium, plus interest accrued to the date of redemption.

(b) *Mandatory Redemption – Series A, 2014 Bonds*. The Series A, 2014 Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity from proceeds of the SBA 504 Loan, at a redemption price equal to the par value of the principal amount redeemed, without premium, plus interest accrued to the date of redemption. Proceeds of the SBA 504 Loan in the amount of $1,888,455.35 shall be applied to reduce the outstanding principal amount of the Series A, 2014 Bonds to $2,711,544.65, as more particularly set forth on *Appendix A-1* hereto.

(c) *Optional Redemption – Series B, 2014 Bonds*. Series B, 2014 Bonds are subject to redemption in whole or in part, with the prior written consent of 100% of the Owners of the Priority Bonds, at the option of and upon instructions from the Tenant to the Issuer, on any date, at the par value of the principal amount thereof, without premium, plus interest accrued to the date of redemption.

Section 3.03. Selection of Bonds to be Redeemed.
If any Series 2014 Bond is redeemed in part, the Trustee may note such partial redemption by endorsing the acknowledgment provided on each Bond; provided, however, at the option of the Owner of any Series 2014 Bonds, such Bond certificate need not be delivered to the Trustee to note such partial redemption, but such Owner may note such partial redemption by endorsing the acknowledgment provided on each Bond and providing a copy of such endorsement to the Trustee. Any redemption in part of any series of Series 2014 Bonds shall be applied to reduce the installments of principal thereof in inverse order of their maturity.

Section 3.04. Trustee's Duty to Redeem Bonds. The Trustee shall call Bonds for redemption and payment as herein provided and shall give notice of redemption as provided in *Section 305* hereof upon receipt by the Trustee at least 30 days prior to the proposed redemption date (unless waived) of a written request of the Issuer together with a copy of the redemption instructions of the Tenant. Such instructions shall specify the principal amount and the respective maturities of Bonds to be called for redemption, the applicable redemption price or prices and the provision or provisions of this Indenture pursuant to which such Bonds are to be called for redemption. The foregoing provisions of this paragraph shall not apply in the case of the mandatory redemption of Series A, 2014 Bonds hereunder, and the Series A, 2014 Bonds shall be called by the Trustee for redemption pursuant to such mandatory redemption requirements upon receipt of the proceeds of the SBA 504 Loan, or written confirmation from the Owner of the Series A, 2014 Bonds that it has received the proceeds of the SBA 504 Loan, without the necessity of any action by the Issuer.

Section 3.05. Notice of Redemption. Notice of the call for any redemption identifying the Bonds or portions thereof to be redeemed shall be given by the Trustee, in the name of the Issuer, by mailing by first class mail, postage prepaid, a copy of the redemption notice at least 10 days prior to the date fixed for redemption to the Owner of each Bond to be redeemed at the address shown on the registration books maintained by the Trustee (unless waived); provided, however, that failure to give such notice by mailing as aforesaid, or any defect therein, shall not affect the validity of any proceedings for the redemption of the Bonds. Any notice of redemption shall state the date of redemption, the place or places at which such Bonds shall be presented for payment, the series, maturities and numbers of the Bonds or portions of Bonds to be redeemed (and in the case of the redemption of a portion of any Bond the principal amount thereof being redeemed), the redemption price and shall state that interest on the Bonds described in

such notice will cease to accrue from and after the redemption date. A copy of each such notice of redemption shall be provided to any authorized co-paying agent appointed by the Trustee.

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

ARTICLE IV

FORM OF BONDS

Section 4.01. Forms Generally. The Series 2014 Bonds, and the Trustee's certificate of authentication to be endorsed thereon shall be, respectively, in substantially the form set forth in *Appendices A-1* and *A-2*. Any Additional Bonds, and the Trustee's Certificate of Authentication to be endorsed thereon shall also be in substantially such form, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture or any Supplemental Indenture. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

Section 4.02. Bond Counsel's Approving Opinion. If printed on the Bond certificates, Bond Counsel's approving opinion with respect to the authorization and issuance of the Bonds shall be preceded by the following certificate:

I, the undersigned, City Clerk of the City of Pittsburg, Kansas hereby certify that the following is a true and correct copy of the complete final legal opinion of Gilmore & Bell, P.C., Bond Counsel, on the within Bond and the series of which said Bond is a part, except that it omits the date of such opinion, that said legal opinion was manually executed and was dated and issued as of the date of delivery of and payment for such Bonds, and is on file with Security Bank of Kansas City, Kansas City, Kansas.

(facsimile signature)
City Clerk of the
City of Pittsburg, Kansas

ARTICLE V

CUSTODY AND APPLICATION OF BOND PROCEEDS

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

(a) "City of Pittsburg, Kansas Project Fund (Pinamonti Physical Therapy Project)"

(b) "City of Pittsburg, Kansas Debt Service Fund (Pinamonti Physical Therapy Project)"

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

Section 5.02. Deposit of Bond Proceeds. The net proceeds received from the sale of the Series 2014 Bonds shall be deposited in the Project Fund simultaneously with the delivery of the Series 2014 Bonds.

ARTICLE VI

REVENUES AND FUNDS

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

(a) The earnings accrued on the investment of moneys in the Project Fund and required to be deposited into the Project Fund pursuant to *Section 7.02* hereof.

(b) If required by a Supplemental Indenture authorizing the issuance of Additional Bonds, additional amounts from the proceeds of such Additional Bonds required to acquire, construct and install the Project Additions.

(c) The Net Proceeds of casualty insurance, condemnation awards or title insurance required to be deposited into the Project Fund pursuant to the Lease.

(d) Any and all payments from any contractors or other suppliers by way of breach of contract, refunds or adjustments required to be deposited into the Project Fund pursuant to the Lease.

(e) Except as otherwise provided herein or in the Lease, any other money received by or to be paid to the Trustee from any other source for the purchase or construction of the Improvements, when accompanied by directions by the Tenant that such moneys are to be deposited into the Project Fund

Section 6.02. Disbursements from the Project Fund.

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

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

(c) The completion of the Improvements and payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee by the Tenant of the Certificate of Completion

required by *Section 5.5* of the Lease. Any balance remaining in the Project Fund shall without further authorization be deposited in the Debt Service Fund and applied by the Trustee solely to the payment of principal of the Bonds through the payment or redemption thereof on any Redemption Date specified in the optional redemption provisions of *Section 3.02* hereof or as otherwise permissible in the opinion of Bond Counsel.

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

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

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

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

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

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

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

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

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

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

(c) The Trustee, upon written direction of the Issuer and the Tenant, shall use any excess moneys in the Debt Service Fund (other than investment earnings credited to such account) and any moneys paid to the Trustee for deposit in the Debt Service Fund pursuant to *Section 17.2* of the Lease to redeem Outstanding Bonds, interest accruing thereon prior to such redemption, and redemption premium, if any, in accordance with and to the extent permitted by *Article III* hereof so long as the Tenant is not in default with respect to payments of Basic Rent under the Lease and to the extent said moneys are in excess of amounts required for payment of Bonds theretofore matured or called for redemption and past due interest in all cases

when such Bonds have not been presented for payment. The Tenant may also direct such excess moneys in the Debt Service Fund or such part thereof or other moneys of the Tenant, as the Tenant may direct, to be applied by the Trustee for the purchase of Bonds in the open market for the purpose of cancellation. No such excess moneys may be used to purchase or redeem Subordinate Bonds until all of Priority Bonds have been paid or payment provided for according to the terms of this Indenture.

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

ARTICLE VII

SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

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

Section 7.02. Investment of Moneys in Funds. Moneys held in each of the Funds and Accounts shall be separately invested and reinvested by the Trustee in accordance with the provisions hereof, at the written direction of the Authorized Tenant Representative (or in the absence of such written direction, as provided in *subsection (e)* of the definition of Investment Securities) in Investment Securities which mature or are subject to redemption by the owner prior to the date such funds will be needed. The Trustee may make any investments permitted by this Section through its own bond department or short-term investment department and may pool moneys for investment purposes, except moneys held in the yield restricted portion of any fund or account, which shall be invested separately. Any such Permitted Investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund or account in which such moneys are originally held. The interest earned on and any profit realized from Investment Securities held in any Fund or Account under this Indenture shall be deposited into the Debt Service Fund. Any loss resulting from such Investment Securities shall be charged to such Fund or Account in which such Investment Securities generating the loss are held. The Bond Trustee shall sell and reduce to cash a sufficient amount of such Investment Securities whenever the cash balance in such Fund or Account is insufficient for the purposes of such Fund or Account

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

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

Section 8.01. Payment of Principal of, Premium, if any, and Interest on the Bonds. The Issuer covenants and agrees that it will, but solely from the rents, revenues and receipts derived from the

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

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

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

Section 8.04. Instruments of Further Assurance. The Issuer covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments, financing statements and other documents as the Trustee may reasonably require for the better pledging and assigning unto the Trustee the property and revenues herein described to secure the payment of the principal of, premium, if any, and interest on the Bonds. The Issuer covenants and agrees that, except as herein and in the Lease provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Project or the rents, revenues and receipts derived therefrom or from the Lease, or of its rights under the Lease.

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

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

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

Section 8.08. Enforcement of Rights Under the Lease. The Lease, a duly executed counterpart of which has been filed with the Trustee, sets forth the covenants and obligations of the Issuer and the Tenant, including provisions that subsequent to the issuance of the Bonds and prior to their payment in full or provision for payment thereof in accordance with the provisions hereof, the Lease may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee, and reference is hereby made to the Lease for a detailed statement of said covenants and obligations of the Tenant thereunder, and the Issuer agrees that the Trustee in its name or in the name of the Issuer may enforce all rights of the Issuer and all obligations of the Tenant under and pursuant to the Lease for and on behalf of the Owners, whether or not an Event of Default exists hereunder.

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

ARTICLE IX

REMEDIES ON DEFAULT

Section 9.01. Acceleration of Maturity in Event of Default.

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

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

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

Section 9.02. Exercise of Remedies by the Trustee.

(a) If an Event of Default shall have occurred and be continuing, the Trustee may, and if requested to do so in writing by Owner(s) of Bonds owning not less than 25% of the aggregate principal amount of Priority Bonds Outstanding, and if indemnified to its satisfaction and satisfactory provision has

been offered as to payment of Default Administration Costs and third-party liability, shall pursue and exercise any available remedy at law or in equity by suit, action, mandamus or other proceeding or exercise such one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owner(s) of Bonds to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding, and to enforce and compel the performance of the duties and obligations of the Issuer as herein set forth.

(b) All rights of action under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without necessity of joining as plaintiffs or defendants any Owner(s) of Bonds, and any recovery of judgment shall be for the equal benefit of all Outstanding Bonds.

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

Section 9.03. Surrender of Possession of Trust Estate; Rights and Duties of Trustee in Possession. If an Event of Default shall have occurred and be continuing, the Issuer, upon demand of the Trustee, shall forthwith surrender the possession of, and the Trustee, by such officer or agent as it may appoint, may take possession of all or any part of the Trust Estate, together with the books, papers and accounts of the Issuer pertaining thereto, and including the rights and the position of the Issuer under the Lease, and to hold, operate and manage the same, and from time to time make all needful repairs and improvements; and the Trustee may lease the Project or any part thereof, in the name and for account of the Issuer, and collect, receive and sequester the rents, revenues and receipts therefrom, and out of the same and any moneys received from any receiver of any part thereof pay, and set up proper reserves for the payment of all proper costs and expenses of so taking, holding and managing the same, including (i) reasonable compensation to the Trustee, its agents and counsel, (ii) any charges of the Trustee hereunder, (iii) any taxes and assessments and other charges prior to the lien of this Indenture, (iv) any costs and expenses of the Issuer in connection with the Project and (v) all expenses of such repairs and improvements, and the Trustee shall apply the remainder of the moneys so received in accordance with *Section 9.10*. Whenever all that is due upon the Bonds shall have been paid and all defaults made good, the Trustee shall surrender possession of the Trust Estate to the Issuer, its successors and assigns, the same right of entry, however, to exist upon any subsequent Event of Default.

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

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

In the event of such a sale, the Issuer and the Trustee shall execute and deliver any necessary or appropriate instrument of conveyance of the Issuer's interest in the Project to the purchaser or purchasers thereof, and any statement or recital of fact in such deed in relation to the nonpayment of the Bonds, default,

existence of the Bonds, notice of advertisement, sale, receipt of money, and the happening of any event whereby a prima facie evidence of the truth of such statement or recital. The Bond Trustee shall receive the proceeds of sale and pay the same in accordance with *Section 9.10(b).*

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

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

Section 9.07. Right of Owner(s) of Bonds to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, Owner(s) of Bonds owning at least 51% in aggregate principal amount of Priority Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, and upon providing the Trustee indemnification satisfactory to it as provided above, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture, and Trustee shall have the right to decline to follow such direction if the Trustee shall in good faith, and upon the advice of counsel, determine that proceedings so directed would expose the Trustee to personal liability.

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

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

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

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

first: To the payment of Default Administration Costs

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

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

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

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

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

(b) Whenever moneys are to be applied by the Issuer or the Trustee pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee in its sole

discretion determines, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the Trustee in trust for the proper purpose shall constitute proper application by the Issuer; and the Issuer shall incur no liability to any Owner(s) of Bonds or to any other person for any delay in applying any such moneys, so long as the Issuer acts with reasonable diligence, having due regard to the circumstances, and moneys are applied in accordance with such provisions of this Indenture. Whenever the Trustee exercises such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to any Owner(s) of Bonds of any unpaid Bond until the Bond certificate(s) representing Bonds owned are surrendered to the Trustee as Bond Registrar for appropriate endorsement, or for cancellation if fully paid.

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

ARTICLE X

THE TRUSTEE

Section 10.01. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts in the manner in which a corporate trustee ordinarily would perform said trusts under a corporate indenture, and the Trustee shall exercise such of the rights and powers vested in it by this Indenture and shall use the same degree of care and skill in its exercise as a prudent corporate trust officer would exercise or use under the circumstances, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) Prior to the occurrence of an Event of Default and after the cure of all Events of Default which may have occurred, the Trustee's duties and responsibilities shall include only those expressly set forth in this Trust Indenture and those rights, duties, responsibilities, and obligations which are reserved to or imposed upon the Issuer under this Trust Indenture and the Lease, excepting only such of those rights, duties, responsibilities, and obligations as may only be properly and lawfully exercised by or imposed upon the Issuer.

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

(c) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys or receivers. The Trustee shall be entitled to rely upon the opinion or advice of counsel, who may be counsel to the Trustee, Issuer or the Tenant, concerning all

matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys and receivers as may reasonably be employed in connection with the trusts hereof.

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

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

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee shall be entitled to rely upon a certificate signed by the mayor of the Issuer or the Authorized Tenant Representative as sufficient evidence of the facts therein contained, the Trustee shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

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

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

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

(j) The Trustee shall have the right, but shall not be required, to demand, with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purpose of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

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

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

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

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

Section 10.04. Intervention by the Trustee. In any judicial proceeding to which the Issuer is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the Owner(s) of Bonds, the Trustee may intervene on behalf of the Owner(s) of Bonds and shall do so if requested in writing by Owner(s) of Bonds owning at least 25% of the aggregate principal amount of Priority Bonds then Outstanding and if provided with indemnity satisfactory to the Trustee.

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

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

promptly designate a successor trustee, then the Trustee shall have the right to petition a court of competent jurisdiction for the appointment of a successor.

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

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

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

Section 10.10. Right of Trustee to Pay Taxes and Other Charges. In case any tax, assessment or governmental or other charge upon, or insurance premium with respect to, any part of the Project is not paid as required herein or in the Lease, , the Trustee may pay such tax, assessment or governmental charge or insurance premium or rebate amount, without prejudice, however, to any rights of the Trustee or the Owner(s) of Bonds hereunder arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment at a rate per annum equal to the Trustee's published prime rate in effect at the time, shall become an additional obligation secured by this Indenture, and the same shall be given a preference in payment over any payment of principal of, premium, if any, or interest on the Bonds, and shall be paid out of the proceeds of rents, revenues and receipts collected from the Project, if not otherwise caused to be paid; but the Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by Owner(s) of Bonds owning at least 25% of the aggregate principal amount of Priority Bonds then Outstanding and shall have been provided adequate funds for the purpose of such payment.

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

(a) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the State) denying or restricting the right of banking corporations or

associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Lease, and in particular in case of the enforcement of either a default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee, or take any other action which may be desirable or necessary in connection therewith, it may be necessary or desirable that the Trustee appoint an additional individual or institution as a co-trustee or separate trustee, and the Trustee is hereby authorized to appoint such co-trustee or separate trustee.

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

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

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

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

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

ARTICLE XI

SUPPLEMENTAL INDENTURES

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

(a) To cure any ambiguity or formal defect or omission in this Indenture or to make any other change not prejudicial to the Owner(s) of Bonds;

(b) To grant to or confer upon the Trustee for the benefit of the Owner(s) of Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owner(s) of Bonds or the Trustee or either of them;

(c) To more precisely identify the Project or to add additional property thereto;

(d) To subject to this Indenture additional revenues, properties or collateral;

(e) To issue Additional Bonds as provided in *Section 2.09* hereof, and

(f) To conform the provisions of this Indenture to the provisions of the Code as the same now exists or may be hereafter amended.

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

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

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

Section 11.03. Tenant's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article which affects any rights of the Tenant shall not become effective unless and until the Tenant shall have consented in writing to the execution and delivery of such Supplemental Indenture, provided that receipt by the Trustee of an amendment to the Lease executed by the Tenant in connection with the issuance of Additional Bonds under *Section 2.09* hereof shall be deemed to constitute consent of the Tenant to the execution of a Supplemental Indenture pursuant to *Section 2.09* hereof. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture (other than a Supplemental Indenture proposed to be executed and delivered pursuant to *Section 2.09* hereof) together with a copy of the proposed Supplemental Indenture to be mailed to the Tenant at least 15 days prior to the proposed date of execution and delivery of any such Supplemental Indenture.

ARTICLE XII

SATISFACTION AND DISCHARGE OF INDENTURE

Section 12.01. Satisfaction and Discharge of the Indenture.

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

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

Section 12.02. Bonds Deemed to be Paid.

(a) Bonds shall be deemed to be paid within the meaning of this Indenture when payment of the principal of and the applicable premium, if any, on such Bonds, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (1) moneys sufficient to make such payment or (2) non-callable Government Securities maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment. Bonds shall also be deemed paid if the Bond certificates(s) are surrendered to the Trustee, as paying agent, accompanied by a written communication from the Registered Owner waiving payment and directing that such certificates be cancelled without actual payment. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of any such payment from such moneys or Government Securities. As a condition to the Bonds being deemed paid, the Trustee shall have received an opinion of Bond Counsel to the effect that the conditions of this Section have been satisfied, and that the actions taken hereunder will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(b) Notwithstanding the foregoing, in the case of the redemption of Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (ii) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until proper notice of such

redemption shall have been given in accordance with *Article III* of this Indenture or irrevocable instructions shall have been given to the Trustee to give such notice.

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

ARTICLE XIII

MISCELLANEOUS PROVISIONS

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

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

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

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

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

Section 13.02. Limitation of Rights Under the Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be inferred from this Indenture or the Bonds is

intended or shall be construed to give any person other than the parties hereto, and the Owner(s) of Bonds, any right, remedy or claim under or with respect to this Indenture, and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Tenant and the Owner(s) of Bonds as herein provided.

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

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

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

Section 13.05. Severability. If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

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

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

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

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

CITY OF PITTSBURG, KANSAS

[SEAL] By: _____
Mayor

ATTEST:

_____
City Clerk "ISSUER"

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS:
COUNTY OF CRAWFORD)

This instrument was acknowledged before me on the _____ day of_____, 2014 by Monica Murnan as Mayor of the City of Pittsburg, Kansas, a municipal corporation of the State of Kansas.

[SEAL] _____
Notary Public

My Appointment Expires:

_____

KAB\600551.011\INDENTURE

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

SECURITY BANK OF KANSAS CITY
Kansas City, Kansas,
as Trustee

[SEAL]

By: _____
Name:
Title:

ATTEST:

_____
Name:
Title:

"TRUSTEE"

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF_____)

This instrument was acknowledged before me on the ____ day of _____ 2014, by _____, Vice President and Trust Officer of Security Bank of Kansas City, a banking corporation or association organized under the laws of the United States of America or one of the states thereof.

[SEAL]

_____
Notary Public

My Appointment Expires:

_____

KAB\600551.011\INDENTURE

APPENDIX A-1

FORM OF SERIES A, 2014 BONDS

FACE OF THE BOND

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE. NO TRANSFER, SALE, ASSIGNMENT OR HYPOTHECATION OF THIS SECURITY SHALL BE MADE. THE TRUSTEE SHALL BE CONSIDERED UNDER "STOP TRANSFER" ORDERS FOR ALL TRANSFERS OF BONDS UNLESS: (1) THERE SHALL HAVE BEEN DELIVERED TO THE ISSUER, THE TENANT AND THE TRUSTEE PRIOR TO THE TRANSFER, SALE ASSIGNMENT OR HYPOTHECATION AN OPINION OF NATIONALLY RECOGNIZED BOND OR SECURITIES COUNSEL, SATISFACTORY TO THE ISSUER, THE TENANT AND THE TRUSTEE, TO THE EFFECT THAT REGISTRATION UNDER THE SECURITIES ACT OF 1933 AND REGISTRATION UNDER ANY APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED; OR (2) THERE SHALL BE A REGISTRATION STATEMENT IN EFFECT UNDER THE SECURITIES ACT OF 1933 AND UNDER ANY APPLICABLE STATE SECURITIES LAWS REQUIRING A STATE-LEVEL REGISTRATION STATEMENT WITH RESPECT TO THE TRANSFER, ASSIGNMENT, SALE OR HYPOTHECATION, AND, IN THE CASE OF BOTH (1) AND (2), THERE SHALL HAVE BEEN COMPLIANCE WITH ALL APPLICABLE STATE AND FEDERAL SECURITIES LAWS AND ALL APPLICABLE RULES AND REGULATIONS THEREUNDER. THE TRUSTEE SHALL NOT TRANSFER THIS BOND EXCEPT IN ACCORDANCE WITH THIS LEGEND AND THE CORRELATIVE PROVISIONS OF THE INDENTURE.

