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CU.WATSON Chickens Memo 197

CITY OF PITTSBURG, KANSAS
COMMISSION AGENDA
Tuesday, October 13, 2015
5:30 PM

CALL TO ORDER BY THE MAYOR:

- a. Invocation
- b. Flag Salute Led by the Mayor
- c. Public Input

CONSENT AGENDA:

- a. Approval of the September 22nd, 2015, City Commission Meeting minutes.
- b. Approval of staff recommendation to enter into a lease agreement between the City of Pittsburg and Unisource Worldwide, Inc., a Veritiv company, d/b/a Rollsource, a Delaware corporation, for Lot Three (3) of the Pittsburg Regional Industrial Park in the amount of \$8,343 per month and, if approved, authorize the Mayor to execute the agreement on behalf of the City.
- c. Approval of staff recommendation to forgive the 2015 loan payment in the amount of \$123,891.53 for the Community Health Center of Southeast Kansas, as the required thresholds for forgiveness have been met, and authorize the Mayor to sign the appropriate documents on behalf of the City.
- d. Approval of staff recommendation to forgive the 2015 loan payment in the amount of \$247,471.26 for Fireworks Leasing, LLC, as the required thresholds for forgiveness have been met, and authorize the Mayor to sign the appropriate documents on behalf of the City.
- e. Approval of the Covenants and Conditions between Wal-Mart Real Estate Business Trust and the City of Pittsburg, Kansas, to provide water service for the new Wal-Mart Neighborhood Market located at 1011 East Centennial, and authorization for the Mayor to execute the instrument on behalf of the City of Pittsburg.
- f. Approval of staff request to submit an application for a Smart Growth America Technical Assistance Grant offered through the United States Environmental Protection Agency to assist with the development of the downtown district at no cost to the City and authorize the Mayor to sign a letter of commitment to be submitted with the grant application.

CITY OF PITTSBURG, KANSAS
COMMISSION AGENDA
Tuesday, October 13, 2015
5:30 PM

- g. Approval of the Appropriation Ordinance for the period ending October 13, 2015, subject to the release of HUD expenditures when funds are received.
ROLL CALL VOTE.

PUBLIC HEARING:

- a. REQUEST TO VACATE - The City of Pittsburg advertised for Public Hearing October 13, 2015, at the City Commission Meeting, commencing at 5:30 p.m. in the City Commission Room, located in the Law Enforcement Center, 201 N Pine, for the purpose of vacating an alley in the 600 Block of East Jackson Street described as all that alley located between Lots 1 through 11 and Lots 12 through 22, all located in block 2 of Bonview Addition to City of Pittsburg, Crawford County, Kansas. **Following Public Hearing, consider request and, if approved, direct the preparation of the necessary Order.**

CONSIDER THE FOLLOWING:

- a. ORDINANCE NO. S-1029 - Consider Ordinance S-1029, levying an additional City Retailers Sales Tax in the amount of one-quarter of one percent (0.25) within the City of Pittsburg, effective April 1, 2016. **Approve or disapprove Ordinance No. S-1029 and, if approved, authorize the Mayor to sign the Ordinance on behalf of the City.**
- b. ORDINANCE NO. S-1030 - Consider Ordinance No. S-1030, authorizing consent to the assignment of a certain lease between the City, as lessor, and HI1 Pittsburg, LLC, as lessee, whereby said lessee transfers its leasehold interest in the Holiday Inn Express Hotel to Pittsburg Hospitality, LLC, as assignee; issuance of its Taxable Industrial Revenue Bonds, Series 2015 (Holiday Inn Express Project) in for the purposes of paying a portion of the costs of assignee's acquisition of such leasehold interest; and execution of additional documents necessary or desirable to effect the transaction contemplated hereby. **Approve or disapprove Ordinance No. S-1030 and, if approved, authorize the Mayor to sign the appropriate documents on behalf of the City.**

CITY OF PITTSBURG, KANSAS
COMMISSION AGENDA
Tuesday, October 13, 2015
5:30 PM

- c. HOLIDAY INN EXPRESS - FUNDING REQUEST - Consider the recommendation of the Economic Development Advisory Committee (EDAC) to provide funding to Pittsburg Hospitality, LLC, the new owners of the Holiday Inn Express located at 4011 North Parkview Drive in the amount of \$350,000 from the Revolving Loan Fund (RLF) to offset costs associated with remodeling the facility, with up to \$100,000 of this amount to be forgiven if Pittsburg Hospitality, LLC, builds and opens a Denny's Restaurant within two years. **Approve or disapprove recommendation of the Economic Development Advisory Committee and, if approved, authorize the Mayor to sign the necessary documents on behalf of the City.**

- d. KANNARR EYE CARE - FUNDING REQUEST - Consider the recommendation of the Economic Development Advisory Committee (EDAC) to provide funding to Kannarr Eye Care in the amount of \$17,000 from the Revolving Loan Fund (RLF) to offset infrastructure costs associated with the expansion of their facility located at 2521 North Broadway. **Approve or disapprove recommendation of the Economic Development Advisory Committee and, if approved, authorize the Mayor to sign the necessary documents on behalf of the City.**

- e. LICENSE AGREEMENT - AZTECA SYSTEMS - CITYWORKS - Staff is requesting authorization to enter into a License Agreement with Azteca Systems, Inc. for Cityworks software. **Approve or disapprove staff request and, if approved, authorize the Mayor to sign the License Agreement on behalf of the City.**

- f. PROFESSIONAL SERVICES AGREEMENT - NEWEDGE SERVICES, LLC - Staff is requesting authorization to enter into a Professional Services Agreement with NewEdge Services, LLC, for the purchase and installation of an Asset Management/Work Order System in an amount not to exceed \$75,800. **Approve or disapprove staff request and, if approved, authorize the Mayor to sign the Professional Services Agreement on behalf of the City.**

CITY OF PITTSBURG, KANSAS
COMMISSION AGENDA
Tuesday, October 13, 2015
5:30 PM

- g. CONDITIONAL USE REQUEST -The Planning and Zoning Commission, in its meeting of September 28, 2015, voted unanimously to recommend to the Governing Body approval of a request submitted by Charles Watson for a Conditional Use under the provisions of Article 30 of the Pittsburg Zoning Ordinance to allow chickens to be housed at his residence located at 1017 East 4th Street. **Approve or disapprove the recommendation. (If the Governing Body is not in agreement with the recommendation as provided, the State Statutes stipulate that the Governing Body, by a simple majority, may deny the request or send it back to the Planning and Zoning Commission for further consideration.)**

NON-AGENDA REPORTS & REQUESTS:

EXECUTIVE SESSION:

- a. EXECUTIVE SESSION - An Executive Session is necessary for discussion regarding personnel matters of nonelected personnel. **Motion to recess into Executive Session for approximately 60 minutes for discussion regarding personnel matters of nonelected personnel.**

ADJOURNMENT

OFFICIAL MINUTES
OF THE MEETING OF THE
GOVERNING BODY OF THE
CITY OF PITTSBURG, KANSAS
September 22nd, 2015

A Regular Session of the Board of Commissioners was held at 5:30 p.m. on Tuesday, September 22nd, 2015, in the City Commission Room, located in the Law Enforcement Center, 201 North Pine, with Mayor Chuck Munsell presiding and the following members present: Jeremy Johnson, John Ketterman and Monica Murnan. Commissioner Michael Gray participated by telephone.

Pete Mayo of Via Christi provided the invocation.

Mayor Munsell led the flag salute.

PROCLAMATION – PROJECT WARMTH DAY - Mayor Munsell proclaimed Thursday, October 8th, 2015, as Project Warmth Day in Pittsburg.

PUBLIC INPUT – Elizabeth Kutz of the Paw Prints on the Heartland requested funding for the Paw Prints feline spay and neuter program.

APPROVAL OF MINUTES – SEPTEMBER 8th, 2015 - On motion of Murnan, seconded by Johnson, the Governing Body approved the September 8th, 2015, City Commission Meeting minutes as submitted. Motion carried.

ORDINANCE NO. G-1230 – On motion of Murnan, seconded by Johnson, the Governing Body adopted Ordinance No. G-1230, amending Section 78-116 of the Pittsburg City Code to prohibit parking on both sides of East 10th Street between Locust and Joplin Streets, the south side of West Cleveland Street between Broadway and Olive Streets and the east side of South Olive Street between Cleveland and Walnut Streets, first and only reading. Motion carried.

BICYCLE AND PEDESTRIAN MASTER PLAN – On motion of Murnan, seconded by Johnson, the Governing Body adopted the Bicycle & Pedestrian Master Plan, prepared by PedNet of Columbia, MO., as the official resource document for the City of Pittsburg as the City moves forward in expanding the active transportation network throughout the City. Motion carried.

CEREAL MALT BEVERAGE LICENSE APPLICATION – THAI OCHA – On motion of Murnan, seconded by Johnson, the Governing Body approved the application submitted by Natveena Boonruang for a 2015 Cereal Malt Beverage License for Thai Ocha located at 1014 South Broadway and authorized the City Clerk to issue the license. Motion carried.

APPROPRIATION ORDINANCE – On motion of Murnan, seconded by Johnson, the Governing Body approved the Appropriation Ordinance for the period ending September 22nd, 2015, subject to the release of HUD expenditures when funds are received, with the following roll call vote: Yea: Gray, Johnson, Ketterman, Munsell, and Murnan. Motion carried.

OFFICIAL MINUTES
OF THE MEETING OF THE
GOVERNING BODY OF THE
CITY OF PITTSBURG, KANSAS
September 22nd, 2015

PAWPRINTS ON THE HEARTLAND FUNDING - Mayor Munsell asked the members of the Governing Body if they would like to make a motion to provide funding to the Pawprints on the Heartland feline spay and neuter program. No motion was made.

RESOLUTION NO. 1176 – On motion of Ketterman, seconded by Johnson, the Governing Body adopted Resolution No. 1176, determining the advisability of amending the Trust Indenture and Lease entered into in connection with the issuance of the City's Taxable Industrial Revenue Bonds, Series 2008 (Holiday Inn Express Project) and issuing additional bonds to finance the acquisition of the leasehold interest in the bond financed project by Pittsburg Hospitality, LLC, and authorized the Mayor to sign the Resolution on behalf of the City of Pittsburg. Motion carried.

NEW WORLD SYSTEMS - ADDITIONAL SOFTWARE LICENSE AGREEMENT – On motion of Johnson, seconded by Ketterman, the Governing Body authorized staff to enter into an Additional Software License Agreement with New World Systems for the purchase of Aegis/MSP Corrections Management Software in the amount of \$252,480, and authorized the Mayor to sign the Additional Software License Agreement on behalf of the City. Motion carried.