No. _____ $4,600,000

UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF CRAWFORD
CITY OF PITTSBURG, KANSAS
TAXABLE INDUSTRIAL REVENUE BOND
SERIES A, 2014
(PINAMONTI PHYSICAL THERAPY PROJECT)

Registered Owner: _____

Principal Amount: FOUR MILLION SIX HUNDRED THOUSAND DOLLARS

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

a. On and after the First Payment Date, the principal amount of this Bond, together with interest in arrears at the Initial Rate, shall be paid in monthly installments equal to the

Amortization Amount (herein defined), commencing on the First Payment Date and continuing on each Payment Date thereafter until the first Adjustment Date.

b. On and after the first Adjustment Date, monthly installments of the Amortization Amount, including interest accrued thereon at the Adjustable Rate, being the rate of interest determined on the first Adjustment Date as adjusted from the Initial Rate on that date, and as subsequently adjusted on each succeeding Adjustment Date for the period of time between Adjustment Dates, commencing on the first Payment Date after the first Adjustment Date and continuing on each Payment Date thereafter until the Final Maturity Date.

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

The "*Adjustable Rate"* shall mean a rate of interest based on changes in an independent index which is the base rate on corporate loans posted by at least 75% of the 30 largest U.S. banks, also known as Wall Street Prime (the "Index"), plus 0.500 percentage points. If the Index becomes unavailable prior to the Final Maturity Date, Bondholder may designate a substitute index after notifying the Tenant (as hereinafter defined) and the Trustee. Under no circumstances will the Adjustable Rate be less than 4.000% per annum or more than the maximum rate allowed by applicable law. Interest shall be computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding.

The "*Adjustment Date*" shall mean December 1, 2024 and December 1, 2029.

The "*Amortization Amount*" shall mean an amount sufficient to fully amortize and pay, in substantially equal monthly installments of principal and interest over a period of 240 months commencing on the First Payment Date and ending on the Final Maturity Date, the entire unpaid balance of this Bond as of the Issue Date. Subject to any payment changes resulting from changes in the Index, the Amortization Amount shall equal 120 monthly payments of principal and interest in the amount of $28,325.88 beginning on the Amortization Commencement Date, with interest calculated on the unpaid principal balances at the Initial Rate; 60 monthly payments of principal and interest in the amount of $28,156.16 beginning on the first Adjustment Date, with interest calculated at the Adjustable Rate in effect on the date of the last payment in the previous adjustment period; 59 monthly payments of principal and interest in the amount of $28,156.16, with interest calculated at the Adjustable Rate in effect on the date of the last payment in the previous adjustment period; and one final payment of principal and interest in the amount of $28,158.39 on the Final Payment Date. The Amortization Amounts set forth herein are estimated based on the assumption that all payments will be made exactly as scheduled and that the Index remains 3.250%. If changes occur in the Index, the Bondholder may, at its option, adjust the Amortization Amount by (i) increasing the Amortization Amount to ensure that all principal and interest will be paid by the Final Maturity Date, (ii) increasing the number of payments, or (iii) increasing the amount of the payment due on the Final Maturity Date. *Notwithstanding the foregoing*, upon mandatory redemption of this Bond from proceeds of the SBA 504 Loan as set forth below, the Amortization Amount shall be recalculated to equal an amount sufficient to fully amortize and pay the remaining unpaid balance of this Bond ($2,711,544.65), in substantially equal monthly installments of principal and interest over the period commencing on the first day of the first month following the date of such redemption and payment and ending on the Final Maturity Date.

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

The "*Final Maturity Date*" shall be December 1, 2034.

The "*First Payment Date*" shall mean January 1, 2015.

The "*Initial Rate*" shall mean 4.125%, computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding.

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

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

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

Payment of principal of and interest on this Bond shall be made by the Trustee on each Payment Date to the person appearing on the registration books of the Issuer maintained by the Trustee as the registered owner thereof by check or draft mailed to such Owner(s) of Bonds at the address appearing on such registration books, or at the written request of any Owner, by electronic transfer to the address specified by such Owner in writing to the Trustee at least 15 days prior to the applicable Payment Date. Any such written request for electronic transfer shall be signed by such Owner and shall include the name of the bank (which shall be in the continental United States), its address, its ABA routing number, and the name, number, and contact name related to such Owner's account at such bank to which payment is to be credited. Notwithstanding the foregoing final payment of the principal of, and interest and redemption premium, if any, on all Bonds shall be made upon the presentation and surrender of the certificate(s) representing such Bonds at the stated maturity or earlier required redemption thereof at the principal office of the Trustee.

If there is a default in the payment of any item or installment when due, the item or installment so in default shall continue as an obligation hereunder until the same shall be fully paid, and such item or installment shall be payable upon demand with interest thereon. If a payment of any item or installment is 10 days or more past the due date, a late charge equal to 5.000% of the unpaid portion of the regularly scheduled payment or $100, whichever is less. Upon an Event of Default (as defined in the hereinafter referenced Indenture), the interest rate on this Bond shall be increased to 18.000% per annum based on a year of 360 days; provided, however, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

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

This Bond is issued pursuant to an Ordinance of the governing body of the Issuer and a Trust Indenture dated as of December 1, 2014 (the "Indenture"), between the Issuer and the Trustee, for the purpose of providing funds for the acquisition, construction and equipping of a physical therapy and wellness facility located in the City of Pittsburg, Kansas (the "Project"), to be made pursuant to a Lease, dated as of December 1, 2014 (the "Lease"), between the Issuer and Pinamonti Physical Therapy, PA, a Kansas professional association (the "Tenant") by the authority of and in conformity with the constitution and statutes of the state of Kansas, including particularly K.S.A. 12-1740 *et seq.*, as amended, and all other laws of said state applicable thereto.

This Bond and the interest and redemption premium, if any, hereon are payable solely out of the revenues derived by the Issuer from the Project and pursuant to the Lease. This Bond is payable on a

priority lien basis with the Issuer's Taxable Industrial Revenue Bonds, Series B, 2014 (Pinamonti Physical Therapy Project) authorized concurrently with this Bond, and the payment of, and the lien of this Bond on the Project and the earnings derived by the Issuer from the Project pursuant to the Lease and pursuant to the Guaranty Agreement (herein defined), is on a priority of lien basis with such Series B, 2014 Bonds. This Bond and the interest and redemption premium, if any, hereon do not constitute a debt of the Issuer, or of the State of Kansas, and neither the Issuer nor said state shall be liable thereon, and this Bond shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. To secure the payment of the principal of and redemption premium, if any, and interest on this Bond, the Issuer has assigned to the Trustee substantially all its rights under the Lease pursuant to an Assignment of Lease, dated as of December 1, 2014 (the "Assignment"). In addition, the payment of the principal of and redemption premium, if any, and interest on this Bond has been unconditionally guaranteed by the Tenant, Brian W. Pinamonti and Gina B. Pinamonti pursuant to a Guaranty Agreement, dated as of December 1, 2014 (the "Guaranty Agreement"). Reference is hereby made to the Indenture, the Lease, the Assignment and the Guaranty Agreement for a further description of the Project, the rights, duties and obligations of the Issuer, the Tenant, the Trustee and any other owners of the Bonds, the security for this Bond and such obligations hereunder.

Optional Redemption. This Bond is subject to redemption and payment prior to the stated maturity thereof, in whole or in part, by the Issuer, at the option of and upon instructions from the Tenant to the Issuer, on any date, at the par value of the principal amount thereof, without premium, plus interest accrued to the date of redemption. Any redemption in part shall be applied to reduce the installments of principal payable in inverse order of their maturity.

Mandatory Redemption. This Bond shall be subject to mandatory redemption and payment prior to Stated Maturity from proceeds of the SBA 504 Loan, at a redemption price equal to the par value of the principal amount redeemed, without premium, plus interest accrued to the date of redemption. Proceeds of the SBA 504 Loan in the amount of $1,888,455.35 shall be applied to reduce the outstanding principal amount of the Series A, 2014 Bonds to $2,711,544.65.

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

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

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

This Bond is issuable in the form of a fully registered Bond without coupons. Subject to the restrictions on transfer herein set forth, this Bond shall be transferable by the owner of this Bond upon the surrender of the certificate or certificates representing this Bond for transfer or exchange at the offices of the Trustee, accompanied, in the case of a transfer, by a written instrument of transfer executed by the owner of this Bond or its attorney or legal representative duly authorized in writing. Upon such surrender, the Trustee shall cause the Issuer to execute and deliver in the name of the transferee a new registered Bond certificate or certificates in an aggregate principal amount equal to the unpaid principal amount hereof. The Issuer, the

Trustee and the Tenant may deem and treat the person in whose name this Bond certificate is registered as the absolute owner of the principal amount of the Bonds represented by this certificate for the purpose of receiving payment of, or on account of, the principal or interest due hereon and for all other purposes. Transfer of this Bond certificate is subject to certain further conditions and restrictions as further endorsed hereon.

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

This Bond certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law.

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

CITY OF PITTSBURG, KANSAS

(Facsimile Seal)

By: _____
Mayor

ATTEST:

_____
City Clerk

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This Bond certificate evidences ownership of the City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series A, 2014 (Pinamonti Physical Therapy Project), as described herein and in the within-mentioned Trust Indenture. The date of authentication of this Bond is _____.

Security Bank of Kansas City
Kansas City, Kansas,
Trustee

By: _____
Authorized Signature

(FORM OF ASSIGNMENT)

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

_____
Print or Type Name and Address of Transferee

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

Dated: _____

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

Signature Guaranteed By:

[Seal of Bank]

_____
(Name of Eligible Guarantor Institution)

By: _____
Title:_____

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

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

ACKNOWLEDGMENT OF PARTIAL REDEMPTION
RECORD OF PAYMENTS

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

Payment Date	Amount Paid	Signature	Payment Date	Amount Paid	Signature

APPENDIX A-2

FORM OF SERIES B, 2011 BONDS

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE. NO TRANSFER, SALE, ASSIGNMENT OR HYPOTHECATION OF THIS SECURITY SHALL BE MADE AND THE TRUSTEE SHALL BE CONSIDERED UNDER "STOP TRANSFER' ORDERS FOR TRANSFERS FOR ALL SERIES B, 2011 BONDS UNLESS: (1) THERE SHALL HAVE BEEN DELIVERED TO THE TENANT, THE ISSUER AND THE TRUSTEE PRIOR TO THE TRANSFER, SALE, ASSIGNMENT OR HYPOTHECATION AN OPINION OF NATIONALLY RECOGNIZED BOND OR SECURITIES COUNSEL, SATISFACTORY TO THE TENANT, THE ISSUER AND THE TRUSTEE, TO THE EFFECT THAT REGISTRATION UNDER THE SECURITIES ACT OF 1933 AND REGISTRATION UNDER ANY APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED; OR (2) THERE SHALL BE A REGISTRATION STATEMENT IN EFFECT UNDER THE SECURITIES ACT OF 1933 AND UNDER ANY APPLICABLE STATE SECURITIES LAWS REQUIRING A STATE-LEVEL REGISTRATION STATEMENT WITH RESPECT TO THE TRANSFER, ASSIGNMENT, SALE OR HYPOTHECATION, AND, IN THE CASE OF BOTH (1) AND (2) THERE SHALL HAVE BEEN COMPLIANCE WITH ALL APPLICABLE STATE AND FEDERAL SECURITIES LAWS AND ALL APPLICABLE RULES AND REGULATIONS THEREUNDER. FURTHER, THE TRUSTEE SHALL NOT TRANSFER THIS BOND WITHOUT THE WRITTEN CONSENT OF THE OWNERS OF 100% OF THE SERIES A, 2011 BONDS (AS HEREIN DEFINED). THE TRUSTEE SHALL NOT TRANSFER THIS BOND EXCEPT IN ACCORDANCE WITH THIS LEGEND.

No. R-__ $400,000

UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF CRAWFORD
CITY OF PITTSBURG, KANSAS
TAXABLE INDUSTRIAL REVENUE BOND
SERIES B, 2014
(PINAMONTI PHYSICAL THERAPY PROJECT)

Registered Owner: _____

Principal Amount: FOUR HUNDRED THOUSAND DOLLARS

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

a. From the Issue Date of this Bond to the Final Maturity Date (herein defined), interest shall accrue at the Fixed Rate (herein defined) and shall be payable on the Final Maturity Date.

b. One final payment in the amount of the entire unpaid principal balance hereunder (including all accrued and unpaid interest) shall be paid on the Final Maturity Date.

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

The "*Final Maturity Date*" shall be January 15, 2023.

The "*Fixed Rate*" shall mean 5.00% per annum, computed on the basis of 360 days per year.

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

The "*Payment Date*" shall be the Final Maturity Date.

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

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

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

This Bond is issued pursuant to an Ordinance of the governing body of the Issuer and a Trust Indenture dated as of December 1, 2014 (the "Indenture"), between the Issuer and the Trustee, for the purpose of providing funds for the acquisition, construction and equipping of a physical therapy and wellness facility located in the City of Pittsburg, Kansas (the "Project"), to be made pursuant to a Lease, dated as of December 1, 2014 (the "Lease"), between the Issuer and Pinamonti Physical Therapy, PC, a Kansas professional association (the "Tenant") by the authority of and in conformity with the constitution and statutes of the state of Kansas, including particularly K.S.A. 12-1740 *et seq.*, as amended, and all other laws of said state applicable thereto.

This Bond and the interest and redemption premium, if any, hereon are payable solely out of the revenues derived by the Issuer from the Project and pursuant to the Lease. This Bond is payable on a subordinate lien basis with the Issuer's Taxable Industrial Revenue Bonds, Series A, 2014 (Pinamonti Physical Therapy Project) (the "Series A, 2014 Bonds") authorized concurrently with this Bond, and the payment of, and the lien of this Bond on, the Project, the earnings derived by the Issuer from the Project, pursuant to the Lease are subordinate as to lien, payment and in all other respects to such Series A, 2014 Bonds. This Bond and the interest and redemption premium, if any, hereon do not constitute a debt of the Issuer, or of the State of Kansas, and neither the Issuer nor said state shall be liable thereon, and this Bond shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. To secure the payment of the principal of and redemption premium, if any, and interest on this Bond, the Issuer has assigned to the Trustee substantially all its rights under the Lease pursuant to an Assignment of Lease, dated as of December 1, 2014 (the "Assignment"). Reference is hereby made to the Indenture, the Lease and the Assignment, for a further description of the Project, the rights, duties and obligations of the Issuer, the Tenant, the Trustee and any other owners of the Bonds, the security for this Bond and such obligations hereunder.

This Bond is subject to redemption and payment prior to the stated maturity thereof, only with the prior written consent of 100% of the Owners of the Series A, 2014 Bonds and any Additional Bonds issued on a parity therewith, in whole or in part, by the Issuer, at the option of and upon instructions from the Tenant to the Issuer, on any date, at the par value of the principal amount thereof, without premium, plus interest accrued to the date of redemption.

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

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

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

This Bond is issuable in the form of a fully registered Bond without coupons. Subject to the restrictions on transfer herein set forth, this Bond shall be transferable by the owner of this Bond only with the prior written consent of 100% of the Owners of the Series A, 2014 Bonds, and upon the surrender of the certificate or certificates representing this Bond for transfer or exchange at the offices of the Trustee, accompanied, in the case of a transfer, by a written instrument of transfer executed by the owner of this Bond or its attorney or legal representative duly authorized in writing. Upon such surrender, the Trustee shall cause the Issuer to execute and deliver in the name of the transferee a new registered Bond certificate or certificates in an aggregate principal amount equal to the unpaid principal amount hereof. The Issuer, the Trustee, the Tenant and the Guarantor may deem and treat the person in whose name this Bond certificate is registered as the absolute owner of the principal amount of the Bonds represented by this certificate for the purpose of receiving payment of, or on account of, the principal or interest due hereon and for all other purposes. Transfer of this Bond certificate is subject to certain further conditions and restrictions as further endorsed hereon.

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

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

CITY OF PITTSBURG, KANSAS

(Facsimile Seal)

By: _____
Mayor

ATTEST:

_____
City Clerk

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This Bond certificate evidences ownership of the City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series B, 2014 (Pinamonti Physical Therapy Project), as described herein and in the within-mentioned Trust Indenture. The date of authentication of this Bond is _____.

Security Bank of Kansas City
Kansas City, Kansas,
Trustee

By: _____
Authorized Signature

(FORM OF ASSIGNMENT)

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

_____
Print or Type Name and Address of Transferee

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

Dated: _____

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

Signature Guaranteed By:

[Seal of Bank]

_____
(Name of Eligible Guarantor Institution)

By: _____
Title:_____

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

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

ACKNOWLEDGMENT OF PARTIAL REDEMPTION
RECORD OF PAYMENTS

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

Payment Date	Amount Paid	Signature	Payment Date	Amount Paid	Signature

GILMORE & BELL, P.C.
11/07/2014

CITY OF PITTSBURG, KANSAS

AS ISSUER

AND

PINAMONTI PHYSICAL THERAPY, PA

AS TENANT

LEASE

DATED AS OF DECEMBER 1, 2014

$5,000,000
TAXABLE INDUSTRIAL REVENUE BONDS
SERIES A, 2014 AND SERIES B, 2014
(PINAMONTI PHYSICAL THERAPY PROJECT)

KAB\600551.011\LEASE (11-07-14)

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LEASE

THIS LEASE, made and entered into as of December 1, 2014 between the City of Pittsburg, Kansas (the "Issuer"), and Pinamonti Physical Therapy, PA, a Kansas professional association (the "Tenant").

WITNESSETH:

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

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

(a) Acquire the Project;

(b) Lease the Project to the Tenant for the rentals and upon the terms and conditions hereinafter set forth; and

(c) Issue, for the purpose of paying Project Costs, the Series 2014 Bonds under and pursuant to and subject to the provisions of the Act and the Indenture, said Indenture being incorporated herein by reference and authorized by an Ordinance of the governing body of the Issuer; and

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

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

ARTICLE I

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

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

any tax or other government charge imposed on the Trustee in relation to the transfer, exchange, registration, redemption or payment of the Bonds. The fees, charges, costs and expenses of the Issuer shall include, but not be limited to, any and all costs incurred by the Issuer in connection with the administration or enforcement of any rights, duties, or obligations under this Lease, the exercise or pursuit of any remedy upon an Event of Default, the amendment of this Lease, the granting of consents, easements or similar actions or any other action required of or available to the Issuer under the terms of this Lease.

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

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

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

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

"Basic Rent Payment Date" means January 1, 2015 and the first day of each month thereafter until the principal of, redemption premium, if any, and interest on all Outstanding Bonds have been fully paid or provision made for their payment in accordance with the provisions of the Indenture.

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

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

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

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

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

"Environmental Assessment" means an environmental assessment with respect to the Project conducted by an independent consultant satisfactory to the Issuer and the Trustee which reflects the results of such inspections, records reviews, soil tests, groundwater tests and other tests requested, which assessment and results shall be satisfactory in scope, form and substance to the Issuer and the Trustee.

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

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

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

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

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

(c) An Event of Bankruptcy;

(d) Abandonment of the Project by the Tenant;

(e) Tenant defaults under any loan, extension or credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Tenant’s property or Tenant’s ability to make Basic Rent Payments hereunder or perform Tenant’s obligations under this Lease or the Guaranty;

(f) Any warranty, representation or statement made or furnished to the Original Purchaser of the Series A, 2014 Bonds by Tenant or on Tenant’s behalf in connection its purchase of the Series A, 2014 Bonds is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter;

(g) Any change in ownership of 25% of more of the common stock of the Tenant; or

(h) A material adverse change occurs in the Tenant's financial condition, or any Bondholder believes the prospect of payment or performance under this Lease or the Guaranty is impaired; or any Owner of a Priority Bond in good faith believes itself insecure.

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

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

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

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

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

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

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

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

(1) With respect to the Tenant:

Pinamonti Physical Therapy, PA
1014 S. Mt. Carmel Place
Pittsburg, Kansas 66762
Attn: Brian Pinamonti

(2) With respect to the Issuer:

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

(3) With respect to the Trustee:

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

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

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

"Permitted Encumbrances" easements and rights-of-way of record at the time of conveyance of the Land to the Issuer, and any mortgages, liens or other encumbrances or title exceptions referenced in the Owner's Title Policy, including the Mortgage from Pinamonti Physical Therapy, PA to University Bank, dated September 18, 2013 and recorded September 19, 2013 in Miscellaneous Record 611 at page 14 in the office of the Register of Deeds of Crawford County, Kansas, and the Mortgage from Pinamonti Physical Therapy, PA, to Mid-America, Inc. dated May 12, 2014 and recorded May 27, 2014 in Miscellaneous Record 614 at page 87 in the office of the Register of Deeds of Crawford County, Kansas, as assigned to the U.S. Small Business Administration by instrument recorded in Miscellaneous Record 615 at page 716 in the office of the Register of Deeds of Crawford County, Kansas.

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

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

"State" means the State of Kansas.

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

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

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

(b) Except as otherwise permitted herein, the Tenant shall (1) maintain and preserve its existence and organization as a professional association and its authority to do business in the State and to operate the Project; and (2) not initiate any proceedings of any kind whatsoever to dissolve or liquidate without (A) securing the prior written consent thereto of the Issuer and (B) making provision for the payment in full of the principal of and interest and redemption premium, if any, on the Bonds. If, at any time during the term of this Lease or the Indenture, the Tenant changes its state of organization, changes its form of organization, changes its name, or takes any other action which could affect the proper location for filing Uniform Commercial Code financing statements or continuation statements or which

could render existing filings seriously misleading or invalid, the Tenant shall immediately provide written notice of such change to the Trustee, and thereafter promptly deliver to the Trustee such amendments and/or replacement financing statements, together with an Opinion of Counsel to the effect that such amendments and/or replacement financing statements have been properly filed so as to create a perfected security interest in the collateral securing the Indenture, and such additional information or documentation regarding such change as the Trustee may reasonably request.

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

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

(e) The Tenant agrees to operate and will operate the Project, or cause the Project to be operated as a "facility," as that term is contemplated in the Act, from the date of the Issuer's acquisition of the Project to the end of the Term.

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

(g) The estimated total cost of the Improvements to be financed by the proceeds of the Series 2014 Bonds, plus interest on the Series 2014 Bonds during acquisition, construction and installation of the Improvements, and Costs of Issuance of the Series 2014 Bonds, will not be less than the original aggregate principal amount of the Series 2014 Bonds.

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

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

(i) The proceeds of the Series 2014 Bonds are to be used (i) to acquire, construct, install, equip and furnish the Project, and (ii) to pay certain costs related to the issuance of the Series 2014 Bonds.

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

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

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

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

(d) It has pledged the Project and the net rentals therefrom generated under the Lease to payment of the Bonds in the manner prescribed by the Act, and has duly authorized the execution and delivery of this Lease and the Indenture and the issuance, sale and delivery of the Series 2014 Bonds.

(e) It has notified or obtained the consent to and/or approval of the issuance of the Series 2014 Bonds by each municipal corporation and political subdivision the notification, consent or approval of which is required by the provisions of the Act.

ARTICLE II

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

ARTICLE III

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

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

Section 3.3. Rent Payable Without Abatement or Setoff. The Tenant covenants and agrees with and for the express benefit of the Issuer and the Owner(s) of Bonds that all payments of Basic Rent and Additional Rent shall be made by the Tenant as the same become due, and that the Tenant shall perform all of its obligations, covenants and agreements hereunder without notice or demand and without abatement, deduction, setoff, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Improvements shall have been acquired, started or completed, or whether the Issuer's title to the Project or any part thereof is defective or non-existent, and notwithstanding any failure of consideration or commercial frustration of purpose, the eviction or constructive eviction of the Tenant or any subtenant, any Change of Circumstances, any change in the tax or other laws of the United States of America, the State, or

any municipal corporation of either, any change in the Issuer's legal organization or status, or any default of the Issuer hereunder, and regardless of the invalidity of any action of the Issuer or any other event or condition whatsoever, and regardless of the invalidity of any portion of this Lease, and the Tenant hereby waives the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under this Lease or which releases or purports to release the Tenant therefrom. Nothing in this Lease shall be construed as a waiver by the Tenant of any rights or claims the Tenant may have against the Issuer under this Lease or otherwise, but any recovery upon such rights and claims shall be had from the Issuer separately, it being the intent of this Lease that the Tenant shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Lease (including the obligation to pay Basic Rent and Additional Rent) for the benefit of the Owner(s) of Bonds.

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

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

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

ARTICLE IV

Section 4.1. Disposition of Original Proceeds; Project Fund. The Original Proceeds shall be paid over to the Trustee for the account of the Issuer and applied as set forth in *Section 5.02* of the Indenture.

ARTICLE V

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

Section 5.2. Project Contracts. Prior to the delivery of this Lease, the Tenant may have entered into a contract or contracts with respect to the acquisition and/or construction of the Improvements. Those contracts, and any such contracts entered into by the Tenant or the Issuer after delivery of this Lease, are hereinafter referred to as the "Project Contracts." Prior to the delivery hereof, certain work has been or may have been performed on the Improvements pursuant to said Project Contracts or otherwise. The Tenant hereby covenants with the Issuer to perform the Project Contracts for the benefit of the Issuer as holder of title to the Project as well as its own benefit as tenant under this Lease, and the Issuer hereby designates the Tenant as the Issuer's agent for the purpose of executing and performing the Project Contracts. After the execution hereof, the Tenant shall cause the Project Contracts to be fully performed by the contractor(s), subcontractor(s) and supplier(s) thereunder in accordance with the terms thereof, and the Tenant covenants to cause the Improvements to be acquired, constructed, installed and/or completed in accordance with the Project Contracts. The Tenant warrants that the construction and/or acquisition of the Improvements in accordance with said Project Contracts will result in the Project being suitable for use by the Tenant as a physical therapy and wellness facility. Any and all amounts received by the Issuer, the Trustee or the Tenant from any of the contractors or other suppliers by way of breach of contract, refunds or adjustments shall become a part of and be deposited in the Project Fund. The Trustee may, at its option, appoint an agent to review the Project Contracts, and make periodic inspections of the Improvements during construction to determine the satisfactory progress and completion of the work. The reasonable fees and expenses of such agent shall be paid by the Tenant as Additional Rent.

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

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

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

(a) Name of seller;

(b) Name of the manufacturer;

(c) A copy of the seller's invoice, purchase order or other like document evidencing the purchase by the Tenant of such machinery and/or equipment;

(d) Common descriptive name of machinery or equipment;

(e) Manufacturer's or seller's technical description of machinery or equipment;

(f) Capacity or similar designation;

(g) Serial number, if any;

(h) Model number, if any; and

(i) A written statement by the Seller that the machinery or equipment purchased is not subject to any liens or security interest, or, in the alternative, a bill of sale warranting title to be free of all liens, encumbrances or security interests.

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

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

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

Section 5.7. Right of Entry by the Issuer and the Trustee. The duly authorized agents of the Issuer and/or the Trustee shall have the right (but shall not be required) at any reasonable time and upon

reasonable notice to the Tenant prior to the completion of the Improvements to have access to the Project or any part thereof for the purpose of inspecting the acquisition, installation or construction thereof.

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

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

Section 5.10. Kansas Retailers' Sales Tax. The parties have entered into this Lease in contemplation that, under the existing provisions of K.S.A. 79-3606, subsections (b) and (d) and other applicable laws, sales of tangible personal property or services purchased in connection with construction of the Improvements are entitled to exemption from the tax imposed by the Kansas Retailers' Sales Tax Act. The parties agree that the Issuer shall, upon the request of and with the Tenant's assistance, promptly obtain from the State and furnish to the contractors and suppliers a project exemption certificate for the construction of the Improvements. The Tenant covenants that said exemption certificate shall be used only in connection with the purchase of tangible personal property or services becoming a part of the Project. The Issuer shall not be responsible for any failure on the part of the State to issue such project exemption certificate.

ARTICLE VI

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

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

(b) Statutory workers' compensation insurance;

(c) With regard to new buildings and improvements constituting a part of the Improvements, insurance insuring the Improvements while under construction against fire, lightning and all other risks covered by the broadest form extended coverage endorsement then and from time to time thereafter in use in the State to the Full Insurable Value of such Improvements. Such insurance coverage shall name the Tenant as insured and the Issuer and the Trustee as additional insureds or mortgagees and loss payees, as their

respective interests appear, and all Net Proceeds received under such policy or policies by the Issuer or the Tenant shall be paid over to the Trustee and be applied as set forth in *Article XVIII* hereof; and

(d) With regard to new buildings and improvements constituting a part of the Improvements and constructed by contractors other than the Tenant, performance (with sureties authorized to do business in Kansas and approved by the Issuer) with respect to applicable Project Contracts and in the full amount of the Project Contracts. The performance, payment and statutory bonds must be furnished to the Trustee and the statutory bond filed with the clerk of the district court in the county in which the Project is located before any disbursements are made from the Project Fund for Project Costs incurred pursuant to the bonded contract. Said bonds shall name the Issuer, the Tenant and the Trustee as obligees. All payments received by the Issuer, the Tenant and/or the Trustee under said bonds shall become a part of and be deposited in the Project Fund.

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

Section 6.3. General Insurance Provisions.

(a) Within 30 days of renewal dates of expiring policies, certificates of the insurance provided for in this Article shall be delivered by the Tenant to the Trustee. All policies of such insurance and all renewals thereof shall name the Tenant as insured and the Issuer and the Trustee as additional insureds or mortgagees and loss payees as their respective interests may appear, shall contain a provision that such insurance may not be canceled or amended by the issuer thereof without at least 30 days' written notice to the Issuer, the Tenant and the Trustee and shall be payable to the Issuer, the Tenant and the Trustee as their respective interests appear. The Issuer and the Tenant each hereby agree to do anything necessary, be it the endorsement of checks or otherwise, to cause any payment of insurance proceeds to be made to the Trustee, as long as such payment is required by this Lease to be made to the Trustee. Any charges made by the Trustee for its services in connection with insurance payments shall be paid by the Tenant.

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

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

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

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

(f) Anything in this Lease to the contrary notwithstanding, the Tenant shall be liable to the Issuer and the Trustee pursuant to the provisions of this Lease or otherwise, as to any loss or damage which

may have been occasioned by the negligence of the Tenant, its agents, licensees, contractors, invitees or employees.

Section 6.4. Evidence of Title. The Tenant shall furnish evidence of title in the form of a policy of owner's title insurance, insuring the Issuer's fee simple title to the Land, as of the date and time immediately prior to conveyance to the Issuer, subject to Permitted Encumbrances, in an amount equal to $4,803,050. Such title insurance policy shall contain no exceptions, other than the title insurance company's standard printed exceptions, Permitted Encumbrances, and the encumbrance created by this Lease. The Issuer and the Tenant agree that any and all proceeds therefrom during the Basic Term (a) if received before the completion of the building Improvements shall be paid into and become a part of the Project Fund, (b) if received thereafter but before the Bonds and interest thereon have been paid in full, shall be paid into and become a part of the Debt Service Fund, and (c) if received after the Bonds, redemption premium, if any, and interest thereon have been paid in full, shall belong and be paid to the Tenant.

ARTICLE VII

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

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

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

Section 7.4. Ad Valorem Taxes. The parties acknowledge that under the existing provisions of K.S.A. 79-201a, as amended, the property acquired, constructed or purchased with the proceeds of the Bonds (except such property used for certain retail uses) is eligible to receive exemption from *ad valorem* taxation for a period up to 10 calendar years after the calendar year in which the Bonds are issued, provided the Issuer has complied with certain notice, hearing and procedural requirements established by law, and proper application has been made. The Issuer represents that such notice, hearing and procedural requirements will have been complied with at the Issue Date. Subject to the provisions of *Section 7.5* of this Lease, and to the provisions of the Agreement for Payment in Lieu of Taxes referred to therein, the Issuer will, at the Tenant's request, with information furnished by Tenant and the Trustee, make all necessary

filings regarding the application for 100% *ad valorem* tax exemption for an 8-year period beginning in the calendar year following the calendar year in which the Bonds were issued, and will renew said application from time to time and take any other action as may be necessary to maintain such *ad valorem* tax exemption in full force and effect, in accordance with K.S.A. 79-201a, 79-210 *et seq.* and the requirements of the State Court of Tax Appeals. If it becomes necessary to litigate the issue of availability or applicability of the *ad valorem* tax exemption, the Issuer will cooperate fully with Tenant in pursuing such litigation, but all litigation costs and reasonable attorney fees must be paid by Tenant, either directly or as Additional Rent.

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

ARTICLE VIII

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

Section 8.2. Environmental Matters.

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

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

(c) The provisions of this *Section 8.2* shall survive the termination of this Lease or exercise of the Tenant's option to purchase the Facility, except with respect to obligations which arise solely and

exclusively as a result of the use, spill, release, leak, seepage or discharge of Hazardous Substances on the Facility after the Facility is no longer occupied by the Tenant.

ARTICLE IX

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

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

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

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

Section 9.5. Covenant Against Other Assignments. The Tenant will not assign or in any manner transfer its interests under this Lease, nor will it suffer or permit any assignment thereof by

operation of law, except in accordance with the limitations, conditions and requirements set forth in this *Article IX*.

ARTICLE X

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

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

(a) With respect only to such items of machinery or equipment that originally cost $10,000 or more, to the following:

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

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

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

(b) With respect to such items of machinery or equipment that originally cost less than $10,000 the Tenant may obtain release of any such items without any payment to the Trustee upon delivery of a

certificate setting forth the facts provided for in subparagraph (a)(1) above. In no event shall the Tenant pursuant to the preceding sentence remove an aggregate amount of machinery or equipment having an aggregate original cost of more than $10,000, without making payment for it.

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

ARTICLE XI

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

ARTICLE XII

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

ARTICLE XIII

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

Section 13.2. Mechanic's Liens. The Tenant shall not do or suffer anything to be done whereby the Project, or any part thereof, is encumbered by any mechanic's or other similar lien. Should any mechanic's or other similar lien ever be filed against the Project, or any part thereof, the Tenant shall discharge the same of record within 30 days after the date of filing. Notice is hereby given that the Issuer does not authorize or consent to and shall not be liable for any labor or materials furnished to the Tenant or anyone claiming by, through or under the Tenant upon credit, and that no mechanic's or similar liens for any such labor, services or materials shall attach to or affect the reversionary or other estate of the Issuer in and to the Project, or any part thereof.

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

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

ARTICLE XIV

Section 14.1. Indemnity. The Tenant agrees, whether or not the transactions contemplated by this Lease, the Bonds or the Indenture are consummated, to indemnify and hold harmless the Issuer and its officers, directors, officials, employees and agents, including the Trustee as assignee of the Issuer's rights under this Lease, and the Original Purchaser and each of its officers, directors, employees and agents (any or all of the foregoing referred to hereafter as "Indemnified Persons"), from and against all claims, actions, suits, proceedings, expenses, judgments, damages, penalties, fines, assessments, liabilities, charges or other costs (including, without limitation, all attorneys' fees and expenses incurred in connection with enforcing this Lease or collecting any sums due hereunder and any claim or proceeding or any investigations undertaken hereunder) relating to, resulting from, or in connection with (a) any cause in connection with the Project, including, without limitation, the acquisition, design, construction, installation, equipping, operating, maintenance or use thereof; (b) any act or omission of the Tenant or any of its agents contractors, servants, employees or licenses in connection with the use or operation of the Project; (c) any cause in

connection with the issuance and sale of the Bonds, (d) a misrepresentation or breach of warranty by the Tenant hereunder or under any of the documents executed by the Tenant in connection with this Lease, or (e) any violation by the Tenant of any of its covenants hereunder or under any of the other documents executed by the Tenant in connection with the Bonds or this Lease. This indemnity is effective only with respect to any loss incurred by any Indemnified Person not due to willful misconduct, gross negligence, or bad faith on part of such Indemnified Person. In case any action or proceeding shall be brought against one or more Indemnified Person and with respect to which such Indemnified Person may seek indemnity as provided herein, such Indemnified Person shall promptly notify the Tenant in writing and the Tenant shall promptly assume the defense thereof, including the employment of counsel reasonable satisfactory to such Indemnified Person or Indemnified Persons, the payment of all expenses and the right to negotiate and consent to settlement; but the failure to notify the Tenant as provided shall not relieve Tenant from any liability of duty under this Section, so long as Tenant is given reasonable opportunity to defend such claim.

ARTICLE XV

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

ARTICLE XVI

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

ARTICLE XVII

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

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

(1) The full amount which is required to provide the Issuer and the Trustee with funds sufficient, in accordance with the provisions of the Indenture, to pay at maturity or to redeem and pay in full (A) the principal of all of the Outstanding Bonds, (B) all interest due thereon to date of maturity or redemption, whichever first occurs, and (C) all costs, expenses and premiums incident to the redemption and payment of said Bonds in full, plus

(2) $100.00.

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

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

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

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

Section 17.6. Option to Purchase Unimproved Portions of Land. The Tenant shall have the option to purchase at any time and from time to time during the Term any vacant part or vacant parts of the unimproved Land constituting a part of the Project; provided, however, the Tenant shall furnish the Issuer and the Trustee with a certificate of an Authorized Tenant Representative, dated not more than thirty (30) days prior to the date of the purchase and stating that, in the opinion of the Authorized Tenant Representative, (a) the portion of said Land with respect to which the option is exercised is not needed for the operation of the Project for the purposes herein stated, (b) the purchase will not impair the usefulness or operating efficiency or materially impair the value of the Project and will not destroy or materially impair the means of ingress thereto and egress therefrom, and (c) the purchase will not materially adversely affect compliance of the remaining Land and any Improvements with applicable zoning laws or regulations. The Tenant shall exercise this option by giving the Issuer and the Trustee written notice of the Tenant's election to exercise its option and specifying (i) the legal description, (ii) the date, time and place of closing, which date shall neither be earlier than 45 days nor later than 60 days after the notice is given, (iii) the appraised current fair market value of the portions of the Land with respect to which the Tenant's option is exercised as determined by an independent, qualified appraiser whose report shall be furnished to the Trustee together with the Tenant's notice of election to purchase, and (iv) a certificate signed by the chief executive or chief financial officer of the Tenant stating that no event has occurred and is continuing which, with notice or lapse of time or both, would constitute an Event of Default; provided, however, that the Tenant may not exercise this option if there has occurred and is continuing any event which, with notice or lapse of time or both, would constitute an Event of Default at the time said notice is given and may not purchase said real property on the specified closing date if any such event has occurred and is continuing on said date unless all defaults are cured. The option hereby given shall include the right to purchase a perpetual easement for right-of-way to and from the public roadway and the right to purchase such land as is necessary to assure that there will always be access between the real property purchased pursuant to these *Sections 17.6* through *17.10* and the public roadway.

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

Section 17.8. Closing of Purchase. If the Issuer has title to such vacant real property free and clear of all liens and encumbrances except as stated above or has such other title to the such real property as may be acceptable to the Tenant, then on the specified date, the Issuer shall deliver to the Tenant its special warranty deed, properly executed and conveying such real property to the Tenant free and clear of all liens and encumbrances except as stated above, and the Tenant shall pay the purchase price for such real property,

said purchase price to be paid to the Trustee for the account of the Issuer and deposited by the Trustee in the Debt Service Fund and shall be used to redeem Bonds on any date the Bonds are subject to optional redemption as provided in the Indenture. Nothing herein shall require the Issuer to deliver its special warranty deed to the Tenant until after all duties and obligations of the Tenant under this Lease to the date of such delivery have been fully performed and satisfied.

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

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

ARTICLE XVIII

Section 18.1. Damage and Destruction.

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

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

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

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

Section 18.2. Condemnation.

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

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

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

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

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

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

ARTICLE XIX

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

ARTICLE XX

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

(a) By written notice to the Tenant upon acceleration of maturity of the Bonds as provided in the Indenture, the Trustee acting on behalf of the Issuer may declare the aggregate amount of all unpaid Basic Rent or Additional Rent then or thereafter required to be paid under this Lease by the Tenant to be immediately due and payable as liquidated damages from the Tenant, whereupon the same shall become immediately due and payable by the Tenant.

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

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

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

(e) Having elected to reenter or take possession of the Project pursuant to subsection 20.1(c), the Trustee acting on behalf of the Issuer may (subject, however, to any restrictions against termination of this Lease in the Indenture), by notice to the Tenant given at any time thereafter while the Tenant is in Default in the payment of Basic Rent or Additional Rent or in the performance of any other

obligation under this Lease, elect to terminate this Lease in accordance with subsection 20.1(b) and thereafter proceed to exercise any remedies lawfully available.

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

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

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

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

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

ARTICLE XXI

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

demand, the Issuer shall have the same rights and remedies provided for in *Article XX* in the case of Default by the Tenant in the payment of Basic Rent.

ARTICLE XXII

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

ARTICLE XXIII

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

ARTICLE XXIV

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

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

ARTICLE XXV

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

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

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

ARTICLE XXVI

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

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

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

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

Notwithstanding anything in this Lease to the contrary, it is expressly understood and agreed by the parties hereto that (a) the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Tenant, an Owner(s) of Bonds or the Trustee as to the existence of any fact or state of affairs required to be noticed by the Issuer hereunder; (b) the Issuer shall not be under any obligation to perform any record-keeping or to provide any legal services, it being understood that such services shall be performed or provided either by the Tenant, the Trustee or the

Owner(s) of Bonds; and (c) that none of the provisions of this Lease shall require the Issuer to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless it shall have first been adequately indemnified to its satisfaction against the costs, expenses and liability which may be incurred by such action.