INTERAGENCY SERVICES CONTRACT - CRAWFORD COUNTY SHERIFF'S DEPARTMENT – On motion of Murnan, seconded by Johnson, the Governing Body authorized staff to enter into an Interagency Services Contract with the Crawford County Sheriff's Department in which the City of Pittsburg will allow the Crawford County Sheriff's Department access and use of the City's licensed New World Systems Law Enforcement/Fire/EMS Computer Aided Dispatch, Law Enforcement/Fire Records Management System, Corrections Management System, Aegis Mobile Unit Software, and Law Enforcement Field Reporting software, and authorized the Mayor to sign the Additional Software License Agreement on behalf of the City. Motion carried.

REPAYMENT AGREEMENT - CRAWFORD COUNTY – On motion of Ketterman, seconded by Crawford County in the amount of \$252,480 to be repaid in five equal annual payments in the amount of \$50,496 beginning on January 10th, 2016, for the purchase of the New World Systems Aegis/MSP Corrections Management Software, and authorized the Mayor to sign the Additional Software License Agreement on behalf of the City. Motion carried.

NON-AGENDA REPORTS AND REQUESTS –

VOLUNTEER REQUEST FOLLOW UP – Director of Community Development and Housing Becky Gray announced that City staff met recently with Mr. Smardo regarding his request to create a City-wide volunteer group. Ms. Gray encouraged citizens to contact her office if they have volunteer opportunities or if they would like to volunteer for events.

MAYOR BIRTHDAY – City Manager Daron Hall wished Mayor Munsell a happy birthday.

OFFICIAL MINUTES
OF THE MEETING OF THE
GOVERNING BODY OF THE
CITY OF PITTSBURG, KANSAS
September 22nd, 2015

STREET SALES TAX ELECTION – Commissioner John Ketterman reminded citizens that the Street Sales Tax Election will be held on Thursday, September 24th, 2015.

ADJOURNMENT: On motion of Ketterman, seconded by Johnson, the Governing Body adjourned the meeting at 5:52 p.m. Motion carried.

Chuck Munsell, Mayor

ATTEST:

Tammy Nagel, City Clerk

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is made as of the ____ day of _____, 2015, by and between City of Pittsburg, Kansas, a municipal corporation ("landlord"), and Unisource Worldwide, Inc., a Veritiv company, d/b/a Rollsource, a Delaware corporation ("tenant") (the words "landlord" and "tenant" to include their respective legal representatives, successors and permitted assigns where the context requires or permits).

WHEREAS, tenant is currently in possession of the demised premises pursuant to a lease agreement between landlord and tenant, which agreement is not in default. By its terms, said lease agreement expires on July 31, 2015, and this Lease Agreement will continue the landlord/tenant relationship, in accordance with the terms provided herein.

WITNESSETH:

1. Basic Lease Provisions. The following constitute the basic provisions of this Lease:

- | | | |
|-----|---|--|
| (a) | Demised Premises Legal Industrial Park | Lot Three (3) Pittsburg Regional

Description:
Third Addition, Pittsburg Kansas 66762 |
| (b) | Demised Premises: | 4.53 acres along with a 40,000 square foot building and other improvements, commonly known as 3004 Rotary Terrace, Pittsburg Kansas. |
| (c) | Building Square Footage: | 40,000 square feet |
| (d) | Monthly Base Rent Installments (the "Base Rent"): | Lease Year 1:
\$8,343.00
Lease Year 2:
\$8,343.00 |
| (e) | Annual Insurance Reimbursement Rent | Installments (the "Reimbursement Rent"):
\$2,000.00 |
| (f) | Lease Commencement Date: | August 1, 2015 |
| (g) | Base Rent and Reimbursement | Rent Commencement Date:
August 1, 2015 |

(h) Expiration Date:
July 31, 2017

(l) Term:
2 years, with 2 year option to renew

(j) Permitted Use: General office, warehouse, distribution and manufacturing use in compliance with applicable zoning codes and ordinances; Landlord represents that office, warehouse, distribution, manufacturing and industrial use is compliant with current applicable zoning codes and ordinances.

(k) Address for notice:

Landlord: City of
Pittsburg, Kansas
Attn: City Clerk
P.O. Box 688
Pittsburg, Kansas 66762

Tenant: Rollsource a
division of Unisource
Worldwide, Inc., a Veritiv company
1000 Abernathy Road, N.E.
Building 400, Suite 1700
Atlanta, Georgia 30328
Attn: Director - Real Estate

with a copy to: Unisource
Worldwide, Inc.,
a Veritiv company
1000 Abernathy Road, N.E.
Building 400, Suite 1700
Atlanta, Georgia 30328
Attn: Law Department - Real Estate Counsel

(l) Address for payment of rent: City of
Pittsburg, Kansas
Attn: Director of Department of Finance
P O Box 688
Pittsburg, Kansas 66762

2. Demised Premises. For and in consideration of the rent hereinafter reserved and the mutual covenants hereinafter contained, Landlord does hereby lease and demise unto tenant, and tenant does hereby hire, lease and accept from landlord, all upon the terms and conditions hereinafter set forth the following premises, referred to as the "Demised Premises": 4.53 acres of real property along with a

building containing approximately 40,000 square feet of space, having an address as set forth in Section 1(a), (the 'Building') along with related improvements (collectively the Project") which is Lot Three (3) Pittsburg Regional Industrial Park Third Addition, Pittsburg, Kansas.

3. Term. To have and to hold the Demised Premises commencing on the Lease Commencement Date as set forth in Section 1, and terminating on the Expiration Date set forth in Section 1 (the "Term").

Tenant shall have the right to renew this lease for an additional two-year term, at the then current rent, by written notice to Landlord delivered to Landlord not less than ninety days prior to the end of the initial term.

Notwithstanding the above stated terms, in the event Tenant loses the Rx account in Joplin, Missouri, Tenant shall have the right to terminate this lease, without penalty, at any time prior to the stated expiration date of the initial or renewal term upon at least 120 days prior written notice from Tenant to Landlord.

4. Base Rent and Reimbursement. Tenant shall pay to landlord at the address set forth in Section 1, as Base Rent and Reimbursement Rent (collectively the "Rent") for the Demised Premises, commencing on the Rent Commencement Date and continuing throughout the term in lawful money of the United States, the amounts set forth in Section 1 payable in equal monthly installments as set forth in Section 1, on the first day of each calendar month during the term.

5. Business and Personal Property Taxes, Special Assessments, and Ad Valorem Taxes. During the entire term of this lease, in addition to the rent payments required herein, tenant shall pay and agrees to reimburse landlord for tenant's pro rata share of any personal property, ad valorem taxes, and special assessments levied and assessed against the Demised Premises, including any taxes and assessments levied or assessed as the result of tenant's business operations thereon; except for income taxes due by landlord, if any. Tenant shall pay all taxes on tenant's business directly to the taxing authority. While tenant is the only tenant in the building, tenant's pro rata share shall be 100%.

The tenant shall have the right to contest the validity of any business or personal property taxes levied or assessed against the Premises, by appropriate legal proceedings, but this shall not be deemed or construed in any way as relieving, modifying, or extending the tenant's covenant to pay all such taxes before a penalty is assessed and in the manner and in this paragraph provided. The landlord shall not be required to join in any such proceedings unless it shall be necessary for landlord to do so in order to properly prosecute such proceedings, in which case the tenant agrees to indemnify and hold the landlord harmless against and from any and all costs and expenses, including reasonable attorney fees, in connection therewith.

6. Use of Demised Premises.

(a) The Demised Premises shall be used for the Permitted Use set forth in Section 1.

(b) Tenant will permit no liens to attach or exist against the Demised Premises, and shall not commit any waste. Tenant shall remove within sixty (60) days of notice of

attachment any and all liens attached against the Demised Premises which are attached by persons claiming through or against the Tenant.

- (c) Tenant shall not in any way violate any law, ordinance or restrictive covenant affecting the Demised Premises.

7. Insurance.

(a) Tenant covenants and agrees that from and after the Lease Commencement Date or any earlier date upon which tenant enters or occupies the Demised Premises or any portion thereof, tenant will carry and maintain the following types of insurance, in the amounts specified and in the form hereinafter provided for:

(i) Liability insurance in the Commercial General Liability form (or reasonable equivalent thereto) covering the Demised Premises and tenant's use thereof against claims for personal injury or death, property damage and product liability occurring upon, in or about the Demised Premises, which shall provide combined single limits amounts not less than \$3,000,000.00.

(ii) Kansas Worker's Compensation and Employer's Liability coverage which shall also cover claims for injury, disease or death of employees arising out of or in the course of their employment, which, for any reason, may not fall within the provisions of the Worker's Compensation Laws. The limits for worker's compensation shall be no less than the applicable statutory minimum, and the limits for employer's liability insurance shall be no less than \$500,000.00 per occurrence. Such insurance coverage shall have an "All States" endorsements.

(b) During the Term, landlord shall maintain "all-risk" property insurance on a replacement cost basis for the full insurable value of the Demised Premises.

(c) All policies of insurance provided for herein shall be issued by an insurer licensed or otherwise authorized licensed to do business in the State of Kansas. The policies shall include a blanket endorsement which provides additional insured status to landlord. Certificates of Insurance shall be delivered to landlord prior to the Lease Commencement Date.

Landlord and Tenant hereby waive any rights each may have against the other on account of any loss or damage occasioned to landlord or tenant, as the case may be, their respective property, the Demised Premises or its contents, arising from any risk covered by all risks fire and extended coverage insurance of the type and amount required to be carried hereunder, provided that such waiver does not invalidate such policies or prohibit recovery thereunder. The parties hereto shall cause their respective insurance companies insuring the property of either landlord or tenant against any such loss, to waive any right of subrogation that such insurers may have against landlord or tenant, as the case may be.

Notwithstanding anything to the contrary, tenant shall have the right to self insure in place of any of the foregoing tenant's insurance obligations provided that tenant will provide landlord with a copy of the standard self insurance certificate currently used by tenant upon request of the landlord.