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

ARTICLE XXVII

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

ARTICLE XXVIII

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

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

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

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

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

Section 28.2. Granting of Easements. If no Event of Default under this Lease shall have happened and be continuing, the Tenant may, at any time or times, (a) grant easements, licenses and other rights or privileges in the nature of easements with respect to any property included in the Project, free from any rights of the Issuer or the Owner(s) of Bonds, or (b) release existing easements, licenses, rights-of-way and other rights or privileges, all with or without consideration and upon such terms and conditions as the Tenant shall determine, and the Issuer agrees, to the extent that it may legally do so, that it will execute and

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

Section 28.3. Security Interests. (a) The Issuer and the Tenant agree to execute and deliver all instruments (including financing statements and statements of continuation thereof) necessary for perfection of and continuance of the security interest of the Issuer in and to the Project. The Tenant hereby authorizes the Issuer to file or cause to be filed all such instruments required to be so filed and the Trustee to continue or cause to be continued the filings or liens of such instruments for so long as the Bonds shall be Outstanding.

(b) Under the Indenture, the Issuer will, as additional security for the Bonds assign, transfer, pledge and grant a security interest in its rights under this Lease to the Trustee. The Issuer hereby authorizes the Trustee to file financing statements or any other instruments necessary to perfect its security interest. The Trustee is hereby given the right to enforce, either jointly with the Issuer or separately, the performance of the obligations of the Tenant, and the Tenant hereby consents to the same and agrees that the Trustee may enforce such rights as provided in the Indenture and the Tenant will make payments required hereunder directly to the Trustee.

Section 28.4. Construction and Enforcement. This Lease shall be construed and enforced in accordance with the laws of the State. The provisions of this Lease shall be applied and interpreted in accordance with the rules of interpretation set forth in the Indenture. Wherever in this Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

Section 28.5. Invalidity of Provisions of Lease. If, for any reason, any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

Section 28.6. Covenants Binding on Successors and Assigns. The covenants, agreements and conditions herein contained shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 28.7. Section Headings. The section headings hereof are for the convenience of reference only and shall not be treated as a part of this Lease or as affecting the true meaning of the provisions hereof.

The reference to section numbers herein or in the Indenture shall be deemed to refer to the numbers preceding each section.

Section 28.8. Execution of Counterparts; Electronic Transactions. This Lease may be executed simultaneously in multiple counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument. The transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Issuer has caused this Lease to be signed by an authorized official, such signature to be attested by an authorized officer, and its official seal to be applied, as of the date first above written.

CITY OF PITTSBURG, KANSAS

By: _____
Mayor

[SEAL]

ATTEST:

By: _____
City Clerk

"ISSUER"

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS:
COUNTY OF CRAWFORD)

This instrument was acknowledged before me on the ____day of _____, 2014, by Monica Murnan, Mayor, and Tammy Nagel, City Clerk, of the City of Pittsburg, Kansas, a municipal corporation.

[SEAL]

_____
Notary Public

My Appointment Expires:

_____

IN WITNESS WHEREOF, the Tenant has caused this Lease to be signed by an authorized officer, as of the date first above written.

PINAMONTI PHYSICAL THERAPY, PA

By: _____
Name:
Title:

"TENANT"

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS:
COUNTY OF CRAWFORD)

This instrument was acknowledged before me on the ____ day of _____, 2014, by _____, _____ of Pinamonti Physical Therapy, PA, a Kansas professional association.

[SEAL]

_____
Notary Public

My Appointment Expires:

_____

KAB\600551.011\LEASE

(Tenant Signature Page to Lease)

APPENDIX A

FORM OF REQUISITION FOR PAYMENT OF PROJECT COSTS

CITY OF PITTSBURG, KANSAS
Project Fund
(Pinamonti Physical Therapy Project)
Payment Order No. _____

Security Bank of Kansas City
Wichita, Kansas
Attn: Corporate Trust Department

You are hereby authorized and directed by the undersigned, the Authorized Tenant Representative, acting on behalf of Pinamonti Physical Therapy, PA (the "Tenant") to disburse funds held by you as Trustee in the above mentioned Project Fund for the purposes and in the amounts set forth in the Payment Schedules attached hereto and incorporated herein by reference (the "Payment Schedules").

I hereby certify that the amounts requested in the attached Payment Schedules have either been advanced by the Tenant or are justly due to contractors, subcontractors, suppliers, vendors, materialmen, engineers, architects or other persons named in the Payment Schedules who have performed necessary and appropriate work in connection with any installation of machinery, equipment or personal property, or have furnished necessary and appropriate materials in the construction or acquisition of land, buildings and improvements constituting a part of the Project. I further certify that the fair value of such work or materials, machinery and equipment, is not exceeded by the amount requested, and such cost is one which may be capitalized for federal income tax purposes.

I further certify that, except for the amounts set forth in the Payment Schedules, there are no outstanding debts now due and payable for labor, wages, materials, supplies or services in connection with the construction of said buildings and improvements or the purchase and/or installation of machinery, equipment and personal property which, if unpaid, might become the basis of a vendor's, mechanic's, laborer's or materialmen's statutory or other similar lien upon the Land, the Project or any part thereof.

I further certify that no part of the amounts set forth in the Payment Schedules have been the basis for any previous withdrawal of any moneys from the said Project Fund.

I further certify that each of the representations and covenants on the part of the Tenant contained in the Lease dated as of December 1, 2014 by and between the City of Pittsburg, Kansas, as the Issuer, and the Tenant are now true and correct in all material respects and are now being materially complied with.

I further certify that the amounts set forth in the Payment Schedules constitute Project Costs, as said term is defined in the Lease, and that all insurance policies which are required to be in force as a condition precedent to disbursement of funds from the Project Fund pursuant to the provisions of *Section 6.1* of the Lease are in full force and effect.

DATED _____, 20___.

_____
Authorized Tenant Representative

EXHIBIT A - Payment Order No. _____

PAYMENT SCHEDULE
FOR BUILDINGS, IMPROVEMENTS AND
MISCELLANEOUS PROJECT COSTS

I hereby request payment of the amounts specified below to the payees whose names and addresses are stated below, and I certify that the description of the purchase or nature of each payment is reasonable, accurate and complete:

PAYMENT SCHEDULE

Payee Name	Payee Address	Purpose or Nature of Payment	Amount

_____
Initials

EXHIBIT B - Payment Order No. _____

PAYMENT SCHEDULE
FOR MACHINERY AND EQUIPMENT

I hereby request payment of the amounts specified below to the payees whose names and addresses are stated below. I certify that the description of the purchase or nature of each payment is reasonable, accurate and complete. I further certify that the items described are free and clear of any liens or security interests. I have attached to this schedule a copy of the purchase order or seller's invoice for each item, and, to the extent any payment is a reimbursement to the Tenant, a copy of the check tendered in payment for such item.

PAYMENT SCHEDULE

Payee Name	Description of Equipment	Amount
	(include name and address of seller, manufacturer, descriptive name, technical description, capacity, serial number of model number as appropriate)	

_____
Initials

APPENDIX B

FORM OF CERTIFICATE OF COMPLETION

CERTIFICATE OF COMPLETION

The undersigned, being the Authorized Tenant Representative for Pinamonti Physical Therapy, PA (the "Tenant"), as tenant under a certain Lease dated as of December 1, 2014 (the "Lease") between the City of Pittsburg, Kansas (the "Issuer") and the Tenant, and as beneficiary of the Issuer's Taxable Industrial Revenue Bonds, Series 2014 (Pinamonti Physical Therapy Project) issued pursuant to a certain Indenture dated as of December 1, 2014 (the "Indenture"), hereby certifies as follows. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture and Lease.

1. The Improvements have been substantially completed in accordance with the plans and specifications prepared at the Tenant's direction.

2. Such Improvements have been substantially completed in a good and workmanlike manner.

3. There are no mechanic's, materialmen's liens or other statutory liens on file encumbering title to the Land; all bills for labor and materials furnished for the Improvements which could form the basis of a mechanic's, materialmen's or other statutory lien against the Land have been paid in full, and within the past four months no such labor or materials have been furnished which have not been paid for.

4. All Improvements are located or installed upon the Land.

5. All material provisions of applicable building codes have been complied with and, if applicable, a certificate of occupancy has been issued with respect to the Project.

6. All moneys remaining in the Project Fund being held by the Trustee under the Indenture should be transferred to the Debt Service Fund being held by the Trustee under the Indenture as required by *Section 5.04* of the Indenture, to be applied as provided therein.

IN WITNESS WHEREOF, the undersigned Authorized Tenant Representative has signed this Certificate, and states, under penalty of perjury, that the statements of fact made in this Certificate are true and correct.

DATED _____, 20___.

_____
Authorized Tenant Representative

APPENDIX C

FORM OF REQUISITION FOR PAYMENT OF COSTS OF ISSUANCE

Request No._____ **Date:_____**

WRITTEN REQUEST FOR DISBURSEMENT FROM
CITY OF PITTSBURG, KANSAS
(PINAMONTI PHYSICAL THERAPY PROJECT)
PROJECT FUND

To: Security Bank of Kansas City
Wichita, Kansas
Attention: Corporate Trust Department,
as Trustee under the Indenture,
dated as of December 1, 2014

Capitalized terms not otherwise defined herein shall have the meanings set forth in such Indenture.

The undersigned hereby requests payment to the following payees the following amounts for the following Cost of Issuance:

Payee	Amount	Description of Cost of Issuance

The amount of this requisition is justly due and owing and has not been the subject of another requisition which was paid and is a proper Cost of Issuance incurred in connection with the issuance of the Series 2014 Bonds.

Invoices, statements, vouchers or bills for the amounts requested are attached hereto.

PINAMONTI PHYSICAL THERAPY, PA

By: _____
Authorized Tenant Representative

SCHEDULE I

SCHEDULE I TO THE INDENTURE, DATED AS OF DECEMBER 1, 2014, BETWEEN THE CITY OF PITTSBURG, KANSAS, AND SECURITY BANK OF KANSAS CITY, KANSAS CITY, KANSAS, AS TRUSTEE, AND TO THE LEASE AGREEMENT, DATED AS OF DECEMBER 1, 2014, BY AND BETWEEN CITY OF PITTSBURG, KANSAS AND PINAMONTI PHYSICAL THERAPY, PA

PROPERTY SUBJECT TO LEASE

(A) The following described real estate located in Crawford County, Kansas, to wit:

Tract I: Lots Numbered Five (5), Six (6) EXCEPT the East Ten (10) feet of Lot Six (6) and the South Half (S ½) of Lot Number Nine (9) in Mount Carmel Place Addition (Crawford County, Kansas), according to the recorded Plat thereof.

Tract II: The East Ten (10) feed of Lot Number Six (6) and all of Lot Number Seven (7) in Mount Carmel Place Addition (Crawford County, Kansas), according to the recorded Plat thereof.

said real property constituting the "Land" as referred to in the Lease, subject to Permitted Encumbrances.

(B) The buildings, improvements, equipment, fixtures and personal property now or hereafter acquired, constructed, or installed on the Land and financed or refinanced with proceeds of the Series 2014 Bonds, including but not limited to the following:

Physical therapy and wellness center.

The property described in paragraphs (A) and (B) of this *Schedule I*, together with any alterations or additional improvements properly deemed a part of the Project pursuant to and in accordance with the provisions of *Sections 10.3* and *10.4* of the Lease, constitute the "Project" as referred to in both the Lease and the Indenture.

City of Pittsburg
Southeast Kansas

DEPARTMENT OF PUBLIC WORKS (620) 231-4170
201 West 4th Street · Pittsburg KS 66762 www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: WILLIAM A. BEASLEY
Director of Public Works

DATE: November 17, 2014

SUBJECT: Agenda Item – November 25, 2014
Final Payment and Change Order No. 1
Street Widening – East Side of Homer Street North of Ford Street

---

The contractor, Goins Enterprises, of Joplin, Missouri, has completed all work on the above-referenced project and is now requesting final payment. City staff has reviewed the quantities on this project with the contractor and has prepared Change Order No. 1 reflecting an increase of $1,407.50 for the adjustment of quantities for this project as well as additional work outside the original scope of work.

- *Line Item 7 (7" Concrete Pavement)* – Quantity adjustment for areas of Homer Street where there was a void between the pavement and the sub-grade, and also for additional pavement removal north of the project limits.
- *New Line Item (1/2" Dowel Pines on 24" Centers)* - Added to keep the new and existing concrete panels from future settlement issues.
- *New Line Item (Concrete Differential (4000#/8-Sack)* – High early yield concrete was used in place of the 4000 lb. to allow completion of the project before PSU classes began.

The changes will bring the total project cost to $34,407.50 and make final payment to Goins Enterprises in the amount of $7,378.10.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, November 25, 2014. Action necessary will be approval or disapproval of Change Order No. 1 and for final payment to Goins Enterprises. If you recall, the funding for this project is being paid through street sales tax funds.

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

Attachment: Final Payment Documents
Change Order No. 1

DEPARTMENT OF PUBLIC WORKS

201 W. 4th Street · Pittsburg KS 66762

PROJECT: Street Widening - East Side of Homer Street

CONTRACTOR: Goins Enterprises
3255 N. County Lane 252
Joplin, MO 64801

Pay Application (Final)
Date: October 27, 2014

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	CONTRACT AMOUNT	CHANGE QUANTITY	UNIT	UNIT COST	NEW CONTRACT AMOUNT	UNIT COMPLETE	VALUE
1	Mobilization	1	L.S.	$ 3,200.00	$ 3,200.00					1	$ 3,200.00
2	Erosion Control	1	L.S.	$ 1,502.00	$ 1,502.00					1	$ 1,502.00
3	Site Restoration	1	L.S.	$ 2,000.00	$ 2,000.00					1	$ 2,000.00
4	Traffic Control	1	L.S.	$ 800.00	$ 800.00					1	$ 800.00
5	Contractor Construction Staking	1	L.S.	$ 900.00	$ 900.00					1	$ 900.00
6	Remove Structures	1	L.S.	$ 700.00	$ 700.00					1	$ 700.00
7	7" Concrete Pavement	384	S.Y.	$ 49.00	$ 18,816.00	-18.5	S.Y.	$ (906.50)	$ 17,909.50	365.5	$ 17,909.50
8	2'-6" Curb and Gutter	242	L.F.	$ 21.00	$ 5,082.00					242	$ 5,082.00
New	1/2" Dowels Pins On 24" Centers					629	Each	$ 3.50	$ 2,201.50	629	$ 2,201.50
New	Concrete Differential (4000 Lb./8-Sack)					7.5	C.Y.	$ 15.00	$ 112.50	7.5	$ 112.50

Original Contract Construction Amount	$ 33,000.00
Value of Completed Work	$ 34,407.50
Less Retainage	$ -
Less Previous Estimates	$ 27,029.40
Total Deductions	$ 27,029.40
Amount Due Contractor on this Estimate	$ 7,378.10

REQUESTED BY: GOINS ENTERPRISES

DATE: 10/31/14

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

DATE: 11-14-14

APPROVED BY: WILLIAM A. BEASLEY, DIRECTOR OF PUBLIC WORKS, CITY OF PITTSBURG

DATE: 11/14/14

Street Widening
East Side of Homer Street
Change Order No. 1

CONTRACTOR: Goins Enterprises

Date: October 27, 2014

3255 N. County Lane 252

Joplin, Missouri 64801

ORIGINAL CONTRACT CONSTRUCTION AMOUNT	$ 33,000.00
CHANGE ORDER NO. 1 DATED 10-27-2014	$ 1,407.50
NEW CONTRACT CONSTRUCTION AMOUNT	$ 34,407.50

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
7	7" Concrete Pavement	-18.5	SY	$ 49.00	$ (906.50)
NEW	1/2" Dowel Pins on 24" Centers	629	Each	$ 3.50	$ 2,201.50
NEW	Concrete Differential (4000#/8-Sack)	7.5	CY	$ 15.00	$ 112.50

TOTAL CHANGE ORDER NO. 1	$ 1,407.50
NEW CONTRACT CONSTRUCTION AMOUNT	$ 34,407.50
ENGINEERING AND INSPECTION (10%)	$ -
LEGAL AND ADMINISTRATIVE (5%)	$ -
NEW PROJECT TOTAL	$ 34,407.50

ACCEPTED BY: Goins Enterprises

Jim Thomas DATE: 10/30/14

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

Greg Hardister DATE: 11-14-14

APPROVED BY: William A. Beasley., Director of Public Works, City of Pittsburg

William A. Beasley DATE: 11/14/14

DATE OF APPROVAL BY CITY COMMISSION:_____

DEPARTMENT OF PUBLIC WORKS

201 W. 4th Street • Pittsburg KS 66762

FINAL PAYMENT DUE CONTRACTOR

PROJECT: Street Widening - East Side of Homer Street	Date: October 27, 2014	
CONTRACTOR: Goins Enterprises 3255 N. County Lane 252 Joplin, Missouri 64801		
ORIGINAL CONTRACT CONSTRUCTION AMOUNT	$	33,000.00
CHANGE ORDER NO. 1 DATED 10-27-2014	$	1,407.50
CHANGE ORDER NO. _ DATED _____	$	-
CHANGE ORDER NO. _ DATED _____	$	-
CHANGE ORDER NO. _ DATED _____	$	-
TOTAL CONSTRUCTION COST	$	34,407.50
Less Previous Payments	$	27,029.40
BALANCE DUE CONTRACTOR (FINAL PAYMENT)	$	7,378.10

ACCEPTED BY: Goins Enterprises

Jim Goins DATE: 10/31/14

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

Greg Hardister DATE: 11-14-14

APPROVED BY: William A. Beasley, Director of Public Works, City of Pittsburg

William A Beasley DATE: 11/14/14

DATE OF APPROVAL BY CITY COMMISSION: _____

GEORGE J. SIEBERS & CO., INC.

BONDS AND INSURANCE

TO: CITY CLERK
CITY OF PITTSBURG
PITTSBURG, KANSAS 66762

PROJECT: Street Widening
East Side of Homer

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

State of ~~Kansas~~ Missouri, JASPER County On this 3 day of November, 20~~0~~14, before me, a Notary Public in and for the aforementioned County and State, personally appeared CARRIE GOINS, to me known to be the identical person who executed the above statement. Teresa K. Batchelor Notary Public My Commission Expires: 10-21-17	Contractor: Goins Enterprises, Inc. By: Carrie Goins Title: President Seal: _____ (If Corporate)

TERESA K. BATCHELOR
MY COMMISSION EXPIRES
October 21, 2017
NOTARY SEAL
#13539466
JASPER COUNTY
NOTARY PUBLIC, STATE OF MISSOURI

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

IN WITNESS this 3rd day of November, ~~200x~~ 2014.

The Ohio Casualty Insurance Company

(SEAL):

Signature of Authorized Representative

ATTORNEY-IN-FACT and

RESIDENT AGENT.

cc: Engineering Division

OFFICERS

Mark E. Gardner
President

Larry Cramer
Executive Vice President

Donna K. Bukovaz
Vice President

Scott A. Duncan
Vice President

POST OFFICE BOX
P.O. BOX 9340
Merriam, Kansas
66201-2040

TOLL FREE NUMBER
1-800-255-0463

FAX NUMBER
1-913-236-5145

MAIN OFFICE IN KANSAS
1-913-236-4900

Merriam Oaks, Suite 111 • 8500 Shawnee Mission Parkway • Merriam, Kansas 66202

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.
This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Certificate No. 6515433

American Fire and Casualty Company
The Ohio Casualty Insurance Company
Liberty Mutual Insurance Company
West American Insurance Company

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That American Fire & Casualty Company and The Ohio Casualty Insurance Company are corporations duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Larry J. Cramer; Linda S. Reynolds; Lisa A. Lemon; Mark E. Gardner

all of the city of Merriam, state of KS each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 4th day of April, 2014.

American Fire and Casualty Company
The Ohio Casualty Insurance Company
Liberty Mutual Insurance Company
West American Insurance Company

By: David M. Carey
David M. Carey, Assistant Secretary

STATE OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 4th day of April, 2014, before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of American Fire and Casualty Company, Liberty Mutual Insurance Company, The Ohio Casualty Insurance Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Teresa Pastella, Notary Public
Plymouth Twp., Montgomery County
My Commission Expires March 28, 2017
Member, Pennsylvania Association of Notaries

By: Teresa Pastella
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of American Fire and Casualty Company, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV – OFFICERS – Section 12. Power of Attorney. Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII – Execution of Contracts – SECTION 5. Surety Bonds and Undertakings. Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Gregory W. Davenport, the undersigned, Assistant Secretary, of American Fire and Casualty Company, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 3rd day of November, 2014.

By: Gregory W. Davenport
Gregory W. Davenport, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

GEORGE J. SIEBERS & CO., INC.

BONDS AND INSURANCE

CONSENT OF SURETY

TO ~~REDUCTION IN OR~~

RELEASE OF RETAINAGE

Bond #674021942

PROJECT: Pittsburg Street Widening - East Side of Homer Street

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

CONTRACT FOR: Street Widening East Side of Homer

CONTRACT DATE: 2/6/14

In accordance with the provisions of the Contract between the Owner and the Contractor as indicated above, the The Ohio Casualty Insurance Company, Surety on bond of Goins Enterprises, Inc., Contractor, hereby approves the reduction in or partial release of retainage to the Contractor, as follows:

Release of Final Retainage

The Surety agrees that such reduction in or partial or total release of retainage to the Contractor shall not relieve the Surety of any of its obligations to:

, OWNER,

as set forth in the said Surety's bond.

IN WITNESS WHEREOF, Carrie Sow the Surety has hereunto set its hand this 3rd day of November, 20~~0~~14

~~ATTEST:~~ Cheryl L. La Nier
Witness

The Ohio Casualty Insurance Company
Surety

(SEAL)

Signature of Authorized Representative

Linda S. Reynolds, Attorney-in-Fact
Title

OFFICERS

Mark E. Gardner
President

Larry Cramer
Executive Vice President

Donna K. Bukovaz
Vice President

Scott A. Duncan
Vice President

POST OFFICE BOX
P.O. BOX 9340
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TOLL FREE NUMBER
1-800-255-0463

FAX NUMBER
1-913-236-5145

MAIN OFFICE IN KANSAS
1-913-236-4900

Merriam Oaks, Suite 111 • 8500 Shawnee Mission Parkway • Merriam, Kansas 66202

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.
This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Certificate No. 6515434

American Fire and Casualty Company
The Ohio Casualty Insurance Company
Liberty Mutual Insurance Company
West American Insurance Company

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That American Fire & Casualty Company and The Ohio Casualty Insurance Company are corporations duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Larry J. Cramer; Linda S. Reynolds; Lisa A. Lemon; Mark E. Gardner

all of the city of Merriam, state of KS each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 4th day of April, 2014.

American Fire and Casualty Company
The Ohio Casualty Insurance Company
Liberty Mutual Insurance Company
West American Insurance Company

By: David M. Carey
David M. Carey, Assistant Secretary

STATE OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 4th day of April, 2014, before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of American Fire and Casualty Company, Liberty Mutual Insurance Company, The Ohio Casualty Insurance Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Teresa Pastella, Notary Public
Plymouth Twp., Montgomery County
My Commission Expires March 28, 2017
Member, Pennsylvania Association of Notaries

By: Teresa Pastella
Teresa Pastella , Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of American Fire and Casualty Company, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV – OFFICERS – Section 12. Power of Attorney. Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII – Execution of Contracts – SECTION 5. Surety Bonds and Undertakings. Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Gregory W. Davenport, the undersigned, Assistant Secretary, of American Fire and Casualty Company, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 3rd day of November, 2014.

By: Gregory W. Davenport
Gregory W. Davenport, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

Policy & Research
915 SW Harrison St
Topeka KS 66612-1588
Nick Jordan, Secretary
Richard Cram, Director

Kansas
Department of Revenue

Phone: 785-296-3081
FAX: 785-296-7928
www.ksrevenue.org
Sam Brownback, Governor

STATE OF KANSAS
PROJECT COMPLETION CERTIFICATION

TO: City of Pittsburg
Name of Entity to whom Project Exemption Certificate was Issued

201 W 4th St	Pittsburg	KS	66762
Street Address	City	State	Zip Code

This is to certify, to the best of my knowledge and belief, that all materials purchased under **Exemption Certificate Number** 0000041500 , issued by the Kansas Department of Revenue, were incorporated into the building or project for which the exemption was issued and were entitled to an exemption pursuant to K.S.A. 79-3606(c), (d), (e), (xx), (aaa), (ccc), (iii), (qqq), (sss), (ttt), (uuu), (xxx) and (yyy) as amended.

Goins Enterprises
Contractor / Subcontractor

3255 N. County Lane 252
P.O. Box and/or Street Number and Name

Joplin, Missouri 64801
City, State Zip

Jim Cram
Signature and Title of Authorized Representative

10/31/18
Date

INSTRUCTIONS

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

PR-77 (Rev. 05/07)

City of Pittsburg
Southeast Kansas

DEPARTMENT OF PUBLIC UTILITIES (620) 240-5126
303 Memorial Drive · Pittsburg KS 66762 www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: MATT BACON
Assistant Director of Public Utilities

DATE: November 17, 2014

SUBJECT: Agenda Item – November 25, 2014
Final Payment and Change Order No. 1
Meadowbrook Mall Sanitary Sewer Extension Project

The contractor, Polston Construction Co., Inc., of Lamar, Missouri, has completed all work on the above-referenced project and is now requesting final payment. City staff has reviewed the quantities on this project with the contractor and has prepared Change Order No. 1 reflecting a deduct of $2,442.00 for the adjustment of quantities for this project. The changes will bring the total project cost to $84,381.00 and make final payment to Polston Construction Co., Inc. in the amount of $9,741.66.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, November 25, 2014. Action necessary will be approval or disapproval of Change Order No. 1 and for final payment to Polston Construction Co., Inc. If you recall, the EDAC approved the amount up to $250,000 in Revolving Loan Funds to make the necessary infrastructure improvements for the future Meadowbrook West Project.

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

Attachment: Final Payment Documents
Change Order No. 1

PARTIAL PAYMENT ESTIMATE NUMBER 1
Meadowbrook Mall Sanitary Sewer Extension

DATE: 10/28/2014

City of Pittsburg
Sanitary Sewer Extension
Contractor: POLSTON CONSTRUCTION, INC.
280 NE 1st Ln
Lamar, Mo 64759

ITEM NO.	DESCRIPTION	UNIT	NO. OF UNITS	UNIT COST	TOTAL COST	PLAN UNITS
1	Mobilization	Lump Sum	1	$ 2,300.00	2,300.00	1
2	Erosion Control	Lump Sum	1	1,880.00	1,880.00	1
3	Site Restoration	Lump Sum	1	4,828.00	4,828.00	1
4	Traffic Control	Lump Sum	1	3,700.00	3,700.00	1
5	Contractor Construction Staking	Lump Sum	1	2,035.00	2,035.00	1
6	Pavement Removal	S.Y.	45	21.00	945.00	56
7	Asphalt Pavement Replacement	S.Y.	45	183.00	8,235.00	56
8	Aggregate Base (AB-3)(6")	S.Y.	45	18.00	810.00	56
9	Precast Mahole ' Type A'	Each	7	2,500.00	17,500.00	7
10	10" Sewer Pipe	L.F.	954	24.00	22,896.00	954
11	8" Sewer Pipe	L.F.	755	22.00	16,610.00	755
12	Service Connection (Westco)	Lump Sum	1	1,427.00	1,427.00	1
13	Aggregate Ditch Lining D_{50} (6")	Tons	27	45.00	1,215.00	27
		Total Completed To Date:			$ 84,381.00	$86,823.00
		Retainage			$ -	
		Total of Previous Payments			$ 74,639.34	
		Amount Due This Estimate			**$ 9,741.66**	

Requested By: Polston Constrution, Inc.

Name:

Reviewed By: Project Engineer

Name: Bruce D. Remsberg, P.E.

Approved By: City of Pittsburg

Name:

CHANGE ORDER

Order No. 1

Date: 10/28/14

PEC Project No. 335-13E29-0830

Agreement Date: 10/08/13

NAME OF PROJECT: Meadowbrook Mall Sanitary Sewer Extension

OWNER: City of Pittsburg, Kansas

CONTRACTOR: Polston Construction, Inc.

Changes are hereby made to the CONTRACT DOCUMENTS as listed and described below:

1. Quantity Deduct on bid item #6 – Pavement Removal. The construction operation did not require the 56 S.Y. projected in the plan quantities. Only 45 S.Y. was required for construction. Deduct Cost = 11 S.Y. @ $21.00 = $231.00.

2. Quantity Deduct on bid item #7 – Asphalt Pavement Replacement. The construction operation did not require the 56 S.Y. projected in the plan quantities. Only 45 S.Y. was required for construction. Deduct Cost = 11 S.Y. @ $183.00 = $2013.00.

3. Quantity Deduct on bid item #8 – Aggregate Base. The construction operation did not require the 56 S.Y. projected in the plan quantities. Only 45 S.Y. was required for construction. Deduct Cost = 11 S.Y. @ $18.00 = $198.00.

Change to BID PRICE

BID PRICE :	$86,823.00
The CONTRACT PRICE due to this CHANGE ORDER will be DECREASED by:	$2,442.00
The CONTRACT PRICE after this CHANGE ORDER will be:	$84,381.00

CONTRACT TIME:

CONTRACT TIME:	90 Calendar Days To Substantial Completion And 110 Calendar Days to Final Completion
The CONTRACT TIME due to this CHANGE ORDER will be:	UNCHANGED
The CONTRACT timr after this CHANGE ORDER will be:	90 Calendar Days To Substantial Completion And 110 Calendar Days to Final Completion

Approved by: _____ City of Pittsburg

Prepared by: _____ P.E.C., P.A.

Requested by: _____ Polston Construction, Inc.

Polston Construction
Mike Polston
280 NE 1st Lane • Lamar, MO 64759
(417) 682-9217

CONSENT OF SURETY

TO REDUCTION IN OR

RELEASE OF RETAINAGE

PROJECT: Meadowbrook Mall Sanitary Sewer Extension

TO: City Clerk
City of Pittsburg
Pittsburg, Kansas 66762

CONTRACT FOR: $84381.00

CONTRACT DATE: October 8 2013

In accordance with the provisions of the Contract between the Owner and the Contractor as indicated above, the Old Republic Surety Company, Surety on bond of Polston Construction Inc, Contractor, hereby approves the reduction in or partial release of retainage to the Contractor, as follows:

Original contract Price	$86,823.00
less change order	-2,442.00
Final Contract Price	$84,381.00

The Surety agrees that such reduction in or partial or total release of retainage to the Contractor shall not relieve the Surety of any of its obligations to:

City of Pittsburg, Kansas Meadowbrook Mall Sanitary Sewer Extention, OWNER, as set forth in the said Surety's bond.

IN WITNESS WHEREOF, Old Republic Surety Company the Surety has hereunto set its hand this 4th day of November, 2004.

ATTEST:

(SEAL)

Old Republic Surety Company
Surety

Roberta Jones Murray
Signature of Authorized Representative

Attorney-in-fact
Title

Polston Construction
Mike Polston
280 NE 1st Lane • Lamar, MO 64759
(417) 682-9217

TO: **CITY CLERK**
CITY OF PITTSBURG
PITTSBURG, KANSAS 66762

PROJECT: Meadowbrook Mall Sanitary Sewer Extension

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

State of Jasper County On this 4th day of Nov, 2014, before me, a Notary Public in and for the aforementioned County and State, personally appeared Mike Polston, to me known to be the identical person who executed the above statement. Arlene Crouch Notary Public My Commission Expires: 2-3-16	Contractor: Polston Construction Inc By: [signature] Title: President Seal: Barb Polston (If Corporate)

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

IN WITNESS this 4th day of November, 2014.

(SEAL):

Roberta Evans Murray
Signature of Authorized Representative

ATTORNEY-IN-FACT

RESIDENT AGENT.

cc: Engineering Division

Waiver of Lien
Unconditional
Final

To whom it Concern:

Whereas, the undersigned HD Supply Waterworks has been employed by Polston Construction to furnish water and /or sewer material for the said premises know as Meadowbrook Mall in Pittsburg, Kansas

NOW, THEREFORE, the undersigned, for and in consideration of the sum of $7,660.61 valuable consideration, the receipt whereof is hereby acknowledged by the undersigned, does HEREBY WAIVE AND RELEASE to the extent only of the aforesaid amount of $7,660.61paid simultaneously herewith, the lien or right to or with respect to and on the above described premises and the improvements thereon, and on the material, fixtures, apparatus or machinery, furnished, and on the moneys or other considerations due or to become due from the owner, on account of labor, or materials or both, furnished by the undersigned, to or on account of the said contractor or the said owner, for the above-described premises.

Dated this 1st day of October, 2014.

HD Supply Waterworks

Mary Carol Melling

Signature of authorized representative

WAIVER AND RELEASE OF LIE

WHEREAS, the undersigned Midwest Minerals
(Name of Manufacturer, Materialman, or Subcontractor)

has furnished to Polston Construction, Inc. the following
(Name of Contractor)

Rock for use in the construction of a project
(Kind of Material & Services Furnished)

belonging to Pittsburg, Meadowbrook Mall Sewer

NOW, THEREFORE, the undersigned Midwest Minerals
(Name of Manufacturer, Materialman, or Subcontractor)

for and in consideration of $ Paid in Full

and other good and valuable consideration, the receipt whereof is hereby acknowledged, do(es) hereby waive and release any and all liens or right to or claim of lien, on the above-described project and premises, under any law, common or statutory, on account of labor or materials, or both, heretofore or hereafter furnished by the undersigned to or for the account of said:

Polston Construction, Inc for said Project
(Name of Contractor)

Given under my (our) hand(s) and seal(s) this 16TH day of APRIL 2014

Midwest Minerals
(Name of Manufacturer, Materialman, or Subcontractor)

By John Clark Controller President, Vice President, Partner, or Owner, or, if signed by other than one of the foregoing, accompanied by Power of Attorney, signed by one of the foregoing in favor of the Signer. (Use designation applicable

Jean E. Baugh
Notary Public
State of Kansas
My Appt. Exp. 6/30/16

WAIVER AND RELEASE OF LIE

WHEREAS, the undersigned, Scurlock Industries
(Name of Manufacturer, Materialman, or Subcontractor)

has furnished to Polston Construction, Inc. the following
(Name of Contractor)

concrete manholes for use in the construction of a project
(Kind of Material & Services Furnished)

belonging to Pittsburg Meadowbrook Mall Sewer
NOW, THEREFORE, the undersigned, Scurlock Industries
(Name of Manufacturer, Materialman, or Subcontractor)

for and in consideration of $ Paid in Full
INVOICE # 5641 only.
and other good and valuable consideration, the receipt whereof is hereby acknowledged, do(es) hereby waive and release any and all liens or right to or claim of lien, on the above-described project and premises, under any law, common or statutory, on account of labor or materials, or both, heretofore or hereafter furnished by the undersigned to or for the account of said:

Polston Construction, Inc for said Project.
(Name of Contractor)

Given under my (our) hand(s) and seal(s) this 18 day of August 2014

Scurlock Industries
(Name of Manufacturer, Materialman, or Subcontractor)

By [signature] General Manager President, Vice President, Partner, or Owner, or, if signed by other than one of the foregoing, accompanied by Power of Attorney, signed by one of the foregoing in favor of the Signer. (Use designation applicable)

Policy & Research
915 SW Harrison St
Topeka KS 66612-1588
Nick Jordan, Secretary
Richard Cram, Director

Kansas
Department of Revenue

Phone: 785-296-3081
FAX: 785-296-7928
www.ksrevenue.org
Sam Brownback, Governor

STATE OF KANSAS
PROJECT COMPLETION CERTIFICATION

TO: City of Pittsburg
Name of Entity to whom Project Exemption Certificate was Issued

201 W 4th St	Pittsburg	KS	66762
Street Address	City	State	Zip Code

This is to certify, to the best of my knowledge and belief, that all materials purchased under **Exemption Certificate Number** 0000039612 , issued by the Kansas Department of Revenue, were incorporated into the building or project for which the exemption was issued and were entitled to an exemption pursuant to K.S.A. 79-3606(c), (d), (e), (xx), (aaa), (ccc), (iii), (qqq), (sss), (ttt), (uuu), (xxx) and (yyy) as amended.

Polston Construction, Inc.
Contractor / Subcontractor

280 NE 1st Lane, P.O. Box 605
P.O. Box and/or Street Number and Name

Lamar, Missouri 64759
City, State Zip

President
Signature and Title of Authorized Representative

11-3-14
Date

INSTRUCTIONS

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

PR-77 (Rev. 05/07)

City of Pittsburg
Southeast Kansas

DEPARTMENT OF PUBLIC UTILITIES
303 Memorial Drive · Pittsburg KS 66762
(620) 240-5126
www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: MATT BACON
Assistant Director of Public Utilities

DATE: November 18, 2014

SUBJECT: Agenda Item – November 25, 2014
Disposition of Bids
Fiber Optics Materials, Accessories and Components

Bids were scheduled to be received on Tuesday, November 18, 2014 for the purchase of fiber optics materials, accessories and components to be utilized in the construction of the fiber optics improvements/communications backbone. However, an irregularity in the bid was found prior to bid letting. Staff is, therefore, requesting the Governing Body to reject the bids and to authorize the bid specifications to be revised and re-bid at a later date. If approved, staff will return the unopened bids to the bidders with a word of encouragement to re-bid once the revised bid specifications are available.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, November 25, 2014. Action necessary will be approval or disapproval of staff's request to reject the bids and, if approved, authorize City staff to revise the bid specifications and to re-bid at a later date.

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

City of Pittsburg
Southeast Kansas

DEPARTMENT OF PUBLIC UTILITIES
303 Memorial Drive · Pittsburg KS 66762
(620) 240-5126
www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: MATT BACON
Assistant Director of Public Utilities

DATE: November 17, 2014

SUBJECT: Agenda Item – November 25, 2014
Surplus Property Declaration for Disposal to be Utilized for Trade In Value for the Purchase of a New Street Sweeper Under the State of Missouri Purchasing Contract

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The Department of Public Utilities is seeking Governing Body action to declare the following equipment surplus property to be disposed of and utilized as trade in value for the purchase of a new street sweeper:

EQUIPMENT CODE	MAKE	MODEL	SERIAL NUMBER
337-012	2006 Schwarze Sweeper	M6000	1FVAC8CS47H858277

In the past, the City has utilized the State of Kansas purchasing contract to purchase vehicles/equipment. Unfortunately, the State of Kansas does not have a purchasing contract for street sweepers.

Upon further investigation, the City found that Elliott Equipment Co., a vendor serviced out of Grandview, Missouri, currently holds the State of Missouri purchasing contract and is willing to honor the State of Missouri purchasing contract for the purchase of a new street sweeper. After review of other models available through the MODOT contract, the City is seeking permission to purchase a 2014 Schwarze Model A7 Tornado Regenerative Air Street Sweeper mounted on a 2015 Model Freightliner M2 Conventional Chassis in the net after trade amount of $172,643.00 (total purchase price of $199,143.00 less the trade in price of $26,500.00).

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, November 25, 2014. Action being requested is for the City Commission to declare the above equipment surplus property for disposal and to be utilized for trade in value of the purchase of a new Schwarze Sweeper under the State of Missouri purchasing contract.

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

Attachment: Elliott Equipment Co. Proposal

November 17, 2014

Matt Bacon
Asst. Director of Public Utilities
City of Pittsburgh
1301 N Walnut St
Pittsburgh, KS 66762

Re: Schwarze Model A7 Tornado / Freightliner M2 – Missouri DOT State Contract #3-120223RJ

Dear Lanny,

Listed below is a proposal for a 2014 Schwarze Model A7 Tornado Regenerative Air Street Sweeper mounted on a 2015 model Freightliner M2 conventional chassis based on the current Missouri Department of Transportation State Sweeper Contract #3-120223RJ. Both the sweeper and chassis are equipped with all of the standard features, plus the following options, deducts and adders:

1- 2014 Schwarze A7 Tornado Regenerative Air Street Sweeper Mounted on 2015 Freightliner M2 Chassis both equipped per the current MDOT State Sweeper Contract specifications:
1- Dual 44 inch Diameter Gutter Brooms
1- Dual Hydraulic In-Cab Gutter Broom Tilt
1- Drop Down Hopper Screens
1- 250 Gallon Dust Suppression
1- In-Cab Water Gauge
1- In-Cab Leaf Bleeder Indicator
1- Front Bumper Spray Bar
1- Rear Mounted Strobe with Guard
1- Dual Air Ride Seats
1- Air Horn
1- Bendix AD9 Air Dryer
1- Dual Steering with Dual Gauge Package
1- Rotating Sweeper Console

The following are to be deducted from the main bid price as they are included in the base pricing of the state contract, but not included on the demonstrator. Each of these options are noted on the MDOT State Sweeper Contract Option Forms:

1- Deduct Mechani-Pneumatic Broom Assist Head
1- Deduct Gutter Broom/Sweeping Head Standby System
1- Deduct Linex Hopper Coating

1- Deduct Low Hydraulic Shutdown System
1- Deduct Sweeping Head Hour Meter
1- Deduct Solar Arrowboard
1- Deduct Cab Mounted Strobe with Guard
1- Deduct Extra Floodlight
1- Deduct Special Paint
1- Deduct Auto Lubrication System for Chassis and Sweeper
1- Deduct Load Weight Alarm & Indicator
1- Deduct Water Tank Low Level Indicator In Cab

The Following are additions to the MDOT State Sweeper Specification

1- Add John Deere 115HP Auxiliary Engine in lieu of 99HP
1- Add Dual Gutter Extension Override (GEO) System
1- Add Remote Blower Fan Grease Fittings
1- Add Traffic Guide Arrowboard with In-Cab Controls
1- Add Dual Camera System with In-Cab Monitor
1- Add 12" Parabolic Mirrors
1- Add Hopper Conical Deluge System

2- Freight / Training

TOTAL	**$199,143.00**
TRADE-IN	**<$26,500.00>**
NET AFTER TRADE	**$172,643.00**

Terms: Net Due 30 Days; MSO Delivered After Payment

Please feel free to contact me with any questions or concerns @ 417-540-3327 or brett@elliottequipco.com

Sincerely,

Brett Parker
Sales Representative
Elliott Equipment Company
14001 Botts Road
Grandview, MO 64030

City of Pittsburg
Southeast Kansas

DEPARTMENT OF PUBLIC UTILITIES
303 Memorial Drive · Pittsburg KS 66762
(620) 240-5126
www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: Matt Bacon
Assistant Director of Public Utilities

DATE: November 17, 2014

SUBJECT: Agenda Item – November 25, 2014
Purchase of New Slope Mower
Under State of Missouri Purchasing Contract

The Department of Public Utilities is seeking Governing Body action to approve the purchase of a Tiger Prowler, SP52 Slope Mower. In the past, the City has utilized the State of Kansas purchasing contract to purchase vehicles/equipment. Unfortunately, the State of Kansas does not have a purchasing contract for slope mowers.