8. Maintenance and Repairs.

(a) Tenant shall maintain in good condition and repair the interior of the Demised Premises,, including but not limited to the heating, air conditioning and ventilation systems, interior fixtures, interior walls, floors, ceilings, storefronts, and other appliances and equipment located in the interior of the Demised Premises, along with maintaining and repairing the floor, plumbing and sewage lines, and the asphalt portions of the exterior parking and driving areas, except as to such maintenance and repair as is the obligation of landlord pursuant to Section 8(b). Tenant shall maintain in full force and effect a service contract for the maintenance of the heating, ventilation and air conditioning systems with an entity reasonably acceptable to landlord. Tenant's obligation to maintain or repair shall exclude any maintenance and repair required because of the willful misconduct or negligence of landlord, its employees or agents, or defects in construction which shall be the responsibility of landlord. Landlord's obligation with respect to defects in construction shall not extend beyond the initial three (3) year term of the lease.

(b) Landlord shall, at its own cost and expense, maintain in good condition and repair the exterior walls, roof membrane and structure, foundation, the concrete portions of the exterior parking and driving areas, and structural frame of the building. Landlord's obligation shall exclude the cost of any maintenance or repair required because of the willful misconduct or negligence of tenant, its employees or agents, the cost of which shall be the responsibility of tenant. In the event maintenance or repair is necessary because of the willful misconduct or negligence of tenant, its agents and employees, tenant agrees to make such repairs within thirty (30) days of notice to tenant of the need for such maintenance or repair; however, in the event that such maintenance or repair shall reasonably require more than thirty (30) days to complete, tenant shall be able to extend maintenance or repair period by the time reasonably necessary to complete such repair or maintenance.

9. Tenant's Fixtures. Tenant shall have the right to install in the Demised Premises trade fixtures required by tenant or used by it in its business, and if installed by tenant, to remove any or all such trade fixtures from time to time during and upon termination of this lease; provided, however, that tenant shall repair and restore any damage or injury to the Demised Premises caused by the installation and/or removal of any such trade fixtures.

10. Signs. All signs, advertisements or notices on the Demised Premises shall conform to all applicable laws, ordinances, or covenants affecting the Demised Premises.

11. Governmental Regulations. Tenant shall comply with all present and future laws, ordinances and regulations of all applicable governing authorities (collectively, "Laws") relating to tenant's use or manner of use of the Demised Premises which shall include, without limitation, compliance with environmental and discrimination laws, ordinances and regulations; provided, that tenant shall not be required to make any alterations or installations to the Demised Premises in order to comply with Laws unless such alterations or installations are required (i) as a result of alterations made by tenant to the Demised Premises, or (ii) due to tenant's use of the Demised Premises which is not that of a typical office/warehouse manufacturing facility user.

12. Waste and Nuisance. Tenant shall not maintain a nuisance or commit waste upon the Demised Premises, and at the termination of this lease shall surrender and deliver the Demised Premises

to landlord in as good condition as the same were at the commencement of the term excepting (i) normal wear and tear, (ii) acts of God, condemnation and casualties, (iii) damage or loss for which landlord has waived recovery, (iv) repairs and replacements which are landlord's obligation, and (v) other casualties beyond the control of tenant, its employees, agents, servants or invitees.

13. Tenant Alterations and Additions. Tenant shall not make any exterior alterations, improvements, or additions to the Demised Premises or interior alterations, improvements or additions which cost more than Twenty Thousand Dollars (\$20,000.00) (a "Tenant's Change"), without first obtaining landlord's prior written consent (which consent landlord agrees not unreasonably to withhold). Except as otherwise provided herein, all tenant's changes and all repairs affixed to the Demised Premises shall immediately upon completion or installation thereof be and become part of the Demised Premises and the property of landlord without payment therefor by landlord and shall be surrendered to landlord upon the expiration or earlier termination of this lease.

14. Exterior Maintenance. So long as tenant is the sole tenant in the building, tenant shall maintain in good condition the landscaped areas of the Demised Premises and shall keep the parking lot free from trash and debris.

15. Fire and Other Casualty. In the event all or any part of the Demised Premises is damaged or destroyed by fire, windstorm or other casualty, and as a result thereof, the Demised Premises or any substantial part thereof is rendered unusable for tenant's Permitted Use as set forth in Section 1(j) of this lease for in excess of thirty (30) consecutive days, tenant may terminate this lease upon thirty (30) days written notice of termination given within sixty (60) days after the date of such damage or destruction, and, on such date provided in the notice, the lease shall terminate. If any governmental public authority, including the landlord, having jurisdiction over the Demised Premises shall determine that the Demised Premises shall be demolished and removed because of damage, this lease shall terminate at the option of the tenant.

In the event all or any part of the Demised Premises is damaged or destroyed by fire or other casualty and this lease is not terminated as hereinabove provided, or if the Demised Premises or any part thereof is not rendered unusable for tenant's business, then in any of such events, the lease shall continue in full force and effect and landlord shall use the insurance proceeds to promptly repair, restore, and rebuild the Demised Premises to its condition as existed at the time immediately prior to the occurrence of the damage or destruction and all rent and other sums payable under this lease shall abate in proportion and to the extent that the Demised Premises or any part thereof is so rendered unusable for tenant's business. If landlord does not complete restoration of the Demised Premises within ninety (90) days after the date of the casualty, then tenant may, at tenant's option, terminate this lease by giving written notice to landlord.

16. Tenant's Default.

(a) The occurrence of any one or more of the following events shall constitute an "Event of Default" of tenant under this lease:

(i) if tenant fails to pay Base Rent, or taxes and insurance (if any) billed by landlord to tenant hereunder as and when such rent becomes due and such failure shall continue for more than twenty (20) days after receipt of written notice from landlord of such failure;

(ii) if tenant fails to perform or observe any other term of this lease and such failure shall continue for more than thirty (30) days after landlord gives tenant written notice of such failure, or, if such failure cannot be corrected within such thirty (30) day period, if tenant does not commence to correct such default within said thirty (30) day period and thereafter diligently prosecute the correction of same to completion within a reasonable time.

(b) Upon the occurrence of any one or more Events of Default, landlord may, at landlord's option:

(i) Terminate this lease by giving tenant notice of termination, in which event this lease shall expire and terminate on the date specified in such notice of termination and all rights of tenant under this lease and in and to the Demised Premises shall terminate. Tenant shall remain liable for all obligations under this lease arising up to the date of such termination, and tenant shall surrender the Demised Premises to landlord on the date specified in such notice; or

(ii) Terminate this lease as provided in this lease and recover from tenant all damages landlord may incur by reason of tenant's default, and all rent due and owing for the remaining term of the lease (however not including any unexercised options) reduced to present value; or

(iii) Pursue such other remedies as are available at law or equity. Notwithstanding anything to the contrary, landlord shall exercise best efforts to mitigate damages in the event of tenant's default.

17. Landlord's Right of Entry. Tenant agrees to permit landlord and the authorized representatives of landlord to enter upon the Demised Premises at all reasonable times for the purposes of inspecting the Demised Premises upon twenty-four (24) hours or more notice.

18. Estoppel Certificate. Landlord and tenant agree, at any time, and from time to time, within fifteen (15) days after written request of the other, to execute, acknowledge and deliver a statement in writing in recordable form to the requesting party and/or its designee certifying to the extent such facts are true and accurate that: (i) this lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect, as modified), (ii) the dates to which Base Rent and other charges have been paid, (iii) whether or not to the best of its knowledge, there exists any failure by the requesting party to perform any term, covenant or condition contained in this lease, and, if so, specifying each such failure, (iv) and as to such additional matters as may reasonably be requested.

19. Notices. Any notice required or permitted to be given or served by either party to this lease shall be deemed given when made in writing, and either (i) personally delivered, (ii) deposited with the United States postal service, postage prepaid, to be mailed by registered or certified mail, return receipt requested, or (iii) delivered by nationally recognized overnight delivery service providing proof of delivery, properly addressed to the address set forth in Section 1 (as the same may be changed by giving written notice of the aforesaid in accordance with this lease). If any notice mailed is properly addressed with appropriate postage but returned for any reason, such notice shall be deemed to be effective notice and to be given on the date of mailing.

20. Brokers. Neither landlord nor tenant has engaged any brokers, other than CBRE who represents Tenant, who would be entitled to any commission or fee based on the execution of this lease. Landlord and tenant hereby indemnify each other against and from any claims for any brokerage commissions and all costs, expenses and liabilities in condition therewith, including, without limitation, reasonable attorneys' fees and expenses, for any breach of the foregoing other than those amounts owed CBRE by Tenant. The foregoing indemnification shall survive the termination of this lease for any reason.

21. Assignment and Subleasing. The tenant shall not assign, sublease, or transfer the lease, or any interest therein, without the prior express written consent of landlord which consent shall not be unreasonably withheld. However, landlord specifically reserves the right to assign this lease to either a governmental or non-governmental agency, entity or person. Notwithstanding the foregoing, intercorporate or intercompany transfers involving mergers, acquisitions, stock transfers, or corporate restructuring shall not be considered an assignment, sublease or transfer of this lease by tenant. Tenant shall have the right to assign, sublease or transfer the lease without landlord's approval provided that (i) such assignee, sublessee or transferee agrees to be bound by the lease, and (ii) tenant remains liable under the lease.

22. Termination or Expiration.

(a) No termination of this lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect landlord's right to collect rent for the period prior to termination thereof.

(b) At the expiration or earlier termination of the term of this lease, tenant shall surrender the Demised Premises and all improvements, alterations and additions thereto pursuant to this lease, and keys therefore to landlord, clean and neat, and in the same condition as at the Lease Commencement Date, excepting normal wear and tear, condemnation and or otherwise pursuant to this lease and the Waste and Nuisance Section of this lease.

23. Late Payments. Tenant agrees to pay landlord a late charge of \$20.00 per day for each day the monthly lease payment is not paid in full by the 10th day of each month during the term of this lease. The maximum late charge which may accrue on any one (1) monthly payment is \$420.00.

24. Quiet Enjoyment. So long as tenant has not committed an Event of Default hereunder, landlord agrees that tenant shall have the right to quietly possess, use and enjoy the Demised Premises for the Term.

25. Miscellaneous.

(a) This lease shall extend to and be binding upon the parties hereto, their affiliates, subsidiaries, trustees, successors and assigns.

(b) If any clause or provision of this lease is determined to be illegal, invalid or unenforceable under present or future laws effective during the Term, then and in that event, it is the intention of the parties hereto that the remainder of this lease shall not be affected thereby, and that in lieu of such illegal, invalid or unenforceable clause or

provision there shall be substituted a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

(c) All rights, powers, and privileges conferred hereunder upon the parties hereto shall be cumulative, but not restrictive to those given by law.

(d) Time is of the essence of this lease.

(e) No failure of landlord or tenant to exercise any power given landlord or tenant hereunder or to insist upon such strict compliance by landlord or tenant with its obligations hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of landlord's or tenant's rights to demand exact compliance with the terms hereof.