Upon further investigation, the City found that Tiger Corporation currently holds the State of Missouri purchasing contract and is willing to honor the State of Missouri purchasing contract for the purchase of a new Slope Mower. Sellers Equipment of Wichita, Kansas, will be the servicing dealer. After reviewing other models available through the MODOT contract, the City is seeking permission to purchase a Tiger Prowler SP52 Slope Mower in the amount of $65,622.00.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, November 25, 2014. Action necessary will be approval or disapproval of staff's request to purchase the new equipment utilizing the State of Missouri purchasing contract.

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

Attachment: Tiger Corporation Proposal

Ship to:	SELLERS EQUIPMENT WICHITA KS SERVICING DEALER		
Bill to:	CITY OF PITTSBURG, KS		
End User	CITY OF PITTSBURG, KS		
End User Contact	MATTHEW BACON	PO#	
Quote#	2042 CJ	Order Date:	
Dealer Contact	DAVID AUSTIN	Quote Date:	11/17/14
DLR Phone / Fax		Requested ship date:	IN STOCK (CAN DELIVER IN 2WKS)
Dealer Email		State contract order	MO #3-121024RJ CONTRACT

Tiger™ CORPORATION

Please direct questions to:

Ph: 800-843-6849 EXT 3
orders@tigermowers.com

PROWLER

REMOTE CONTROL ROTARY MOWER

HOW TO ORDER: You must select one item from Section 1 for a complete PROWLER Mower.

Qty	Order Code	Description	Approx. (lbs)			Contract Price
	SECTION 1 - Choose a Base Unit					
1	06102120	Tiger Prowler, SP52	2800			$ 65,622.00
	INCLUDES:	Remote Controlled, Tracked rotary mower, 52" cutting deck, 747 cc Command Pro Kohler engine with EFI, Rear Rubber safety shield, Steel Front safety shields, Dual 3.2 gallon fuel tanks, Automatic/manual braking system. Unit comes standard with grass/mulching blades.				
		SECTION 2 - OPTIONS				
	PT604358	Brush Guard Kit	18	$	285	$ -
	PT604734	High Capacity Air Filter Assembly	12	$	432	$ -
	PT604578	Grass/Mulching Blade Kit (right/left mulching knives)	11	$	132	$ -
	PT604540	Brush/Swing Blade Kit (blade bar, hardware, and left/right swing blades)	12	$	184	$ -
	PT604566	Brush/Swing Blade Tip Kit (12 blade tips with hardware - 3 blade changes)	38	$	212	$ -
	PT604700	Steel gas tanks - set	80	$	1,145	$ -
	PT604548	C.A.R.B.* Kit (California Air Resources Board emmissions requirements - dealer installed)	8	$	635	$ -
		Parts Kit (all belts, air filters & fuel filter)	15	$	475	$ -

PROWLER TRAILER

HOW TO ORDER: You must select one item from Section 1 for a complete PROWLER Trailer.

Qty	Order Code	Description	Approx. (lbs)			Dlr Net
	SECTION 1 - Choose a Base Unit					
	06520458	Trailer for Tiger Prowler SlopePro Mower	650	$	3,850	$ -
	INCLUDES:	Specifically designed trailer for hauling the Prowler mower. Open underneath for ease of blade change and maintenance. Includes: Electric brakes, Ramps, Tool Box, Spare Rim & Tire with mounting brackets and hardware. Trailer GVWR is # 3500.				
		ADDITIONAL OPTIONS FROM PRICE LIST				
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
		Totals				$ 65,622.00

City of Pittsburg
Southeast Kansas

DEPARTMENT OF PUBLIC UTILITIES (620) 240-5126
303 Memorial Drive · Pittsburg KS 66762 www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: MATT BACON
Assistant Director of Public Utilities

DATE: November 17, 2014

SUBJECT: Agenda Item – November 25, 2014
Purchase of Vehicles

Staff obtained State contract pricing for the purchase of the 2014 Budgeted Vehicles and is requesting Governing Body approval to purchase the following:

<u>One (1) New 2015 F150 XL, Crew Cab, 4x4</u>

<u>Five (5) New 2015 F150 XL, Super Cab, 4x4</u>

<u>One (1) New 2015 F250 Super Cab, 4x2</u>

<u>One (1) New 2015 F250 Regular Cab, 4x4</u>

<u>One (1) New 2015 Ford Fusion Hybrid S</u>

Final purchase amount: $170,205.00.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, November 25, 2014. Action necessary will be approval or disapproval of staff's recommendation to award the bids to Shawnee Mission Ford per State Contract No. 00000000000000000000039706 and, if approved, authorize the issuance of the necessary purchase requisitions.

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

Shawnee Mission Ford, Inc.

11501 SHAWNEE MISSION PARKWAY • P.O. BOX 3179
SHAWNEE, KANSAS 66203-0179 • 913/631-0000 • FAX 913/631-7325

November 19, 2014

Matt Bacon
1506 N Walnut St
Pittsburg, KS 66762

State of Kansas

Group III

2015 Ford Fusion Hybrid S
Exterior: Oxford White

Base Price:	$23,041
Options:	
• Delivery	$120
Total	$23,161

Group VII

2015 Ford F-150 XL
Exterior: Race Red
Interior: 40/20/40 Vinyl (AG)

Base Price	$18,414
Options:	
• Cruise Control (50S)	$192
• Power Group (85A)	$998
• Trailer Tow (53A)	$422
• Crew Cab 4x4 Short Bed(W1E /145)	$6,039
• 2.7L Eco Boost	$678
• Delivery:	$120
Total	$26,863

Shawnee Mission Ford, Inc.

11501 SHAWNEE MISSION PARKWAY • P.O. BOX 3179
SHAWNEE, KANSAS 66203-0179 • 913/631-0000 • FAX 913/631-7325

Group VII

2015 Ford F-150 XL
Exterior: White
Interior: 40/20/40 Vinyl (AG)

Base Price:	$18,414		
Options:			
• Power Group (85A)	$998		
• Super Cab Short Bed 4x4 (X1E/145)	$3,806		
• 2.7L Eco Boost	$678		
• Delivery	$120		
Total	$24,016	@ 5	$120,080

Group VIII

2015 Ford F-250
Exterior: White

Base Price	$20,939
Options:	
• Super Cab 4x2 8' Bed (X2A/158)	$2,195
• Bed Delete (66D/512)	$(250)
• Power Group (90L)	$763
• Delivery:	$120
Total	$23,767

Group VIII

2015 Ford F-250
Exterior: White

Base Price	$20,939
Options:	
• Regular Cab 4x4 (F2B)	$2,544
• Power Group (90L)	$763
• Delivery:	$120
Total	$24,366

Thank you for your time and interest.
Sincerely,
Jay Cooper
Government Fleet Sales

City of Pittsburg
Southeast Kansas

DEPARTMENT OF PUBLIC UTILITIES
303 Memorial Drive · Pittsburg KS 66762
(620) 240-5126
www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: MATT BACON
Assistant Director of Public Utilities

DATE: November 18, 2014

SUBJECT: Agenda Item – November 25, 2014
Surplus Property

The Department of Public Utilities is requesting Governing Body action to declare the following vehicles as surplus:

337-022	1999	Ford	Econoline	1FTRE1425XHB16980
336-002	2001	Chevrolet	S-10	1GCDT19W418227507
337-014	1987	Chevrolet	1 Ton Truck	1GBJR34J2HS16948
320-034	1999	Ford	F150	1FTZF1728XKB24308
320-005	2000	Chevrolet	1Ton Truck	1GBJC34F9YF471492
341-010	1997	Ford	F150	1FTDF1720VKD51483
341-009	1990	Chevrolet	3/4 Ton Truck	1GCGC24K9LE262507
341-003	1992	Ford	F150	1FTDF15N9NPA60576

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, November 25, 2014. Action being requested is for the City Commission to declare the above vehicles as surplus and give permission to City staff to dispose of the vehicles either through the receipt of sealed bids or to sell for salvage.

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

City of Pittsburg
Southeast Kansas

DEPARTMENT OF PLANNING AND COMMUNITY SERVICES
201 West 4th Street · Pittsburg KS 66762
(620) 231-4170
www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: TROY GRAHAM
Director of Planning and Community Services

DATE: November 18, 2014

SUBJECT: Agenda Item – November 25, 2014
Jerald Gobl Property Donation

Jerald Gobl would like to donate a 50' x 142" lot (Lot 48, Forest Park 2nd Addition) located at 729 W. 3rd Street, which is just south of the Paul B. Leffler Rotary Park, to the City. Mr. Gobl lives in Fort Scott, Kansas, and has no need for the land, so he would like to donate it to the City for future use of our choice.

The Department of Planning and Community Services sees this as an opportunity to utilize the lot for future housing development or for use by Parks and Recreation due to its close proximity to the existing park and the Watco Trail.

A title search has been conducted by Pittsburg Title, LLC and it is clear. All 2014 taxes have been paid on the property.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, November 25, 2014. Action necessary will be approval or disapproval of accepting the land offered for donation by Jerald Gobl at 729 W. 3rd Street and, if approved, authorize the City Clerk to draft a letter accepting the donation to Mr. Jerald Gobl, 1317 Arrowhead Rd., Fort Scott, KS 66701.

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

City of Pittsburg
Southeast Kansas

DEPARTMENT OF PUBLIC WORKS
201 West 4th Street · Pittsburg KS 66762
(620) 231-4170
www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: WILLIAM A. BEASLEY
Director of Public Works

DATE: November 17, 2014

SUBJECT: Agenda Item – November 25, 2014
18th Street and 19th Street at Pine Street
Authority to Install Stop Signs

Staff would like to request approval to install stop signs on 18th Street and 19th Street at the Pine Street intersections. A stop sign was placed on 19th Street at Pine Street as a result of the Broadway and 20th Street Intersection Improvements to control the additional traffic through this intersection. The 18th Street intersection had yield signs on 18th Street that were recently replaced with stop signs due to the lack of people observing the signs. With the improvements to the intersection of Broadway and 20th Street, staff feels more traffic will travel Walnut Street and Pine Street to get to this intersection. This puts more pressure on these intersections and the need to allow Pine Street as a through street and stopping traffic on 18th Street and 19th Street.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, November 25, 2014. Action necessary will be approval or disapproval of staff's recommendation and, if approved, authorize the City staff to erect the necessary stop signs.

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

City of Pittsburg
Southeast Kansas

DEPARTMENT OF PLANNING AND COMMUNITY SERVICES
201 West 4th Street · Pittsburg KS 66762
(620) 231-4170
www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: TROY GRAHAM
Director of Planning and Community Services

DATE: November 18, 2014

SUBJECT: Agenda Item – November 25, 2014
Appointment/Reappointment to Board of Zoning Appeals

The terms of Joseph Caskey and Sara Henry as members of the Board of Zoning Appeals expire December 31st, 2014. Mr. Caskey is serving a first term and is eligible for reappointment and has expressed a desire to serve another term. Ms. Henry is serving a second term and is not eligible for reappointment. Aaron McConnell is also leaving the Board due to his relocation to another area. He was serving a first term to expire December 31st, 2016, so it will be necessary to appoint a new member to serve the unexpired term.

In soliciting individuals who might be interested in serving on the Board, both Dr. Tim Bailey and Bob Gilmore have indicated they would like to be considered for appointment to the Board. Dr. Bailey has served on the Board of Zoning appeals in the past and Bob Gilmore is currently serving on the Planning and Zoning Commission but would also like to serve on the Board of Zoning Appeals.

Would you please place an item on the agenda for the City Commission meeting scheduled for Tuesday, November 25th, 2014. Action being requested is reappointment of Mr. Caskey to a second term effective January 1st, 2015 and to expire December 31st, 2017; appointment of Bob Gilmore to serve the unexpired term of Mr. McConnell effective January 1st, 2015 and to expire December 31st, 2016; and the appointment of Dr. Tim Bailey to serve a first term effective January 1st, 2015 and to expire December 31st, 2017.

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

City of Pittsburg
Southeast Kansas

DEPARTMENT OF PLANNING & COMMUNITY SERVICES
201 West 4th Street · Pittsburg KS 66762
(620) 231-4170
www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: TROY GRAHAM
Director of Planning and Community Services

DATE: November 19, 2014

SUBJECT: Agenda Item – November 25, 2014
Appointment/Reappointment to the Planning and Zoning Commission

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The terms of Dave Holloman, Timothy Kundiger and Wes Streeter on the Planning and Zoning Commission expire on December 31st, 2014. Mr. Holloman is serving an unexpired term and is eligible for reappointment and has expressed a desire to serve again. Mr. Kundiger is serving a first term and is eligible for reappointment and has expressed a desire to serve again. Mr. Streeter is moving from the area and will not be eligible for reappointment.

In soliciting individuals who might be interested in serving on the Commission, Francis DeMott has indicated he would be interested in serving. Mr. DeMott has served on the Planning and Zoning Commission in the past and would like to be considered for appointment to the Commission.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, November 25th, 2014. Action being requested is reappointment of Mr. Holloman to a first term effective January 1st, 2015 and to expire December 31st, 2017; reappointment of Mr. Kundiger to a second term effective January 1st, 2015 and to expire December 31st, 2017; and the appointment of Francis DeMott to serve a first term effective January 1st, 2015 and to expire December 31st, 2017. The attached list includes people that have expressed an interest in serving on the Planning and Zoning Commission.

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

City of Pittsburg
Southeast Kansas

COMMUNITY DEVELOPMENT
PITTSBURG PUBLIC HOUSING
603 N. PINE · Pittsburg KS 66762

(620) 232-1210
www.pittks.org
FAX: (620) 232-1210

INTEROFFICE MEMORANDUM

To: DARON HALL, TAMMY NAGEL

From: LACIE COTTRELL

CC: TROY GRAHAM

Date: NOVEMBER 19, 2014

Subject: *AGENDA ITEM: CITIZENS ADVISORY BOARD MEMBER APPT.*

The Citizen's Advisory Board has two seat vacancies for the 2015 beginning term year. The first three-year term of Tony Dellasega will expire December 31, 2014 and is eligible for reappointment and has expressed a desire to serve another term. Additionally, the second vacancy comes from a member resignation.

This Board is comprised of seven members each serving a three-year term, with the allowance of two consecutive terms. All members must be residents of the City of Pittsburg. Meeting at City Hall at least every-other month or as necessary, this Board considers all matters pertaining to the community's neighborhood revitalization efforts as it relates to funded programs; City, State, Federal funded housing and revitalization programs. Applications for housing assistance and grant awards made available to the Community Development & Housing office are also reviewed along with assessing community needs, as presented.

Action being requested is the reappointment of Tony Dellasega to a second three-year term and the appointment of a new community member, Tony Sanchez, to serve a first three-year term, both effective January 1, 2015 and to expire December 31, 2017. A candidate biography is attached below for review and consideration. Please place this item on the agenda for the City Commission meeting scheduled for Tuesday, November 25, 2014.

Tony Sanchez, a 23 year Pittsburg resident and a communications graduate of Pittsburg State University, is an experienced realtor with Cobb Realty. Tony has served our Pittsburg community over the years through various service opportunities and has held the roles of President of the Pittsburg Board of Realtors, 14 years on the Board of Directors for Pittsburg Community Theatre, 10 years as President of the St. Mary's Colgan Fine Arts, as well as a volunteer for Pittsburg Habitat for Humanity. In 1997 Tony married his wife Adina and later started a family, one daughter and one son; and in 2000 began his real estate career. It is his love for this community and his innate insight and experience with the Pittsburg housing and real estate market, that make Tony a wonderful addition and asset to the Citizen's Advisory Board.

HUMAN RESOURCES
201 West 4th Street · Pittsburg KS 66762
(620) 231-4100
www.pittks.org

MEMORANDUM

TO: Daron Hall, City Manager
FROM: Megan Fry, Human Resources
DATE: September 22, 2014
RE: Human Relations Commission appointments

Please reappoint the following for an additional 3 year term, as these commission members have completed their first term.

Mark Newbold
Marilyn Sheldon
Kaylene Mayarske
Nazar Saman

VENDOR SET: 99 City of Pittsburg, KS
BANK: * ALL BANKS
DATE RANGE:11/05/2014 THRU 11/18/2014

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
5892	LAFORGE AND BUDD CONSTRUCTION							
5892	LAFORGE AND BUDD CONSTRUCTION							
M-CHECK	LAFORGE AND BUDD CONSTRUUNPOST	V	11/18/2014			173695		93,289.69CR
C-CHECK	VOID CHECK	V	11/07/2014			173952		
C-CHECK	VOID CHECK	V	11/07/2014			173966		
C-CHECK	VOID CHECK	V	11/07/2014			173967		
C-CHECK	VOID CHECK	V	11/07/2014			173969		
C-CHECK	VOID CHECK	V	11/07/2014			173970		
C-CHECK	VOID CHECK	V	11/07/2014			173971		
C-CHECK	VOID CHECK	V	11/14/2014			173986		
C-CHECK	VOID CHECK	V	11/14/2014			173987		
C-CHECK	VOID CHECK	V	11/14/2014			173995		
C-CHECK	VOID CHECK	V	11/14/2014			173996		
C-CHECK	VOID CHECK	V	11/14/2014			173997		

* * T O T A L S * *	NO			INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	0			0.00	0.00	0.00
HAND CHECKS:	0			0.00	0.00	0.00
DRAFTS:	0			0.00	0.00	0.00
EFT:	0			0.00	0.00	0.00
NON CHECKS:	0			0.00	0.00	0.00
VOID CHECKS:	12	VOID DEBITS	0.00			
		VOID CREDITS	93,289.69CR	93,289.69CR	0.00	

TOTAL ERRORS: 0

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
VENDOR SET: 99 BANK: * TOTALS:	12	93,289.69CR	0.00	0.00
BANK: * TOTALS:	12	93,289.69CR	0.00	0.00

VENDOR SET: 99 City of Pittsburg, KS
BANK: 80144 BMO HARRIS BANK
DATE RANGE:11/05/2014 THRU 11/18/2014

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7254	AMERICAN CONSTRUCTION, INC	R	11/07/2014			173949		2,150.00
1	COLE, MAKAYLA	R	11/07/2014			173950		33.00
4263	COX COMMUNICATIONS KANSAS LLC	R	11/07/2014			173951		1,229.81
1	FELIX, MARIA	R	11/07/2014			173953		110.00
7151	TOTALFUNDS BY HASLER	R	11/07/2014			173954		1,500.00
4108	INLAND TRUCK PARTS CO	R	11/07/2014			173955		389.37
1	JAMES, BEN	R	11/07/2014			173956		32.50
1	JOE HARDING SALES & SERVICE	R	11/07/2014			173957		14,074.30
1	MILLER, AMANDA	R	11/07/2014			173958		226.00
7253	NATIONAL FIRE AND MARINE INSUR	R	11/07/2014			173959		500.00
1	PENCE, TERRI	R	11/07/2014			173960		30.00
2223	PITNEY BOWES	R	11/07/2014			173961		140.22
7068	RICHARD CLELAND	R	11/07/2014			173962		4,750.00
1267	RP3 INC	R	11/07/2014			173963		27,221.15
0349	UNITED WAY OF CRAWFORD COUNTY	R	11/07/2014			173964		88.25
5589	VERIZON WIRELESS SERVICES, LLC	R	11/07/2014			173965		925.11
1108	WESTAR ENERGY	R	11/07/2014			173968		97,291.73
5371	PITTSBURG FAMILY YMCA	R	11/07/2014			173972		150.90
6706	APAC-MISSOURI INC	R	11/12/2014			173974		296,544.14
0523	AT&T	R	11/14/2014			173985		3,775.54
0497	CRAWFORD COUNTY DISTRICT COURT	R	11/14/2014			173988		36.00
1991	KANSAS OFFICE OF STATE FIRE MA	R	11/14/2014			173989		90.00

VENDOR SET: 99 City of Pittsburg, KS
BANK: 80144 BMO HARRIS BANK
DATE RANGE:11/05/2014 THRU 11/18/2014

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
1515	KANSAS STATE FIREFIGHTERS ASSO	R	11/14/2014			173990		50.00
7079	PLATINUM SERVICE GROUP, INC	R	11/14/2014			173991		1,066.74
0175	REGISTER OF DEEDS	R	11/14/2014			173992		7.00
0175	REGISTER OF DEEDS	R	11/14/2014			173993		12.00
5589	VERIZON WIRELESS SERVICES, LLC	R	11/14/2014			173994		6,072.65
1108	WESTAR ENERGY	R	11/14/2014			173998		2,581.18
2876	A-PLUS CLEANERS & LAUNDRY	R	11/18/2014			173999		28.00
2004	AIRE-MASTER OF AMERICA, INC.	R	11/18/2014			174000		15.91
5966	BOBCAT OF SPRINGFIELD, INC	R	11/18/2014			174001		221.31
5759	COMMUNITY HEALTH CENTER OF SEK	R	11/18/2014			174002		11.54
7116	EMC INSURANCE COMPANIES	R	11/18/2014			174003		500.00
0118	FED EX	R	11/18/2014			174004		164.77
6740	FELD FIRE	R	11/18/2014			174005		200.00
5770	JOPLIN FREIGHTLINER SALES INC	R	11/18/2014			174006		141.16
6912	MESA ANIMAL CLINIC	R	11/18/2014			174007		190.20
6737	PITTSBURG COMMUNITY SCHOOLS-US	R	11/18/2014			174008		50.00
0046	ETTINGERS OFFICE SUPPLY	E	11/12/2014			999999		164.31
0055	JOHN'S SPORT CENTER, INC.	E	11/12/2014			999999		242.97
0078	SUPERIOR LINEN SERVICE	E	11/12/2014			999999		436.32
0087	FORMS ONE, LLC	E	11/12/2014			999999		455.10
0101	BUG-A-WAY INC	E	11/12/2014			999999		40.00
0105	PITTSBURG AUTOMOTIVE INC	E	11/12/2014			999999		2,110.06