(f) This lease contains the entire agreement of the parties hereto and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force and effect. The masculine (or neuter) pronoun, singular number shall include the masculine, feminine and neuter gender and the singular and plural number.

(g) If either party shall file suit to enforce any provision of this lease, then the prevailing party in litigation shall be entitled to recover reasonable attorney's fees and costs actually incurred.

(h) The captions of this lease are for convenience only and are not a part of this lease, and do not in any way define, limit, describe or amplify the terms or provisions of this lease or the scope or intent thereof.

(i) This lease may be executed in multiple counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same agreement.

(j) This lease shall be interpreted under the laws of the State of Kansas. Both landlord and tenant agree to submit to the jurisdiction and venue of a State of Kansas court sitting in Crawford County in the State of Kansas for the resolution for disputes arising hereunder.

(k) The parties acknowledge that this lease is the result of negotiations between the parties, and in construing any ambiguity hereunder no presumption shall be made in favor of either party. No inference shall be made from any item which has been stricken from this lease other than the deletion of such item.

(l) If landlord's consent is required under this lease, landlord shall be deemed to have given such consent if landlord does not respond to a written request for such consent within twenty (20) days after landlord's receipt of such request.

(m) If any part of the Demised Premises should be taken for any public or quasi-public use under any law or by right of eminent domain, or by private purchase in lieu

thereof (a "Taking" or "Taken"), and the taking would materially interfere with tenant's use of the Demised Premises, then upon written notice by tenant to landlord, this lease shall terminate effective on the date of Taking, and rent shall be apportioned as of the date of title vesting in such proceeding or purchase. If part of the Demised Premises shall be taken, and this lease is not terminated as provided above, this lease shall continue in full force and effect, and landlord, at landlord's sole cost and expense, shall promptly and diligently proceed to restore the remaining portions of the Demised Premises, including any and all improvements made theretofore, to substantially the same condition as in prior to such Taking. An equitable proportion of the rent shall be suspended or abated until the completion of such restoration, and thereafter the rent payable hereunder during the unexpired term shall be reduced in proportion to the number of square feet of Demised Premises Taken as related to the number of square feet in the Demised Premises prior to the Taking.

(n) If hazardous materials are hereafter discovered on the Demised Premises during the term, and (i) the presence of such hazardous materials is not the result of either tenant's use of the Demised Premises or any act or omission of tenant, its agents, employees, or contractors, (ii) the presence of such hazardous materials results in any contamination of the Demised Premises that requires remediation under applicable laws, and (iii) tenant's operations in the Demised Premises are impaired as a result of such contamination, then landlord shall promptly, at its sole expense, take all actions as are necessary to remediate such hazardous materials and as may be required by applicable laws. If landlord fails to promptly commence and diligently pursue the completion of such remediation, then tenant may elect to terminate this lease after the expiration of thirty (30) days following written notice. Rent shall be equitably adjusted if and to the extent and during the period the Demised Premises are unsuitable for tenant's operations as a result of such contamination or landlord's remediation activities.

(o) Landlord hereby waives any lien it may have for rent against any and all of the property of tenant to the fullest extent allowed by law.

(REMAINDER OF PAGE INTENTIONALLY BLANK)
(SIGNATURE PAGE FOLLOWS)

LANDLORD:

City of Pittsburg, Kansas

By: _____
Chuck Munsell, Mayor

ATTEST:

Tammy Nagel, City Clerk

TENANT:

Unisource Worldwide, Inc.,
a Veritiv company

By: _____
,

ATTEST:

Name: _____
Title: _____

(CORPORATE SEAL)



Memorandum

TO: Daron Hall, City Manager

FROM: Blake Benson, Economic Development Director

DATE: October 7, 2015

SUBJECT: October 13, 2015 Agenda Item
Community Health Center of Southeast Kansas loan forgiveness

On July 8, 2013, the City of Pittsburg entered into a \$460,517 forgivable loan agreement with the Community Health Center of Southeast Kansas to fund infrastructure improvements associated with an expansion project. In return, the Community Health Center of Southeast Kansas agreed to varying annual benchmarks required through 2016 in order to qualify for loan forgiveness.

In order to have this year's installment of the loan forgiven, the Community Health Center of Southeast Kansas agreed to employ at least 121 full-time employees.

The Community Health Center of Southeast Kansas submitted verification that, as of August 1, 2015, their number of full-time employees was 133, well above the required threshold for forgiveness.

As a result, the Economic Development Advisory Committee has recommended forgiveness for this year's installment of the loan. This amount would be \$123,891.53.

Please place this item on the agenda for the City Commission meeting scheduled for Tuesday, October 13, 2015. Action being requested is the approval or denial of the loan forgiveness recommendation and, if approved, authorize the Mayor to sign the appropriate documents.



Memorandum

TO: Daron Hall, City Manager

FROM: Blake Benson, Economic Development Director

DATE: October 7, 2015

SUBJECT: October 13, 2015 Agenda Item
Fireworks Leasing, LLC forgivable loan-third installment

On November 1, 2012, the City of Pittsburg entered into a \$700,000 forgivable loan agreement with Fireworks Leasing, LLC, to help facilitate the acquisition and renovation of the former Superior Industries building at 1500 East 27th Street. In return, Fireworks Leasing, LLC, agreed to a job creation schedule to be considered each year over a three-year period in order to qualify for loan forgiveness.

The contract called for Fireworks Leasing to have created 15 additional jobs no later than November 1, 2015, to have the third and final loan installment forgiven. The loan installment is valued at \$247,471.26. At its October 7 meeting, the Economic Development Advisory Committee (EDAC) reviewed employee information submitted by Fireworks Leasing, LLC, and concluded the company had complied with the job creation requirements and was eligible for loan forgiveness.

Please place this item on the agenda for the City Commission meeting scheduled for Tuesday, October 13, 2015. Action being requested is approval or denial of the EDAC recommendation to forgive the loan payment of \$247,471.26 and, if approved, authorize the Mayor to sign the appropriate documents.

COVENANTS AND CONDITIONS

WAL-MART REAL ESTATE BUSINESS TRUST, a Delaware statutory trust, being the legal title holder(s), hereinafter referred to as "Property Owner", of all the property and lots (the "Property") in Crawford County, Kansas and the City of Pittsburg, Kansas (hereinafter referred to as the "City") legally described in Exhibit A attached hereto, enter into and make the following covenants and conditions and specify that these covenants and conditions shall be and constitute covenants running with the land so as to be binding upon all parties and all persons owning, purchasing, transferring or conveying a legal interest therein in the above-described Property, to-wit:

1. City shall provide two (2) points of connection, one being the 12" water main line located along the East side of Rouse Street and the other being the 16" water main line along the North side of Centennial Street. The point of connection for Owner shall be an 8" valve on the East side of Rouse Street and an 8" valve on the North side of Centennial Street. Property Owner shall assume responsibility for installation and maintenance of all water distribution components going from these two separate valves. (See Overall Utility Plan and Demolition Plan attached at Exhibit B for clarification.)
2. City shall provide the following materials for initial installation by Property Owner: meter setters, meter tiles, meter lids, and meters.
3. City will only be responsible for the maintenance of each meter.
4. Property Owner shall provide access to City staff for reading of meters and servicing as needed.
5. Should Property Owner need to replace one of the following items: meter setter, meter tile, or meter lid; it shall be identical to what has previously been provided. If requested by Property Owner, the City shall provide requested item to Property Owner at direct cost for the Property Owner's installation.
6. Property Owner shall provide access to the Fire Department for annual testing of fire hydrants. If during testing any component and / or components of the fire hydrant assembly break and / or do not work correctly, the Property Owner will be immediately notified. It will be the Property Owner's responsibility to repair and / or replace components situated upon the Property. The City will bear no costs related to annual testing activities.
7. The City reserves the right to discontinue water service to the Property Owner if it does not promptly repair or make arrangements with the City for a date, to repair

any unmetered and/or metered water leaks upon knowledge or notification of leak.

8. The covenants and conditions contained herein shall run with the land and shall be binding and enforceable for a period of one hundred (100) years from the date this instrument is recorded with the Office of the Register of Deeds, Crawford County, Kansas.
9. All improvements thereon shall comply and not conflict with the health, life, safety, and building codes and the zoning ordinances of the City as amended and supplemented from time to time.
10. The term Owner(s), includes heirs, devisees, legatees, trustees, representatives, successors, lessees, and assigns of said Owner(s). If the lot owner(s) breaches, violates, neglects or fails to comply with any of the conditions or covenants herein, the City may institute and prosecute proceedings at law or in equity against any person or entity responsible for violating or threatening to violate the conditions and covenants in this instrument.
11. Should any lien, mortgage or deed of trust with respect to the lots and/or property be foreclosed, then the title acquired by virtue of such foreclosure, and the person or entity who thereby and thereafter become the owner or lessees of the lots or property, shall be subject to and bound by all the conditions and covenants contained in this instrument.
12. After the date of recording this instrument, every person or other party who now or hereafter owns or acquires any right or interest in or to any portion of the lots and/or property made subject to this instrument, or in or to any improvements located thereon, is and shall be conclusively deemed to have consented and agreed to every covenant and condition contained herein, whether or not any mention of this instrument is referenced in the document by which such person or entity acquired an interest in said property and/or lot.
13. Each and all of the covenants and conditions contained in this instrument shall be deemed and construed to be continuing. No waiver of a breach of any of the covenants and conditions contained in this instrument shall be construed to be a waiver of any other breach of the same, or other covenants or conditions; nor shall failure to enforce any one of such covenants or conditions or pursue any remedy herein be construed as a waiver of any other condition or covenant. This instrument may be executed in counterparts.

EXECUTED AS OF THE _____ DAY OF _____, 2015.

THE CITY OF PITTSBURG, KANSAS

By: _____
_____, Mayor

ATTEST:

City Clerk, _____

STATE OF KANSAS)
)
CRAWFORD COUNTY)

BE IT REMEMBERED, that on this _____ day of _____, 20____, before me, the undersigned, a Notary Public, in and for the County and State aforesaid, came _____, Mayor of the City of Pittsburg, Kansas, a Municipal corporation duly incorporated and existing under and by virtue of the laws of Kansas, and _____, City Clerk of said City, who are personally known to me to be the same persons who executed as such officers the within instrument of writing on behalf of said City and such persons duly acknowledged the execution of the same to be the act and deed of said City.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Notarial Seal, the day and year last above written.

Notary Public

My Appointment expires: _____

EXHIBIT A

PROPERTY LEGAL DESCRIPTION

AS-SURVEYED DESCRIPTION-COMBINED TRACTS (Written by R. Gary Walker, LS 1066, December 23, 2104)

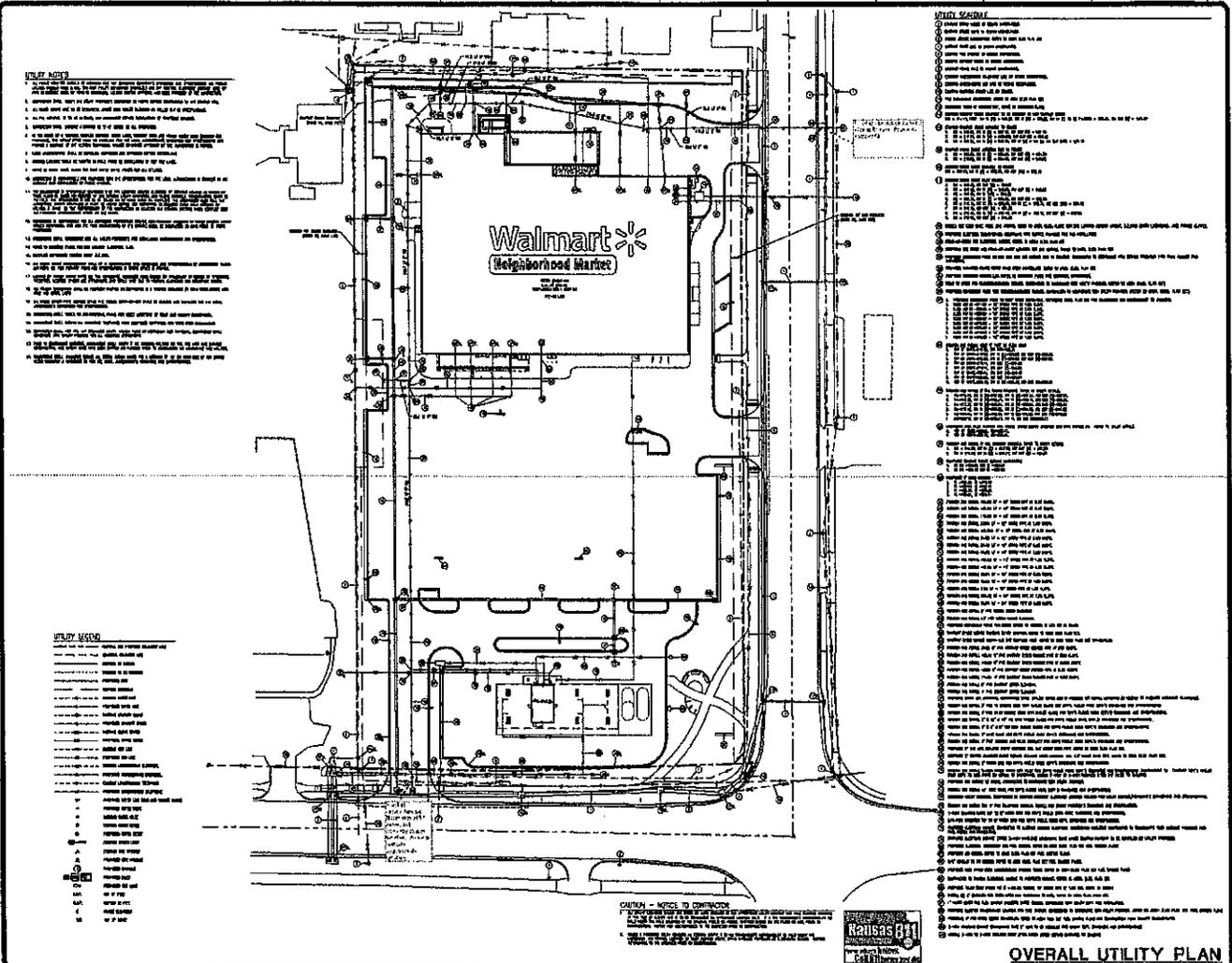
A tract of land located in a portion of the Southeast Quarter (SE 1/4) of the Southeast Quarter (SE 1/4) of Section Thirty Two (32), Township Thirty (30) South, Range Twenty Five (25) East of the Sixth Principal Meridian, Crawford County, Kansas, more particularly described as follows:

Commencing at the Southeast corner of Section 32; thence S 87°54'42" W, along the South line of the Southeast Quarter of Section 32, a distance of 400.12 feet (400.00 feet-deed); thence N 02°52'30" W, a distance of 55.00 feet to the North right-of-way line of East Centennial Drive for the Point of Beginning; thence continuing N 02°52'30" W, along the West line of a tract of land described in Deed Book 614 at Page 361, a distance of 271.81 feet (North 272 feet-calculated) to the Northwest corner thereof; thence N 02°50'41" W, along the West line of a tract of land described in Deed Book 615 at Page 721, a distance of 192.12 feet (North 192 feet-deed) to the Northwest corner thereof; thence N 02°52'15" W, along the West line of a tract of land described in Deed Book 515 at Page 653, a distance of 169.32 feet (North 169.3 feet-deed) to the Northwest corner thereof; thence N 87°54'27" E, along the North line of said tract, a distance of 355.08 feet (East 355 feet-deed) to the West right-of-way line of South Rouse Street; thence S 02°27'13" E, along said West right-of-way line, a distance of 169.29 feet (South 169.3 feet-deed); thence S 03°12'12" E, along the West right-of-way line of said South Rouse Street, a distance of 191.93 feet; thence S 02°53'47" E, along the West right-of-way line, a distance of 252.08 feet; thence S 41°30'29" W, along the West right-of-way line, a distance of 14.36 feet (S 44°11'11" W 14.34 feet-deed) to the North right-of-way line of East Centennial Drive; thence S 85°12'20" W, along said North right-of-way line, a distance of 201.88 feet; thence S 87°53'17" W, along the North right-of-way line of said East Centennial Drive, a distance of 143.32 feet to the Point of Beginning.

EXHIBIT B

OVERALL UTILITY PLAN AND DEMOLITION PLAN

[See attached two (2) sheets.]



REVISIONS BY	DATE

Galloway
 ENGINEERS & ARCHITECTS
 1000 WEST 10TH AVENUE
 SUITE 100
 DENVER, CO 80202
 TEL: 303.733.1100
 FAX: 303.733.1101
 WWW.GALLOWAY-ENG.COM

**DO NOT
 CONSTRUCTION**

NEIGHBORHOOD MARKET - 48851-00
 11717 W. 48TH AVENUE
 WILMINGTON, KANSAS 66184
 TOTAL MARKET PERFORM, INC.
 11717 W. 48TH AVENUE
 WILMINGTON, KS 66184



C4.1

CAUTION - NOTICE TO CONTRACTOR
 THE INFORMATION ON THIS PLAN IS FOR GENERAL INFORMATION ONLY. IT IS NOT TO BE USED FOR CONSTRUCTION WITHOUT THE ASSISTANCE OF THE DESIGN PROFESSIONAL. THE CONTRACTOR SHALL VERIFY ALL CONDITIONS AND CONDITIONS OF THE SITE PRIOR TO CONSTRUCTION. ANY CHANGES TO THE PLAN SHALL BE APPROVED BY THE DESIGN PROFESSIONAL. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING ALL EXISTING UTILITIES AND STRUCTURES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR MAINTAINING ACCESS TO ALL ADJACENT PROPERTIES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR RESTORING ALL UTILITIES AND STRUCTURES TO ORIGINAL OR BETTER CONDITION. THE CONTRACTOR SHALL BE RESPONSIBLE FOR REMOVING ALL CONSTRUCTION DEBRIS AND MATERIALS FROM THE SITE. THE CONTRACTOR SHALL BE RESPONSIBLE FOR MAINTAINING ALL UTILITIES AND STRUCTURES IN GOOD WORKING ORDER. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING ALL EXISTING UTILITIES AND STRUCTURES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR MAINTAINING ACCESS TO ALL ADJACENT PROPERTIES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR RESTORING ALL UTILITIES AND STRUCTURES TO ORIGINAL OR BETTER CONDITION. THE CONTRACTOR SHALL BE RESPONSIBLE FOR REMOVING ALL CONSTRUCTION DEBRIS AND MATERIALS FROM THE SITE.



OVERALL UTILITY PLAN

VENDOR SET: 99 City of Pittsburg, KS
BANK: * ALL BANKS
DATE RANGE: 9/16/2015 THRU 10/06/2015

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
C-CHECK	VOID CHECK	V	9/25/2015			175970		
C-CHECK	VOID CHECK	V	10/02/2015			175997		
C-CHECK	VOID CHECK	V	10/02/2015			175998		

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

TOTAL ERRORS: 0

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

VENDOR SET: 99 City of Pittsburg, KS

BANK: 80144 BMO HARRIS BANK

DATE RANGE: 9/16/2015 THRU 10/06/2015

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
1	KANSAS POLYGRAPH ASSOCIATION	R	9/16/2015			175909		25.00
1	MISSOURI POLYGRAPH ASSOC	R	9/16/2015			175910		150.00
2089	CHALLENGER SPORTS CORP	R	9/18/2015			175932		60.00
6865	MICHAEL S COLE	R	9/18/2015			175933		56.00
4263	COX COMMUNICATIONS KANSAS LLC	R	9/18/2015			175934		67.35
2877	KDHE - BUREAU OF WATER	R	9/18/2015			175935		60.00
6387	MIRZA SHRINE CENTER	R	9/18/2015			175936		6,417.91
0185	MISSION CLAY PRODUCTS LLC	R	9/18/2015			175937		1,553.11
3835	MSSU CRIMINAL JUSTICE	R	9/18/2015			175938		600.00
0726	PITTSBURG STATE UNIVERSITY	R	9/18/2015			175939		1,000.00
7241	MIGUEL R. SMITH	R	9/18/2015			175940		99.48
7309	MICHAEL F. WALKER	R	9/18/2015			175941		142.96
1108	WESTAR ENERGY	R	9/18/2015			175942		2,695.99
1	ANGELES, MONICA	R	9/25/2015			175963		50.00
1	ARBUCKLE, SABRINA	R	9/25/2015			175964		350.00
6545	CENTER POINT INC	R	9/25/2015			175965		86.88
3516	CITY OF PITTSBURG	R	9/25/2015			175966		250.00
6865	MICHAEL S COLE	R	9/25/2015			175967		56.00
1006	COMMUNITY NATIONAL BANK	R	9/25/2015			175968		17,500.00
0375	WICHITA WATER CONDITIONING, IN	R	9/25/2015			175969		101.00
1847	MILLERS	R	9/25/2015			175971		37,963.80
6716	SID BOEDEKER SAFETY SHOE SERVI	R	9/25/2015			175972		112.99