VENDOR SET: 99 City of Pittsburg, KS
BANK: 80144 BMO HARRIS BANK
DATE RANGE:11/05/2014 THRU 11/18/2014

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0112	MARRONES INC	E	11/12/2014			999999		221.10
0116	DANIEL E BRADEN	E	11/12/2014			999999		163.35
0117	THE MORNING SUN	E	11/12/2014			999999		73.31
0129	PROFESSIONAL ENGINEERING CONSU	E	11/12/2014			999999		270.00
0142	HECKERT CONSTRUCTION CO INC	E	11/12/2014			999999		5,822.10
0154	BLUE CROSS & BLUE SHIELD	D	11/07/2014			999999		33,203.58
0154	BLUE CROSS & BLUE SHIELD	D	11/14/2014			999999		23,790.82
0183	PRO-PRINT INC	E	11/12/2014			999999		420.00
0194	KANSAS STATE TREASURER	E	11/12/2014			999999		5,429.79
0207	PEPSI-COLA BOTTLING CO OF PITT	E	11/12/2014			999999		44.50
0224	KDOR	D	11/10/2014			999999		2,021.44
0224	KDOR	D	11/12/2014			999999		5,403.64
0292	UNIFIRST CORPORATION	E	11/12/2014			999999		63.60
0294	COPY PRODUCTS, INC.	E	11/12/2014			999999		294.00
0300	PITTSBURG FORD-MERCURY, INC.	E	11/12/2014			999999		2,554.32
0306	CASTAGNO OIL CO INC	E	11/12/2014			999999		29.95
0321	KP&F	D	11/07/2014			999999		41,927.52
0329	O'MALLEY IMPLEMENT CO INC	E	11/12/2014			999999		514.47
0332	PITTCRAFT PRINTING	E	11/12/2014			999999		420.00
0337	CROSS-MIDWEST TIRE	E	11/12/2014			999999		36.75
0375	CONVENIENT WATER COMPANY	E	11/12/2014			999999		35.00
0409	WISEMAN'S DISCOUNT TIRE INC	E	11/12/2014			999999		473.75

VENDOR SET: 99 City of Pittsburg, KS
BANK: 80144 BMO HARRIS BANK
DATE RANGE:11/05/2014 THRU 11/18/2014

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0444	ROBERT BRENT LINDER	E	11/12/2014			999999		387.66
0534	TYLER TECHNOLOGIES INC	E	11/12/2014			999999		390.00
0597	MIDWEST MINERALS INC	E	11/12/2014			999999		213.38
0636	SAM BROWN & SON SHEET METAL	E	11/12/2014			999999		95.00
0659	PAYNES INC	E	11/12/2014			999999		212.90
0728	ICMA	D	11/07/2014			999999		948.93
0746	CDL ELECTRIC COMPANY INC	E	11/12/2014			999999		1,090.29
0823	TOUCHTON ELECTRIC INC	E	11/12/2014			999999		20.00
0837	BLACKBURN MANUFACTURING CO	E	11/12/2014			999999		100.17
0906	KINGSCOTE CHEMICALS INC	E	11/12/2014			999999		522.84
1050	KPERS	D	11/07/2014			999999		34,098.96
1576	PAVING MAINTENANCE SUPPLY INC	E	11/12/2014			999999		820.00
1631	EVERYTHING SEW SEW	E	11/12/2014			999999		146.00
1792	B&L WATERWORKS SUPPLY, LLC	E	11/12/2014			999999		2,978.14
2025	SOUTHERN UNIFORM & EQUIPMENT L	E	11/12/2014			999999		3,675.36
2161	RECORDED BOOKS, LLC	E	11/12/2014			999999		371.22
2186	PRODUCERS COOPERATIVE ASSOCIAT	E	11/12/2014			999999		1,809.82
2960	PACE ANALYTICAL SERVICES INC	E	11/12/2014			999999		394.00
3255	FRED VAN BECELAERE GREENHOUSE	E	11/12/2014			999999		300.00
4072	MERCHANT E-SOLUTIONS	D	11/10/2014			999999		391.32
4126	EMERGENCY MEDICAL PRODUCT INC	E	11/12/2014			999999		70.45
4307	HENRY KRAFT, INC.	E	11/12/2014			999999		423.14

VENDOR SET: 99 City of Pittsburg, KS
BANK: 80144 BMO HARRIS BANK
DATE RANGE:11/05/2014 THRU 11/18/2014

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
4390	SPRINGFIELD JANITOR SUPPLY, IN	E	11/12/2014			999999		164.26
4452	RYAN INSURANCE	E	11/12/2014			999999		86.00
4501	MICHAEL BICKNEL	E	11/12/2014			999999		130.00
4618	TRESA MILLER	E	11/12/2014			999999		937.50
4698	THE MORNING SUN	E	11/12/2014			999999		158.07
4711	PENGUIN RANDOM HOUSE, LLC	E	11/12/2014			999999		93.75
4722	KAN-RVT, INC	E	11/12/2014			999999		123.50
4766	ACCURATE ENVIRONMENTAL	E	11/12/2014			999999		3,030.55
4791	SPRINGSTED INCORPORATED	E	11/12/2014			999999		750.00
5014	MID-AMERICA SANITATION	E	11/12/2014			999999		230.00
5185	FERGUSON ENTERPRISES INC	E	11/12/2014			999999		15,885.21
5275	US LIME COMPANY-ST CLAIR	E	11/12/2014			999999		4,181.31
5295	SPRINGFIELD BLUEPRINT	E	11/12/2014			999999		102.78
5391	CLEAVER FARM & HOME	E	11/12/2014			999999		45.00
5552	NATIONAL SIGN CO INC	E	11/12/2014			999999		169.40
5566	VINYLPLEX INC	E	11/12/2014			999999		147.98
5581	SAGA QUAD STATE COMMUNICATIONS	E	11/12/2014			999999		50.00
5590	HD SUPPLY WATERWORKS, LTD.	E	11/12/2014			999999		14,784.82
5668	COUNTRYSIDE ANIMAL HOSPITAL OF	E	11/12/2014			999999		265.72
5855	SHRED-IT USA INC	E	11/12/2014			999999		114.46
5904	TASC	D	11/07/2014			999999		7,525.99
6117	ALEXANDER OPEN SYSTEMS, INC	E	11/12/2014			999999		268.75

VENDOR SET: 99 City of Pittsburg, KS
BANK: 80144 BMO HARRIS BANK
DATE RANGE:11/05/2014 THRU 11/18/2014

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
6198	CHARLES HOSMAN	E	11/12/2014			999999		350.00
6389	PROFESSIONAL TURF PRODUCTS LP	E	11/12/2014			999999		659.01
6415	VOYA FINANCIAL ADVISORS	D	11/07/2014			999999		3,535.00
6528	GALE GROUP/CENGAGE	E	11/12/2014			999999		25.59
6583	R.E. PEDROTTI CO, INC	E	11/12/2014			999999		11,037.12
6711	TRI-STATE ASPHALT INC	E	11/12/2014			999999		3,866.35
6952	ADP INC	D	11/14/2014			999999		657.29
7023	BLEVINS ASPHALT CONSTRUCTION C	E	11/12/2014			999999		66,409.02
7128	SWABY MFG	E	11/12/2014			999999		889.00
7191	ANDREW TRACTOR WORKS	E	11/12/2014			999999		1,700.00
7225	NEW WORLD SYSTEMS CORPORATION	E	11/12/2014			999999		989.40
7240	JAY HATFIELD CERTIFIED USED CA	E	11/12/2014			999999		1,185.00
7243	EXPERITEC, INC	E	11/12/2014			999999		626.61

* * T O T A L S * *	NO			INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	38			462,600.48	0.00	462,600.48
HAND CHECKS:	0			0.00	0.00	0.00
DRAFTS:	11			153,504.49	0.00	153,504.49
EFT:	74			163,791.28	0.00	163,791.28
NON CHECKS:	0			0.00	0.00	0.00
VOID CHECKS:	0	VOID DEBITS	0.00			
		VOID CREDITS	0.00	0.00	0.00	

TOTAL ERRORS: 0

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
VENDOR SET: 99 BANK: 80144TOTALS:	123	779,896.25	0.00	779,896.25
BANK: 80144 TOTALS:	123	779,896.25	0.00	779,896.25

VENDOR SET: 99 City of Pittsburg, KS
BANK: EFT MANUAL EFTS
DATE RANGE:11/05/2014 THRU 11/18/2014

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0056	NEWSPAPER HOLDINGS	E	11/17/2014			999999		835.57
0129	PROFESSIONAL ENGINEERING CONSU	E	11/10/2014			999999		1,255.00
0306	CASTAGNO OIL CO INC	E	11/17/2014			999999		24.95
0335	CUSTOM AWARDS PLUS INC	E	11/17/2014			999999		30.75
0337	CROSS-MIDWEST TIRE	E	11/17/2014			999999		1,400.44
0375	CONVENIENT WATER COMPANY	E	11/17/2014			999999		15.00
0577	KANSAS GAS SERVICE	E	11/10/2014			999999		13,195.81
0866	AVFUEL CORPORATION	E	11/17/2014			999999		24,192.61
1478	KANSASLAND TIRE OF PITTSBURG	E	11/17/2014			999999		15.50
1792	B&L WATERWORKS SUPPLY, LLC	E	11/17/2014			999999		1,336.04
2186	PRODUCERS COOPERATIVE ASSOCIAT	E	11/17/2014			999999		24,214.48
2433	THE MORNING SUN	E	11/17/2014			999999		1,500.34
2921	DP2 BILLING SOLUTIONS, LLC	E	11/17/2014			999999		4,949.60
4621	JCI	E	11/17/2014			999999		9,569.57
5118	HIPFL CONSTRUCTION INC.	E	11/10/2014			999999		2,800.00
5195	FERN AND ANGERMAYER LLC	E	11/10/2014			999999		600.00
5609	RON WHITE	E	11/10/2014			999999		430.05
5702	TIM BELL	E	11/10/2014			999999		99.88
6192	KATHLEEN CERNE	E	11/10/2014			999999		600.00
6595	AMAZON.COM, INC	E	11/10/2014			999999		14,734.14
6816	DEFFENBAUGH OF ARKANSAS LLC	E	11/17/2014			999999		872.00
7028	MATTHEW L. FRYE	E	11/17/2014			999999		400.00

VENDOR SET: 99 City of Pittsburg, KS
BANK: EFT MANUAL EFTS
DATE RANGE:11/05/2014 THRU 11/18/2014

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7038	SIGNET COFFEE ROASTERS	E	11/17/2014			999999		44.20

* * T O T A L S * *	NO			INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	0			0.00	0.00	0.00
HAND CHECKS:	0			0.00	0.00	0.00
DRAFTS:	0			0.00	0.00	0.00
EFT:	23			103,115.93	0.00	103,115.93
NON CHECKS:	0			0.00	0.00	0.00
VOID CHECKS:	0	VOID DEBITS	0.00			
		VOID CREDITS	0.00	0.00	0.00	

TOTAL ERRORS: 0

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
VENDOR SET: 99 BANK: EFT TOTALS:	23	103,115.93	0.00	103,115.93
BANK: EFT TOTALS:	23	103,115.93	0.00	103,115.93

VENDOR SET: 99 City of Pittsburg, KS
BANK: MAN MANUAL CKS
DATE RANGE:11/05/2014 THRU 11/18/2014

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7092	TIMOTHY KUNDIGER	R	11/07/2014			173973		3,600.00

* * T O T A L S * *	NO			INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	1			3,600.00	0.00	3,600.00
HAND CHECKS:	0			0.00	0.00	0.00
DRAFTS:	0			0.00	0.00	0.00
EFT:	0			0.00	0.00	0.00
NON CHECKS:	0			0.00	0.00	0.00
VOID CHECKS:	0	VOID DEBITS	0.00			
		VOID CREDITS	0.00	0.00	0.00	

TOTAL ERRORS: 0

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
VENDOR SET: 99 BANK: MAN TOTALS:	1	3,600.00	0.00	3,600.00
BANK: MAN TOTALS:	1	3,600.00	0.00	3,600.00
REPORT TOTALS:	159	793,322.49	0.00	886,612.18

Passed and approved this 25th day of November, 2014.

_____
Monica Murnan, Mayor

ATTEST:

_____
Tammy Nagel, City Clerk

(Published in The Morning Sun on _____, 2014)

ORDINANCE NO. S-1017

AN ORDINANCE, granting to Kansas Gas Service, a Division of ONE Gas, Inc., its successors and assigns, a natural gas franchise, prescribing the terms thereof and relating thereto, and repealing ordinance S-915.

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

SECTION 1. That in consideration of the benefits to be derived by the City of Pittsburg, Kansas, ("City"), and its inhabitants, there is hereby granted to Kansas Gas Service, a Division of ONEOK, Inc. ("Company"), said Company operating a system for the transmission and distribution of natural gas in the State of Kansas, the right, privilege, and authority for a period of ten (10) years from the effective date of this ordinance, to occupy and use the Public Rights-of-Way of said City, for the placing and maintaining of equipment and property necessary to carry on the business of selling and distributing natural gas for all purposes to the City, and its inhabitants, and through said City and beyond the limits thereof; to obtain said natural gas from any source available; and to do all things necessary or proper to carry on said business.

SECTION 2. As further consideration for the granting of this franchise, and in lieu of any city occupation, license, or permit fees, or revenue taxes, the Company shall pay to the City during the term of this franchise (i) five percent (5%) of the gross cash receipts from the sale of natural gas and (ii) one percent (1%) of the gross cash receipts for natural gas transportation services, to all consumers within the corporate limits of the City, such payments to be made monthly for the preceding monthly period. Gross cash receipts shall not include revenues from certain miscellaneous charges and accounts including, but not limited to, connection fees, disconnection and reconnection fees, temporary service charges, delayed or late payment charges, collection fees, customer project contributions, meter test fees, and returned check charges as such terms are used in tariffs or in the natural gas industry. Payments of the compensation above shall commence with the first cycle of the monthly billing cycle which begins in January 2015. Prior to that date, payments shall continue to be calculated and be paid in the manner previously provided in Ordinance No. S-915 and amendments thereto.

SECTION 3. The payments and compensation herein provided shall be in lieu of all other licenses, taxes, charges, and fees, except building permit fees and charges, storm water utility fees and charges, water and sewer fees and charges, and other normal and customary fees and charges paid by business entities in the City, and ad valorem property tax assessments, sales, and excise taxes or charges made for privileges which are not connected with natural gas business and which are not covered by the payments herein. From and after the date hereof, however, the permit fees required of the Company by any ordinance presently in effect or hereafter adopted for a permit to excavate in or adjacent to any street, alley, or other public place shall be deemed a part of the compensation paid in Section 2 and shall not be separately assessed or collected by the City; in no event,

however, shall this provision be interpreted to waive the requirement of notice to the City and the procedural requirements of such ordinance.

SECTION 4. The use of Right of Way under this franchise by the Company shall be subject to all federal and state laws, and all rules, regulations, ordinances and policies now or hereafter adopted or promulgated by the City in the reasonable exercise of its police power. In addition, the Company shall be subject to all rules, regulations, ordinances, and policies now or hereafter adopted or promulgated by the City relating to permits, sidewalk and pavement cuts, utility location, construction coordination, and other requirements on the use of the Right of Way; provided however, that nothing contained herein shall constitute a waiver of or be construed as waiving the right of the Company to oppose, challenge, or seek judicial review of, in such manner as is now or may hereafter be provided by law, any such rules, regulation or policy proposed, adopted, or promulgated by the City and, further provided other than the items enumerated in Section 3 herein, that such rules, regulations or policies shall not require the payment of additional fees or additional costs for the use of the Right of Way. In any event, the Company is granted an offset for such fees and costs against the franchise fees required to be paid hereunder.

SECTION 5. In addition to the assessment of franchise fees on transportation revenues set forth in Section 2, the City may by separate ordinance provide for the assessment and collection of franchise fee on all natural gas transported (transport gas) by the Company or by others, but not sold by the Company, to any consumer or user within the City through the facilities of the Company located in the public right of way. Such ordinance shall provide that the customer transporting gas through the facilities of the Company shall be solely responsible for the payment of any applicable franchise fee, but said franchise may grant to the Company the authority to collect on behalf of the City the total compensation to be made to the City by other parties using the Company's facilities for distribution of transport gas. Such franchise assessment shall be compatible with Company's billing system. To the extent any transporter using the Company's facilities fails to pay any amounts owed by transporters under the separate ordinance, Company shall notify the City of such amount and City shall be solely responsible for collecting any sums owed.

SECTION 6. All mains, services, and pipe which shall be laid or installed under this grant shall be so located and laid as not to obstruct or interfere with any water pipes, drains, sewers, or other structures already installed. Company shall provide, prior to commencing work, information to the City concerning work to be performed in the Public Rights-of-Way of the City, as the City may from time to time require for purposes of record keeping. The City may require that the information be provided on its standard permit form, but without requiring approval, consent, or fees. In the event of an emergency, Company shall have the right to commence work without having first providing such form(s).

SECTION 7. Company shall, in doing the work in connection with its said gas mains, pipes, and services, avoid, so far as may be practicable, interfering with the use of any street, alley, avenue, or other public thoroughfare. It shall, without expense to the City, and in a manner satisfactory to the duly authorized representatives of the City, replace such paving or surface in substantially as good condition as before said work was commenced.

SECTION 8. It is recognized that the natural gas to be delivered hereunder is to be supplied from a pipeline system transporting natural gas from distant sources of supply; and the Company, by its acceptance of this franchise as hereinafter provided, does obligate itself to furnish natural gas in such quantity and for such length of time, limited by the terms hereof, as the said sources and said pipelines are reasonably capable of supplying.

SECTION 9. Company, its successors and assigns, in the construction, maintenance, and operation of its natural gas system, shall use all reasonable and proper precaution to avoid damage or injury to persons and property, and shall hold and save harmless the City from any and all damage, injury, and expense caused by the negligence of said Company, its successors and assigns, or its or their agents or servants.

SECTION 10. This Ordinance shall take effect and be in force from and after its passage, approval by the City, acceptance by the Company, and publication in the official city newspaper. Company shall have sixty (60) days after final passage and approval of the Ordinance to file with the City Clerk its acceptance in writing of the provisions, terms, and conditions of this Ordinance and when so accepted, this ordinance and acceptance shall constitute a contract between the City and Company and said contract shall be deemed effective on the date the Company files acceptance with the City.

SECTION 11. This Ordinance, when accepted as above provided, shall constitute the entire agreement between the City and the Company relating to this franchise and the same shall supercede and cancel any prior understandings, agreements, or representations regarding the subject matter hereof, or involved in negotiations pertaining thereto, whether oral or written, shall be binding upon the parties, including their successors and assigns, and shall not be amended or further obligations imposed without mutual consent of the parties hereto.

SECTION 12. I. Upon written request of either the City or the Company, the franchise shall be reopened and renegotiated at any time upon any of the following events:

(a) Change in federal, state, or local law, regulation, or order which materially affects any rights or obligations of either the City or Company, including, but not limited to, the scope of the grant to the Company or the compensation to be received by the City.

(b) Change in the structure or operation of the natural gas industry which materially affects any rights or obligations of either the City or Company, including, but not limited to, the scope of the grant to the Company or the compensation to be received by the City.

(c) Any other material and unintended change or shift in the economic benefit to the City or the Company relied upon and anticipated upon entering into this franchise.

II. The compensation provision of this franchise shall be reopened and renegotiated at any time if energy consumers within the City have access to alternative natural gas suppliers or other suppliers of energy through pipelines, and use the Public Rights-of-Way or public property of the City without paying a franchise fee or other

payment substantially equivalent to the franchise fee established herein, which results in a material and unfair disadvantage to the Company. The use of right of provision of this franchise shall be reopened and renegotiated if energy consumers within the City have access to alternative natural gas suppliers or other suppliers of energy through pipelines which use the Public Rights-of-Way or public property of the City, and do not have requirements on the use of the public ways substantially equivalent to the requirements of this franchise, which results in a material and unfair disadvantage to the Company. Upon any such event, the City shall have up to ninety (90) days after written request of the Company to restore competitive neutrality. Following notice to the City, Company may suspend collection and payment of the franchise fee to the City for the affected customers until the City resolves the competitive disadvantage. After the last above referred ninety (90) day period expires without resolution of the competitive disadvantage, the Company shall have no liability to the City for any uncollected franchise fees suspended as provided in the subsection.

SECTION 13. The franchise is granted pursuant to the provisions of K.S.A. 12-2001 and amendments thereto.

SECTION 14. Any and all ordinances or parts of ordinances in conflict with the terms hereof are hereby repealed or considered as having no effect as of the first cycle of the monthly billing cycle which begins in January 2015.

SECTION 15. Should the Kansas Corporation Commission take any action with respect to this franchise ordinance and any amendment thereto which precludes Company from recovering from its customers any costs or fees provided for hereunder, the parties hereto shall renegotiate this ordinance in accordance with the Commission's ruling.