VENDOR SET: 99 City of Pittsburg, KS
 BANK: 80144 BMO HARRIS BANK
 DATE RANGE: 9/16/2015 THRU 10/06/2015

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7241	MIGUEL R. SMITH	R	9/25/2015			175973		104.91
0349	UNITED WAY OF CRAWFORD COUNTY	R	9/25/2015			175974		105.89
7309	MICHAEL F. WALKER	R	9/25/2015			175975		197.31
1108	WESTAR ENERGY	R	9/25/2015			175976		99.83
5371	PITTSBURG FAMILY YMCA	R	9/25/2015			175977		92.06
4263	COX COMMUNICATIONS KANSAS LLC	R	10/02/2015			175984		159.23
1	GRAVER, CHUCK	R	10/02/2015			175985		100.00
6923	HUGO'S INDUSTRIAL SUPPLY INC	R	10/02/2015			175986		358.44
5770	JOPLIN FREIGHTLINER SALES INC	R	10/02/2015			175987		39.46
0380	KANSAS DEPARTMENT OF REVENUE	R	10/02/2015			175988		25.00
7407	LIMELIGHT MARKETING	R	10/02/2015			175989		10,000.00
7405	JOSHUA MCCLEARY	R	10/02/2015			175990		775.91
7408	MONARCH FORMALS	R	10/02/2015			175991		2,648.03
1601	GRAIG MOORE	R	10/02/2015			175992		500.00
7241	MIGUEL R. SMITH	R	10/02/2015			175993		194.59
1	TRINITY BAPTIST CHURCH	R	10/02/2015			175994		62.50
7309	MICHAEL F. WALKER	R	10/02/2015			175995		234.28
2350	WASTE CORPORATION OF MISSOURI	R	10/02/2015			175996		844.00
1108	WESTAR ENERGY	R	10/02/2015			175999		128.29
7409	WILLIAM LEON TREIBER	R	10/05/2015			176011		5,520.00
3516	CITY OF PITTSBURG	R	10/06/2015			176012		100.00
6154	4 STATE MAINTENANCE SUPPLY INC	R	10/06/2015			176013		518.15

VENDOR SET: 99 City of Pittsburg, KS

BANK: 80144 BMO HARRIS BANK

DATE RANGE: 9/16/2015 THRU 10/06/2015

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
2004	AIRE-MASTER OF AMERICA, INC.	R	10/06/2015			176014		32.78
5966	BOBCAT OF SPRINGFIELD, INC	R	10/06/2015			176015		762.61
5759	COMMUNITY HEALTH CENTER OF SEK	R	10/06/2015			176016		164.00
0375	WICHITA WATER CONDITIONING, IN	R	10/06/2015			176017		94.00
6088	EMERGENCY RESPONSE SOLUTIONS,	R	10/06/2015			176018		254.38
6358	FIRE X INC	R	10/06/2015			176019		13.50
1	GIRARD ANIMAL HOSPITAL	R	10/06/2015			176020		135.00
1991	KANSAS OFFICE OF STATE FIRE MA	R	10/06/2015			176021		30.00
2877	KDHE - BUREAU OF WATER	R	10/06/2015			176022		20.00
4644	MIDWAY FORD TRUCK CENTER, INC.	R	10/06/2015			176023		147.61
1	PAUL MULIK PIANO SERVICE	R	10/06/2015			176024		131.32
5911	PB HOIDALE CO INC	R	10/06/2015			176025		442.25
6697	PITTSBURG EMERGENCY PHYSICIAN,	R	10/06/2015			176026		105.83
1	SOUTHEAST KANSAS LIVING	R	10/06/2015			176027		132.00
4932	ACCURACY, INC	R	10/06/2015			176028		2,793.00
3069	VIA CHRISTI PROFESSIONAL SERVI	R	10/06/2015			176029		10.41
0026	STANDARD INSURANCE COMPANY	D	10/01/2015			999999		1,300.18
0038	LEAGUE OF KANSAS MUNICIPALITIE	E	9/23/2015			999999		3,554.44
0044	CRESTWOOD COUNTRY CLUB	E	9/23/2015			999999		555.58
0046	ETTINGERS OFFICE SUPPLY	E	9/23/2015			999999		201.63
0055	JOHN'S SPORT CENTER, INC.	E	9/23/2015			999999		843.96
0062	LINDSEY SOFTWARE SYSTEMS, INC.	E	9/23/2015			999999		825.00

VENDOR SET: 99 City of Pittsburg, KS
 BANK: 80144 BMO HARRIS BANK
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VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0068	BROOKS PLUMBING LLC	E	9/23/2015			999999		538.10
0084	INTERSTATE EXTERMINATOR, INC.	E	9/23/2015			999999		440.00
0101	BUG-A-WAY INC	E	9/23/2015			999999		160.00
0105	PITTSBURG AUTOMOTIVE INC	E	9/23/2015			999999		1,541.31
0109	RANDY VILELA TRUCKING & HAULIN	E	9/23/2015			999999		60.00
0112	MARRONES INC	E	9/23/2015			999999		348.33
0113	DITCH WITCH OF KANSAS UNDERCON	E	9/23/2015			999999		160.97
0116	DANIEL E BRADEN	E	9/23/2015			999999		75.00
0117	THE MORNING SUN	E	9/23/2015			999999		134.18
0128	VIA CHRISTI HOSPITAL	E	9/23/2015			999999		1,565.66
0142	HECKERT CONSTRUCTION CO INC	E	9/23/2015			999999		9,352.01
0154	BLUE CROSS & BLUE SHIELD	D	9/18/2015			999999		867.76
0194	KANSAS STATE TREASURER	E	9/23/2015			999999		6,061.93
0199	KIRKLAND WELDING SUPPLIES	E	9/23/2015			999999		14.65
0207	PEPSI-COLA BOTTLING CO OF PITT	E	9/23/2015			999999		109.45
0272	BO'S 1 STOP INC	E	9/23/2015			999999		183.74
0276	JOE SMITH COMPANY, INC.	E	9/23/2015			999999		107.11
0289	TITLEIST	E	9/23/2015			999999		750.43
0292	UNIFIRST CORPORATION	E	9/23/2015			999999		130.05
0300	PITTSBURG FORD-MERCURY, INC.	E	9/23/2015			999999		364.30
0306	CASTAGNO OIL CO INC	E	9/23/2015			999999		53.90
0321	KP&F	D	9/25/2015			999999		48,225.45

VENDOR SET: 99 City of Pittsburg, KS
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VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0328	KANSAS ONE-CALL SYSTEM, INC	E	9/23/2015			999999		397.00
0329	O'MALLEY IMPLEMENT CO INC	E	9/23/2015			999999		397.83
0337	CROSS-MIDWEST TIRE	E	9/23/2015			999999		4,043.75
0345	VICTOR L PHILLIPS CO	E	9/23/2015			999999		510.66
0409	WISEMAN'S DISCOUNT TIRE INC	E	9/23/2015			999999		59.95
0505	SIRCHIE FINGER PRINT LABORATOR	E	9/23/2015			999999		38.20
0516	AMERICAN CONCRETE CO INC	E	9/23/2015			999999		115.63
0530	THYSSENKRUPP CORPORATION	E	9/23/2015			999999		1,195.16
0534	TYLER TECHNOLOGIES INC	E	9/23/2015			999999		1,500.00
0589	BERRY TRACTOR & EQUIPMENT	E	9/23/2015			999999		382.72
0627	BOETTCHER SUPPLY INC	E	9/23/2015			999999		108.88
0728	ICMA	D	9/25/2015			999999		928.93
0746	CDL ELECTRIC COMPANY INC	E	9/23/2015			999999		2,427.86
0785	REDICO INDUSTRIAL SUPPLY INC	E	9/23/2015			999999		181.00
0803	OLD DOMINION BRUSH CO	E	9/23/2015			999999		675.36
0805	BROADWAY ANIMAL HOSPITAL PA	E	9/23/2015			999999		589.42
0867	CUMMINS CENTRAL POWER LLC	E	9/23/2015			999999		531.29
0968	LEE ENTERPRISES	E	9/23/2015			999999		1,067.20
1050	KPERS	D	9/25/2015			999999		42,406.24
1050	KPERS	D	9/28/2015			999999		94.54
1256	ANDERSON ENGINEERING INC	E	9/23/2015			999999		49.63
1321	SHARP'S AUTOBODY CLINIC	E	9/23/2015			999999		555.45

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VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
1445	WICHITA PUMP & SUPPLY CO INC	E	9/23/2015			999999		343.05
1478	KANSASLAND TIRE OF PITTSBURG	E	9/23/2015			999999		6,302.64
1733	BOYD METALS OF JOPLIN INC	E	9/23/2015			999999		168.80
2035	O'BRIEN ROCK CO., INC.	E	9/23/2015			999999		7,667.41
2960	PACE ANALYTICAL SERVICES INC	E	9/23/2015			999999		811.00
3079	COMMERCE BANK	D	9/30/2015			999999		52,551.10
3192	MUNICIPAL CODE CORP	E	9/23/2015			999999		338.80
3248	AIRGAS USA LLC	E	9/23/2015			999999		1,582.40
3281	USA BLUE BOOK	E	9/23/2015			999999		106.43
4126	EMERGENCY MEDICAL PRODUCT INC	E	9/23/2015			999999		70.45
4307	HENRY KRAFT, INC.	E	9/23/2015			999999		66.72
4390	SPRINGFIELD JANITOR SUPPLY, IN	E	9/23/2015			999999		127.98
4500	ANDREW HUYETT	E	9/22/2015			999999		712.50
4711	PENGUIN RANDOM HOUSE, LLC	E	9/23/2015			999999		33.75
4766	ACCURATE ENVIRONMENTAL	E	9/23/2015			999999		1,009.77
4791	SPRINGSTED INCORPORATED	E	9/23/2015			999999		2,400.00
4970	ERIC VANCE	E	9/23/2015			999999		3,280.00
5049	CRH COFFEE INC	E	9/23/2015			999999		85.60
5185	FERGUSON ENTERPRISES INC	E	9/23/2015			999999		18,761.76
5275	US LIME COMPANY-ST CLAIR	E	9/23/2015			999999		4,277.15
5295	SPRINGFIELD BLUEPRINT	E	9/23/2015			999999		99.00
5340	COMMERCE BANK TRUST	E	9/29/2015			999999		126,572.85