PASSED AND APPROVED this _____ day of _____, 20____.

_____
MAYOR

(SEAL)

ATTEST:

_____
City Clerk

(Published in The Morning Sun on _____, 2014)

ORDINANCE NO. G-1216

AN ORDINANCE ANNEXING LAND INTO THE LIMITS AND BOUNDARIES OF THE CITY OF PITTSBURG, KANSAS, PURSUANT TO K.S.A. 12-520c, AS AMENDED.

WHEREAS, the following described land is located in Crawford County, Kansas;

WHEREAS, a request for annexation of the following described property, submitted by the owners thereof, has been filed with the City of Pittsburg, Kansas pursuant to K.S.A. 12-520c, as amended;

WHEREAS, the Board of County Commissioners of Crawford County, Kansas has found and determined that the annexation of the following described land will not hinder or prevent the proper growth and development of the area or that of any other incorporated city within the county, pursuant to K.S.A. 12-520c, as amended;

WHEREAS, the Governing Body of the City of Pittsburg, Kansas, finds it advisable to annex such land.

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

SECTION 1. That the following described land is hereby annexed and made a part of the City of Pittsburg, Kansas:

> The Southeast Quarter (SE 1/4) of Section Eighteen (18), Township Thirty One (31) South, Range Twenty Five (25) East of the Sixth Principal Meridian, according to the United States Government Survey thereof; EXCEPT that part thereof condemned for State Highway Purposes as evidence by proceedings in the District Court of Crawford County, Kansas, sitting at Pittsburg, in Case No. 15669 and described in parcels Number 31 and 32 thereof, as follows: 31) A tract of land for Highway Right of Way lying in part of the West Half of the Southeast Quarter of Section 18, Township 31 South, Range 25 East described as follows: Beginning at the Southwest corner of said Quarter Section; Thence North 48.4 feet; Thence in an Easterly direction 1000.5 feet to a point 52.8 feet North of the South line of said Quarter Section; Thence South 52.8 feet to the South line of said Quarter Section; Thence West along said South line to the place of beginning. 32) A tract of land for Highway Right of Way lying in part of the Southeast Quarter of Section 18, Township 31 South, Range 25 East described as follows:

Beginning at the Southeast corner of said Quarter Section; Thence North 300 feet; Thence West 30 feet; Thence in a Southwesterly direction to a point 58.7 feet North and 300 feet West of said Southeast corner; Thence in a Westerly direction to a point 52.8 feet North and 1000.5 feet East of the Southwest corner of said Quarter Section; Thence South 52.8 feet to the South line of said Quarter Section; Thence East along said South line to the place of beginning.

ALSO EXCEPT that part thereof condemned for State Highway purposes as evidenced by proceedings in the District Court of Crawford County, Kansas, sitting at Pittsburg, in Case Co. 19442, and described in Tract Number 3 thereof as follows: Revised a tract of land for Highway Right of Way in the Southeast Quarter of Section 18, Township 31 South, Range 25 East described as follows: Beginning at the Southeast corner of said Quarter Section; First course, Thence West along the South line of said Quarter Section 300.00 feet; Section Course, Thence North 58.7 feet; Third Course, Thence Northeasterly 227.3 feet to a point 132.4 feet West and 211.1 feet North of said Southeast corner; Fourth Course, Thence North 226.4 feet to a point 126.3 feet West of the East line of said Quarter Section; Fifth Course, Thence Northerly on a curve of 3719.83 feet Radius to the left, 1568.93 feet to a point 447.3 feet West and 643.8 feet South of the Northeast corner of said Quarter Section; Sixth Course, Thence Northwesterly to a point on the North line 738.8 feet West of said Northeast corner; Seventh Course, Thence East along said North line 219.9 feet; Eighth Course, Thence Southeasterly on an angle of 65 degrees 26 minutes to the Right 929.5 feet; Ninth Course, Thence Northeasterly 144.9 feet more or less, to a point on said East line 795.8 feet South of said Northeast corner; Tenth Course, thence South along said East line to the place of beginning. Together with the abutter's rights of access appurtenant to the remaining property, in and to said Highway hereinabove described, EXCEPT and Reserving, However, unto owners of abutting land, their successors and assigns, the right of access to said Highway for the purpose of a farm entrance over and across the following described course: Beginning 1208.8 feet Northerly from the beginning of said "Fifth" course and extending Northerly 30.0 feet."

ALSO EXCEPT that part thereof bounded and described as follows: Beginning at a point Five Hundred Eighty Eight and Eight Tenths (588.8) feet South of the Northeast corner of said Southeast Quarter of Section Eighteen (18), and running Thence West Two Hundred Fifty five (255) feet, more or less, to the East Right of Way line of the State Highway as described Parcel Number 3(a) revised of Highway Condemnation Case Number 19442 in the District Court of Crawford County, Kansas, sitting at Pittsburg; Thence Southeasterly along said Right of Way line, Two Hundred Eighty Five (285) feet, more or less, to the end of the Eighth

Course as described in said Parcel Number 3(a) Revised; Thence Northeasterly, along said Highway Right of Way line, One Hundred Forty Four and Nine Tenths (144.9) feet, more or less, to a point in the East line of said Section, Seven Hundred Ninety Five and Eight Tenths (795.8) feet South of the Northeast corner of the said Southeast Quarter of Section Eighteen (18); Thence North Two Hundred Seven (207) feet to the point of beginning.

ALSO EXCEPT that part thereof bounded and described as follows: Beginning at the Northeast corner of the Northeast Quarter (NE 1/4) of the said Southeast Quarter (SE 1/4); Thence South 588.8 feet; Thence West and parallel to the North line of said Northeast Quarter (NE 1/4) of the Southeast Quarter (SE 1/4) 255.0 feet to the Easterly Right of Way line of U.S. 69 Highway By-Pass, as described in Parcel Number 3(a) revised of Highway Condemnation Case No. 19442 in the District Court of Crawford County, Kansas, sitting at Pittsburg; Thence Northwesterly along the said Right of Way line 644.5 feet to the North line of said Northeast Quarter (NE 1/4) of the Southeast Quarter (SE 1/4); Thence East 518.9 feet to the point of beginning.

ALSO EXCEPT a Thirty (30) foot Wide Right of Way Existing on the East Boundary of the above-described property, the same being Thirty (30) feet from and running parallel to the full length of said East Boundary, in favor of the County of Crawford, State of Kansas, for Roadway purposes, said Roadway being commonly known as Langdon Lane.

SECTION 2. This ordinance shall take effect and be in force from and after its publication in the official city newspaper.

PASSED AND APPROVED by the Governing Body of the City of Pittsburg, Kansas, this _____ day of _____, 2014.

_____
Monica Murnan, Mayor

ATTEST:

_____
City Clerk, Tammy Nagel

City of Pittsburg
Southeast Kansas

DEPARTMENT OF PUBLIC WORKS
201 West 4th Street · Pittsburg KS 66762
(620) 231-4170
www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: WILLIAM A. BEASLEY
Director of Public Works

DATE: November 17, 2014

SUBJECT: Agenda Item – November 25, 2014
3rd and Broadway
Authority to Remove Traffic Signals and to Replace with Stop Signs

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The Road Safety Audit performed by KDOT in 2003 recommended the removal of several traffic signals along Broadway Street. The recommendation included the removal of the traffic signals at 3rd and Broadway. The City staff continues to receive reports from people who are involved with near misses at this intersection. In most cases they have indicated the near miss was caused by a vehicle running the red light on Broadway Street. In analyzing these reports, staff feels these vehicles do not see the 3rd Street signals because they are looking ahead at the overhead signals located at 4th and Broadway.

The Traffic Advisory Board has reviewed the concerns and has recommended the removal of the traffic signals at 3rd and Broadway and to replace them with stop signs requiring traffic to stop at 3rd Street. Initially, flags and blinking red lights will be placed on top of the stop signs to alert traffic to the change to the traffic control device.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, November 25, 2014. Action necessary will be approval or disapproval of staff's recommendation and, if approved, authorize the City staff to remove the traffic signals and to erect the necessary stop signs.

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

City of Pittsburg
Southeast Kansas

HUMAN RESOURCES
201 West 4th Street · Pittsburg KS 66762

(620) 231-4100
www.pittks.org

MEMORANDUM

TO: Daron Hall, City Manager
FROM: Megan Fry, Human Resources
DATE: November 20, 2014
RE: 2015 Benefit Recommendations

One of the takeaways from the April Work Day was the need to develop a plan for benefits, specifically health insurance.

We met with Gallagher and Company at the end of April. They provided us with health benefit analysis before, but we could not agree on pricing so we did not utilize them.

In May, we met with a representative of Cretcher Heartland about their services related to health insurance. We also met with representatives from The Power Group to discuss their services and how they could help us analyze our benefits package. The Power Group agreed to review our claims and benefit information at no cost and make some recommendations.

The end of August 2014, they presented us with their findings, which included the discussion of going out to bid on our Third Party Administrator services (TPA), which is currently Blue Cross Blue Shield. Bids went out at the end of September. The bid was for the same benefit plan design that we have for 2014.

We received our BCBS renewal on October 15th. It came in with a 5.5% increase.

On November 4th, we met with The Power Group to review the bids. The initial bids were somewhat incomplete because of the lack of information on claims data, particularly high dollar claims, that was needed for the stop loss carriers. We were able to obtain some additional information on the high dollar claims, which helped get the rates more solid with at least one vendor, CoreSource.

CoreSource is a TPA and would administer our medical plan, enrollment, claims, terminations, etc. Our provider network would be covered by ProviDRS care and HS Technology. Delta Dental would become our dental provider and MedTrak would become our Pharmacy Benefits Manager.

The renewal illustration shows the cost comparison between our current medical plan, our 2015 BCBS renewal and the Core Source proposal. The next page shows the dental plan. The third page, Benefits Cost Analysis shows the BCBS renewal costs summary, including medical and dental, the costs associated with CoreSource, etc. and the potential savings.

The potential savings comes from lower fixed costs, discounts, use of reference based pricing with inpatient hospital stays, and separating of the pharmacy benefit.

Lower fixed costs are related to a lower cost for our stop loss coverage as well as no claims processing fee. Currently with BCBS we have a 3.85% claims processing charge that is associated with any claim that is submitted. With CoreSource, there is a flat fee that is included in the administrative fee.

Delta Dental and MedTrak provide deeper provider discounts.

Reference Based Pricing means that when there is a hospital stay HS Technology will contact the provider about getting more of a write off in turn there is a guarantee to the facility that they will be paid within 7-10 days. Right now payment to the facility could take up to 30 days.

In summary, for 2015 we recommend changing our TPA to CoreSource, using MedTrak for assisting with our claims, and switching to Delta Dental. We also recommend the following changes to the actual plan design:

- Increase the Emergency Room co-pay from $100.00 to $300.00.
- Add a Specialty Drug tier of $150.00 to the Pharmacy co-pay structure.

Thank you for your consideration.

Renewal Illustration for City of Pittsburg

	Current	Renewal	Option 1
TPA/Carriers Name(s)	BCBSKS	BCBSKS	CoreSource ProviDRS Care & HS Technology
Contract Type	ASO	ASO	ASO
Agg .Contract Length	Incurred	Incurred	12/15
Aggregate Corridor	120%	120%	125%
Spec .Contract Length	Incurred	Incurred	12/15
Specific Amount	$60,000	$60,000	$60,000
Coverage	$0	$0	$0
Stop Loss Status	$0	$0	$0

Fixed Costs:

Medical Admin Fees:	PEPM	PEPM	PEPM
Medical Admin Fees: PEPM	$10.45	$10.49	$17.95
Network Access Fee PEPM	$0.00	$0.00	$9.70
Pharmacy Admin/Carveout Fee PEPM	N/A	N/A	$0.00
Other Bundled Fees: PEPM	$0.00	$0.00	$3.50
Total Admin Fees PEPM	$10.45	$10.49	$31.15
Annual Total	$24,457	$24,551	$72,891

Stop Loss Premiums:	PEPM	PEPM	PEPM
Specific Stop Loss Premium	$129.24	$141.82	$133.65
Agg. Stop Loss Premium	$15.76	$16.18	$8.45
Total Stop Loss Premium PEPM	$145.00	$158.00	$142.10
Annual Total	$339,300	$369,727	$332,524

Health Care Reform:	PMPY	PMPY	PMPY
Reinsurance Fee & PCORI	$65.00	$46.04	$46.04
Annual Reinsurance Fee & PCORI	$28,470	$20,166	$20,166

Variable Costs:

Maximum Claims Liability:	PEPM	PEPM	PEPM
Composite Rate for All Plans PEPM	$783.27	$822.98	$786.26
Max Liability Factors Annual Total	$1,832,859	$1,925,779	$1,839,838
Total Amount Subject to Laser(s)	$0	$0	$0
Maximum Liability Annual Total	$1,832,859	$1,925,779	$1,839,838

Summary of Total Costs and Liabilities

Type of Expense	Annual Total	Annual Total	Annual Total
Medical Admin Fees:	$24,457	$24,551	$72,891
Stop Loss Premiums:	$339,300	$369,727	$332,524
Weekly Expected Claims Processing Fee (3.85%)	$77,379	$81,716	$0
Weekly Maximum Claims Processing Fee (3.85%)	$92,855	$98,059	$0
Health Care Reform:	$28,470	$20,166	$20,166
Maximum Claims Liability:	$1,832,859	$1,925,779	$1,839,838
Annual Total at Projected Liability	$1,968,519	$2,100,975	$1,897,451
Annual Total at Maximum Liability	$2,289,472	$2,438,282	$2,265,419

% Change from Current (%) @ Max	**6.5%**	**-1.1%**
Dollar Amount Difference ($) @ Max	**$148,810**	**-$24,053**

Increase Breakdown by Category

Annual Fixed Costs (Indudes HCR, SL, Admin)	6%	-9%
Maximum Claims Liability (Includes Lasers)	5%	0%
Projected Claims Liability (Includes Lasers)	5%	-4%

City of Pittsburg

Presented by:
Power Group Companies
Effective Date: January 1, 2015

Revised Benefits Cost Analysis (11/17/2015)

Renewals			
Medical Cost (at Expected)	**Carrier/Vendor**	**Monthly Cost**	**Annual Cost**
MEDICAL ADMIN FEES & STOP LOSS PREMIUM	BCBSKS	$32,857	$394,278
MEDICAL CLAIMS PROCESSING FEE	BCBSKS	$6,810	$81,716
MEDICAL CLAIMS		$133,735	$1,604,816
HEALTH CARE REFORM		$1,681	$20,166
DENTAL ADMININISTRATION	BCBSKS	$719	$8,632
DENTAL CLAIMS COST	BCBSKS	$9,087	$109,048
TOTAL ANNUAL COST		***$184,888***	***$2,218,656***

Medical Cost (at Maximum)	**Carrier/Vendor**	**Monthly Cost**	**Annual Cost**
MEDICAL ADMIN FEES & STOP LOSS PREMIUM	BCBSKS	$32,857	$394,278
MEDICAL CLAIMS PROCESSING FEE	BCBSKS	$8,172	$98,059
MEDICAL CLAIMS	BCBSKS	$160,482	$1,925,779
HEALTH CARE REFORM		$1,681	$20,166
DENTAL ADMINISTRATION	BCBSKS	$719	$8,632
DENTAL CLAIMS COST	BCBSKS	$9,087	$109,048
TOTAL ANNUAL COST		***$212,997***	***$2,555,962***

Recommendations			
Medical Cost (at Expected)	**Carrier/Vendor**	**Monthly Cost**	**Annual Cost**
MEDICAL ADMIN FEES	CoreSource	$6,074	$72,891
STOP LOSS PREMIUM	IHC	$27,710	$332,524
MEDICAL CLAIMS		$122,656	$1,471,870
HEALTH CARE REFORM		$1,681	$20,166
DENTAL ADMINISTRATION	Delta Dental of KS	$823	$9,879
DENTAL CLAIMS COST	Delta Dental of KS	$7,588	$91,055
TOTAL ANNUAL COST		***$166,532***	***$1,998,385***

Medical Cost (at Maximum)	**Carrier/Vendor**	**Monthly Cost**	**Annual Cost**
MEDICAL ADMIN FEES	CoreSource	$6,074	$72,891
STOP LOSS PREMIUM	IHC	$27,710	$332,524
MEDICAL CLAIMS		$153,320	$1,839,838
HEALTH CARE REFORM		$1,681	$20,166
DENTAL ADMINISTRATION	CoreSource	$823	$9,879
DENTAL CLAIMS COST	Delta Dental of KS	$7,588	$91,055
TOTAL ANNUAL COST		***$197,196***	***$2,366,353***

Savings Opportunities			
Opportunity	**Carrier/Vendor**	**Monthly Savings**	**Annual Savings**
FIXED COSTS AT EXPECTED	CoreSource / IHC	$5,882	$70,579
PHARMACY CARVE OUT	MedTrak	$3,639	$43,674
REFERENCE PRICING FOR HOSPITAL CLAIMS	HS Technology	$6,271	$75,257
DENTAL CLAIMS	Delta Dental of KS	$1,499	$17,993
TOTAL ESTIMATED ANNUAL SAVINGS		***$17,292***	***$207,503***

City of Pittsburg

Effective Date: January 1, 2015

DENTAL BENEFITS	BCBSKS Comprehensive with Ortho Current		BCBSKS Comprehensive with Ortho Renewal		DELTA DENTAL of KANSAS Base PPO with Premier Network	
NETWORK	BCBSKS		BCBSKS		PPO	
RATE GUARANTEE	1 Year		1 Year		1 Year	
COINSURANCE	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network
Preventive	100%	100%	100%	100%	100%	80%
Basic	80%	80%	80%	80%	80%	60%
Major	50%	50%	50%	50%	50%	40%
Orthodontia	N/A	N/A	N/A	N/A	N/A	N/A
REASONABLE AND CUSTOMARY	90th percentile		90th percentile		Max Plan Allowance	
DEDUCTIBLE						
Individual	$25		$25		$25	
Family	$75		$75		$75	
ANNUAL PLAN MAXIMUM						
Preventive, Basic & Major	$1,000		$1,000		$1,000	
Orthodontia	$1,000 annual, $3,000 lifetime		$1,000 annual, $3,000 lifetime		$1,000 annual, $3,000 lifetime	
COVERED SERVICES						
Endodontic/Periodontic	Basic		Basic		Basic	
Composite Fillings	Basic		Basic		Basic	
Oral Surgery	Basic		Basic		Basic	
WAITING PERIOD						
First Eligible	240 days on Major Services		240 days on Major Services		None	
Late Entrants	240 days on Major Services		240 days on Major Services		Anniversary Enrollment Only	
ELECTIONS						
Employee Only	101		101		101	
Employee + Spouse	18		18		18	
Employee + Child(ren)	12		12		12	
Family	54		54		54	
RATES	Monthly Admin Fee		Monthly Admin Fee		Monthly Admin Fee	
Employee Only	$2.01		$1.96		$4.45	
Employee + Spouse	$4.26		$4.16		$4.45	
Employee + Child(ren)	$5.15		$4.99		$4.45	
Family	$7.37		$7.16		$4.45	
TOTAL MONTHLY FUNDING	$739.47		$719.36		$823.25	
TOTAL ANNUAL FUNDING	$8,873.64		$8,632.32		$9,879.00	
% OF INCREASE/ DECREASE			*-2.72%*		*11.33%*	
EXPECTED CLAIMS			$109,048.00		$91,055.00	
% OF INCREASE/DECREASE					*-16.50%*	

This spreadsheet is for illustrative purposes only and does not include all contract provisions.Refer to the carrier summary for detailed information and out of network benefits.

City of Pittsburg
Southeast Kansas

FINANCE AND ADMINISTRATION
201 West 4th Street · Pittsburg KS 66762
(620) 231-4100
www.pittks.org

Interoffice Memorandum

TO: Daron Hall, City Manager

FROM: Jamie Clarkson, Finance Director

DATE: November 18, 2014

SUBJECT: 2013 Comprehensive Annual Financial Report

The City of Pittsburg received a Certificate of Achievement for Excellence in Financial Reporting Award from the Government Finance Officers Association (GFOA) based on the City's 2013 comprehensive annual financial report (CAFR). This is the eighteenth consecutive year the City has received the award.

The GFOA considers the Certificate of Achievement the highest form of recognition in the area of governmental accounting and financial reporting. The City's CAFR was judged by an impartial panel to meet the award requirements and encourages full disclosure to clearly communicate information in the CAFR document.

The GFOA began awarding the Certificate of Achievement for Excellence in Financial Reporting Program in 1945. According to the GFOA website, the awards "encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure."

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pittsburg

Kansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

November 25, 2014

To Interested Parties,

In April, 2014 the State of Kansas passed a law significantly reducing the financial commitment necessary for construction of a casino in southeast Kansas. As a result, the City of Pittsburg has been approached by several development groups to provide a letter of support for their planned enterprise.

In response to those requests, the Pittsburg City Commission feels the need to express our support for the concept of operating a casino and related amenities in Crawford County. While we do not think it is appropriate to endorse any specific group, we believe it is important to relay our commitment to creating jobs and expanding the area tax base by working with whichever organization should be awarded the privilege to operate a casino in Crawford County.

On behalf of the City of Pittsburg City Commission we wish all interested parties good luck.

Respectfully,

Monica Murnan

Mayor
City of Pittsburg