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VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
5657	TELEDYNE ISCO INC	E	9/23/2015			999999		104.86
5720	J & M DISPLAYS INC	E	9/23/2015			999999		20,000.00
5800	INFRASTRUCTURE TECHNOLOGIES LL	E	9/23/2015			999999		6,000.00
5904	TASC	D	9/25/2015			999999		7,361.91
6117	ALEXANDER OPEN SYSTEMS, INC	E	9/23/2015			999999		112.50
6415	GREAT WEST TANDEM KPERS 457	D	9/25/2015			999999		20,578.00
6494	BRIAN'S APPLIANCE REPAIR & INS	E	9/23/2015			999999		460.37
6498	BLUEGLOBES LLC	E	9/23/2015			999999		129.95
6547	MO MAX SALES INC	E	9/23/2015			999999		44.20
6952	ADP INC	D	9/18/2015			999999		3,090.41
6952	ADP INC	D	9/25/2015			999999		3,695.63
6952	ADP INC	D	10/02/2015			999999		683.35
7118	SP DESIGN & MFG, INC	E	9/23/2015			999999		312.64
7225	NEW WORLD SYSTEMS CORPORATION	E	9/23/2015			999999		59,467.97
7240	JAY HATFIELD CERTIFIED USED CA	E	9/23/2015			999999		79.92
7283	CORESOURCE, INC	D	9/17/2015			999999		40,535.50
7283	CORESOURCE, INC	D	9/24/2015			999999		34,224.17
7283	CORESOURCE, INC	D	10/01/2015			999999		11,806.60
7284	TRANSYSTEMS CORPORATION	E	9/23/2015			999999		20,280.72
7285	ALLSTATE BENEFITS	D	9/28/2015			999999		576.84
7290	DELTA DENTAL OF KANSAS INC	D	9/18/2015			999999		562.40
7290	DELTA DENTAL OF KANSAS INC	D	9/25/2015			999999		1,768.30

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VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7290	DELTA DENTAL OF KANSAS INC	D	10/02/2015			999999		4,129.45

* * T O T A L S * *

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	60	97,475.04	0.00	97,475.04
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	19	275,386.76	0.00	275,386.76
EFT:	76	324,769.91	0.00	324,769.91
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	0			
VOID DEBITS:		0.00		
VOID CREDITS:		0.00	0.00	

TOTAL ERRORS: 0

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
VENDOR SET: 99 BANK: 80144 TOTALS:	155	697,631.71	0.00	697,631.71
BANK: 80144 TOTALS:	155	697,631.71	0.00	697,631.71

VENDOR SET: 99 City of Pittsburg, KS
 BANK: EFT MANUAL EFTS
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VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0054	JOPLIN SUPPLY COMPANY	E	9/28/2015			999999		2,547.22
0087	FORMS ONE, LLC	E	10/05/2015			999999		435.00
0105	PITTSBURG AUTOMOTIVE INC	E	10/05/2015			999999		56.44
0181	INGRAM	E	9/28/2015			999999		31.83
0183	PRO-PRINT INC	E	9/21/2015			999999		90.00
0276	JOE SMITH COMPANY, INC.	E	10/05/2015			999999		101.07
0294	COPY PRODUCTS, INC.	E	10/05/2015			999999		93.00
0332	PITTCRAFT PRINTING	E	9/28/2015			999999		704.71
0534	TYLER TECHNOLOGIES INC	E	9/21/2015			999999		18,726.00
0577	KANSAS GAS SERVICE	E	9/21/2015			999999		31.61
0597	MIDWEST MINERALS INC	E	9/28/2015			999999		210.38
0627	BOETTCHER SUPPLY INC	E	10/05/2015			999999		92.72
0779	PITTSBURG COMMUNITY THEATRE	E	9/21/2015			999999		9,881.97
0806	JOHN L CUSSIMANIO	E	9/28/2015			999999		260.00
0806	JOHN L CUSSIMANIO	E	10/05/2015			999999		260.00
0866	AVFUEL CORPORATION	E	9/28/2015			999999		16,123.88
0870	PENNINGTON SEED INC	E	10/05/2015			999999		644.60
1188	SIMPSONS DATA SERVICES INC	E	9/28/2015			999999		4.95
1238	SEWARD ELECTRIC, INC.	E	10/05/2015			999999		296.69
1609	PHILLIP H O'MALLEY	E	10/05/2015			999999		350.00
1619	MIDWEST TAPE, LLC	E	9/28/2015			999999		76.57
1733	BOYD METALS OF JOPLIN INC	E	10/05/2015			999999		115.60

VENDOR SET: 99 City of Pittsburg, KS
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VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
1767	KIM VOGEL	E	9/28/2015			999999		190.10
1874	HIGHLAND MEADOWS OF KS	E	10/05/2015			999999		355.00
2161	RECORDED BOOKS, LLC	E	9/28/2015			999999		907.44
2186	PRODUCERS COOPERATIVE ASSOCIAT	E	9/21/2015			999999		19,049.35
3067	STEVE BITNER	E	10/05/2015			999999		485.00
3218	CHERYL L BROOKS	E	9/21/2015			999999		88.86
3272	DUNCAN HOUSING LLC	E	10/05/2015			999999		500.00
4013	KNIGHTS OF COLUMBUS TOWERS	E	10/05/2015			999999		379.00
4059	PSU - PRINTING & DESIGN SERVI	E	9/21/2015			999999		1,288.46
4218	MEADOWLARK TOWNHOUSES	E	10/05/2015			999999		500.00
4307	HENRY KRAFT, INC.	E	9/28/2015			999999		82.88
4492	PITTSBURG SENIORS	E	10/05/2015			999999		570.00
4564	TERRY L SIMPSON	E	10/05/2015			999999		400.00
4711	PENGUIN RANDOM HOUSE, LLC	E	9/28/2015			999999		60.00
4711	PENGUIN RANDOM HOUSE, LLC	E	10/05/2015			999999		80.25
4924	MHAK-CMI APARTMENTS INC	E	10/05/2015			999999		50.00
5195	FERN AND ANGERMAYER LLC	E	10/05/2015			999999		600.00
5236	SHOWCASES	E	9/28/2015			999999		432.99
5482	JUSTIN HART	E	10/05/2015			999999		60.00
5534	SYCAMORE VILLAGE APARTMENTS	E	10/05/2015			999999		1,626.00
5581	SAGA QUAD STATE COMMUNICATIONS	E	9/21/2015			999999		445.00
5609	RON WHITE	E	10/05/2015			999999		122.50

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VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
5957	PASTEUR PROPERTIES LLC	E	10/05/2015			999999		500.00
5971	KANSASTRUCK EQUIPMENT CO INC	E	10/05/2015			999999		4,749.00
6192	KATHLEEN CERNE	E	10/05/2015			999999		600.00
6230	THE MAZUREK LAW OFFICE LLC	E	10/05/2015			999999		402.50
6298	KEVAN L SCHUPBACH	E	10/05/2015			999999		1,400.00
6391	DOWNTOWN PITTSBURG HOUSING PAR	E	10/05/2015			999999		1,960.00
6413	MIKE ADAM	E	10/05/2015			999999		550.00
6441	HEATHER D MASON	E	10/05/2015			999999		700.00
6577	GREENSPRO INC	E	10/05/2015			999999		800.00
6595	AMAZON.COM, INC	E	9/30/2015			999999		18,050.18
6655	B&H DEVELOPERS, INC	E	10/05/2015			999999		600.00
6711	TRI-STATE ASPHALT INC	E	10/05/2015			999999		6,350.78
6822	ELIZABETH BRADSHAW	E	10/05/2015			999999		494.00
6875	DARON HALL	E	9/21/2015			999999		282.80
6905	JENNIFER M TRISLER	E	10/05/2015			999999		600.00
6916	STILWELL HERITAGE & EDUCATIONA	E	10/05/2015			999999		465.00
6995	SUMMER WARREN	E	10/05/2015			999999		250.00
7028	MATTHEW L. FRYE	E	9/21/2015			999999		400.00
7028	MATTHEW L. FRYE	E	10/05/2015			999999		400.00
7033	JAY HATFIELD MOTORSPORTS	E	10/05/2015			999999		55.93
7038	SIGNET COFFEE ROASTERS	E	9/28/2015			999999		41.25
7038	SIGNET COFFEE ROASTERS	E	10/05/2015			999999		45.00

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VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7102	LACIE COTTRELL	E	9/21/2015			999999		80.34
7283	CORESOURCE, INC	E	10/05/2015			999999		35,252.10
7401	JAMI L CROWDER	E	9/21/2015			999999		1,533.14
7401	JAMI L CROWDER	E	9/28/2015			999999		6,899.14
7402	MID-AMERICA, INC.	E	9/21/2015			999999		162.50
7404	PATTY L. LEFEVER	E	9/21/2015			999999		600.00

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	0	0.00	0.00	0.00
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	72	163,630.73	0.00	163,630.73
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	0	VOID DEBITS 0.00		
		VOID CREDITS 0.00	0.00	

TOTAL ERRORS: 0

VENDOR SET: 99 BANK: EFT TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
	72	163,630.73	0.00	163,630.73
BANK: EFT TOTALS:	72	163,630.73	0.00	163,630.73

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VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7396	MICHAEL L CHANDLER	R	10/01/2015			175978		1,142.00
6585	CLASS HOMES 1 LLC	R	10/01/2015			175979		151.00
1601	GRAIG MOORE	R	10/01/2015			175980		1,493.00
1800	DAN RODABAUGH	R	10/01/2015			175981		280.00
6451	NAZAR SAMAN	R	10/01/2015			175982		757.00
4636	WESTAR ENERGY, INC. (HAP)	R	10/01/2015			175983		1,123.00
0234	KENNETH A THORNTON	E	10/02/2015			999999		285.00
0372	CONNER REALTY	E	10/02/2015			999999		108.00
0855	CHARLES HOSMAN	E	10/02/2015			999999		23.00
1008	BENJAMIN M BEASLEY	E	10/02/2015			999999		700.00
1231	JOHN LOVELL	E	10/02/2015			999999		472.00
1609	PHILLIP H O'MALLEY	E	10/02/2015			999999		5,296.00
1638	VERNON W PEARSON	E	10/02/2015			999999		1,204.00
1688	DORA WARE	E	10/02/2015			999999		508.00
1982	KENNETH STOTTS	E	10/02/2015			999999		1,113.00
1985	RICK A MOORE	E	10/02/2015			999999		470.00
2304	DENNIS HELMS	E	10/02/2015			999999		208.00
2542	CHARLES YOST	E	10/02/2015			999999		981.00
2624	JAMES ZIMMERMAN	E	10/02/2015			999999		1,484.00
2850	VENITA STOTTS	E	10/02/2015			999999		180.00
2913	KENNETH N STOTTS JR	E	10/02/2015			999999		430.00
3067	STEVE BITNER	E	10/02/2015			999999		7,336.00

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VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
3082	JOHN R JONES	E	10/02/2015			999999		360.00
3114	PATRICIA BURLESON	E	10/02/2015			999999		1,190.00
3142	COMMUNITY MENTAL HEALTH CENTER	E	10/02/2015			999999		1,095.00
3183	AUGUST RUA FAMILY TRUST	E	10/02/2015			999999		484.00
3193	WILLIAM CROZIER	E	10/02/2015			999999		897.00
3218	CHERYL L BROOKS	E	10/02/2015			999999		481.00
3241	CHARLES P SIMPSON	E	10/02/2015			999999		554.00
3272	DUNCAN HOUSING LLC	E	10/02/2015			999999		5,640.00
3273	RICHARD F THENIKL	E	10/02/2015			999999		1,283.00
3294	JOHN R SMITH	E	10/02/2015			999999		716.00
3593	REMINGTON SQUARE	E	10/02/2015			999999		10,321.00
3668	MID AMERICA PROPERTIES OF PITT	E	10/02/2015			999999		4,152.00
3708	GILMORE BROTHERS RENTALS	E	10/02/2015			999999		267.00
3724	YVONNE L. ZORNES	E	10/02/2015			999999		323.00
3746	JAROLD BONBRAKE	E	10/02/2015			999999		1,071.00
3946	THOMAS E. OR JUDY SPURGEON	E	10/02/2015			999999		548.00
4054	MICHAEL A SMITH	E	10/02/2015			999999		1,581.00
4218	MEADOWLARK TOWNHOUSES	E	10/02/2015			999999		3,120.00
4308	KENNETH BATEMAN	E	10/02/2015			999999		523.00
4492	PITTSBURG SENIORS	E	10/02/2015			999999		3,541.00
4523	TODD A TROWBRIDGE	E	10/02/2015			999999		565.00
4564	TERRY L SIMPSON	E	10/02/2015			999999		166.00

VENDOR SET: 99 City of Pittsburg, KS
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VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
4786	JENNIFER STANLEY	E	10/02/2015			999999		508.00
4928	PITTSBURG STATE UNIVERSITY	E	10/02/2015			999999		1,157.00
5039	VANETA MATHIS	E	10/02/2015			999999		275.00
5393	CARLOS ANGELES	E	10/02/2015			999999		1,079.00
5549	DELBERT BAIR	E	10/02/2015			999999		261.00
5583	ROBERT L NANKIVELL SR	E	10/02/2015			999999		181.00
5653	PEGGY HUNT	E	10/02/2015			999999		92.00
5658	DEANNA J HIGGINS	E	10/02/2015			999999		159.00
5676	BARBARA TODD	E	10/02/2015			999999		31.00
5817	JAMA ENTERPRISES LLP	E	10/02/2015			999999		236.00
5822	JOE FENSKE	E	10/02/2015			999999		263.00
5834	DENNIS TROUT	E	10/02/2015			999999		426.00
5854	ANTHONY A SNYDER	E	10/02/2015			999999		1,068.00
5885	CHARLES T GRAVER	E	10/02/2015			999999		500.00
5896	HORIZON INVESTMENTS GROUP INC	E	10/02/2015			999999		343.00
5906	JOHN HINRICHS	E	10/02/2015			999999		183.00
5939	EDNA RUTH TRENT IRREVOCABLE TR	E	10/02/2015			999999		215.00
5957	PASTEUR PROPERTIES LLC	E	10/02/2015			999999		2,549.00
5961	LARRY VANBECELAERE	E	10/02/2015			999999		96.00
6002	SALLY THRELFALL	E	10/02/2015			999999		361.00
6073	REBECCA FOSTER	E	10/02/2015			999999		448.00
6108	TILDEN BURNS, LLC	E	10/02/2015			999999		240.00

VENDOR SET: 99 City of Pittsburg, KS
 BANK: HAP BMO HARRIS BANK-HAP
 DATE RANGE: 9/16/2015 THRU 10/06/2015

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
6130	T & K RENTALS LLC	E	10/02/2015			999999		1,213.00
6150	JAMES L COX	E	10/02/2015			999999		432.00
6161	MICHAEL J STOTTS	E	10/02/2015			999999		150.00
6172	ANDREW A WACHTER	E	10/02/2015			999999		208.00
6227	REGGIE & ANGELA BOLLINGER	E	10/02/2015			999999		491.00
6295	DAVID L PETERSON	E	10/02/2015			999999		570.00
6298	KEVAN L SCHUPBACH	E	10/02/2015			999999		6,393.00
6314	PARKVIEW HOUSING INC	E	10/02/2015			999999		313.00
6317	RONALD L EMERSON	E	10/02/2015			999999		151.00
6322	R JAMES BISHOP	E	10/02/2015			999999		399.00
6391	DOWNTOWN PITTSBURG HOUSING PAR	E	10/02/2015			999999		5,832.00
6394	KEVIN HALL	E	10/02/2015			999999		2,434.00
6413	MIKE ADAM	E	10/02/2015			999999		325.00
6441	HEATHER D MASON	E	10/02/2015			999999		1,731.00
6464	PRO X PROPERTY SOLUTIONS, LLC	E	10/02/2015			999999		1,837.00
6507	MARTHA E MOORE	E	10/02/2015			999999		489.00
6655	B&H DEVELOPERS, INC	E	10/02/2015			999999		4,075.00
6657	OZARKS AREA COMMUNITY ACTION C	E	10/02/2015			999999		1,171.52
6673	JUDITH A COLLINS	E	10/02/2015			999999		424.00
6753	REBECCA SPONSEL	E	10/02/2015			999999		750.00
6763	JEFFREY M WARY	E	10/02/2015			999999		412.00
6868	DAVID SIMPSON (308)	E	10/02/2015			999999		223.00

VENDOR SET: 99 City of Pittsburg, KS
 BANK: HAP BMO HARRIS BANK-HAP
 DATE RANGE: 9/16/2015 THRU 10/06/2015

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
6886	DELBERT BAIR	E	10/02/2015			999999		560.00
6916	STILWELL HERITAGE & EDUCATIONA	E	10/02/2015			999999		7,767.00
6945	JAMES M KUKOVICH	E	10/02/2015			999999		544.00
6953	CARL ULEPICH	E	10/02/2015			999999		600.00
6966	CHARLOTTE BURGESS	E	10/02/2015			999999		485.00
7024	KIMBERLY GRISSOM	E	10/02/2015			999999		947.00
7027	CALVIN THOMAS	E	10/02/2015			999999		455.00
7083	PITTSBURG HEIGHTS, LP	E	10/02/2015			999999		4,626.00
7112	RANDY VILELA	E	10/02/2015			999999		242.00
7150	JOE W JONES	E	10/02/2015			999999		556.00
7215	KEVIN L. MICHAEL	E	10/02/2015			999999		320.00
7222	MICHAEL WILBER	E	10/02/2015			999999		362.00
7232	JAMES TODD OR LISA LOVELL	E	10/02/2015			999999		173.00
7252	ALAMO AREA COUNCIL OF GOVERNME	E	10/02/2015			999999		201.26
7293	DAVID E OR DIANA L GARARD	E	10/02/2015			999999		491.00
7294	AMMP PROPERTIES, LLC	E	10/02/2015			999999		683.00
7312	JASON & TONYA HARRIS	E	10/02/2015			999999		243.00
7319	JAMES & LASHAWNDRA LAWSON	E	10/02/2015			999999		675.00
7344	TERRY O BARTLOW	E	10/02/2015			999999		232.00
7385	EAST 600 PROPERTIES, LLC	E	10/02/2015			999999		320.00
7393	TERESA MCCLURE	E	10/02/2015			999999		898.00

VENDOR SET: 99 City of Pittsburg, KS
BANK: HAP BMO HARRIS BANK-HAP
DATE RANGE: 9/16/2015 THRU 10/06/2015

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
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* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	6	4,946.00	0.00	4,946.00
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	103	121,750.78	0.00	121,750.78
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

VENDOR SET: 99 BANK: HAP TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
	109	126,696.78	0.00	126,696.78
BANK: HAP TOTALS:	109	126,696.78	0.00	126,696.78

VENDOR SET: 99 City of Pittsburg, KS
BANK: MAN MANUAL CKS
DATE RANGE: 9/16/2015 THRU 10/06/2015

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
6702	APPLIED CONCEPTS INC	R	10/02/2015			176010		4,450.00

* * T O T A L S * *

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	1	4,450.00	0.00	4,450.00
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	

TOTAL ERRORS: 0

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
VENDOR SET: 99 BANK: MAN TOTALS:	1	4,450.00	0.00	4,450.00
BANK: MAN TOTALS:	1	4,450.00	0.00	4,450.00
REPORT TOTALS:	340	992,409.22	0.00	992,409.22

Passed and approved this 13th day of October, 2015.

Chuck Munsell, Mayor

ATTEST:

Tammy Nagel, City Clerk



DEPARTMENT OF PUBLIC WORKS

201 West 4th Street · Pittsburg KS 66762

(620) 231-4170

www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

ALL DEPARTMENT HEADS

FROM: TROY GRAHAM
Assistant Director of Public Works

DATE: October 6, 2015

SUBJECT: Agenda Item – October 13, 2015
PUBLIC HEARING
Request to Vacate a portion of Madison Street from the east right-of-way line of Homer Street to the west right-of-way line of Stilwell Street.

The Planning and Zoning Commission, in its meeting of September 28, 2015, considered a request submitted by Miller's Professional Imaging (MPI) to vacate the alley located in the 600 block of East Jackson Street described as all that alley located between lots 1 through 11 and lots 12 through 22, all located in block 2 of Bonview Addition (see attached map).

MPI is in the process of purchasing the two homes at the east end of the 600 block of East Jackson Street. Once these homes are purchased MPI will own all the property surrounding the alley on both sides of it. The area to be vacated will remain as a utility easement per request of the City of Pittsburg and the local utility companies. There was not any objection by the local utility companies when they were contacted about this vacation.

After reviewing all the evidence presented, the Planning Zoning Commission voted 4 to 1 to recommend to the Governing Body approval to vacate this alley contingent upon the closing of the purchases for the two houses at the east end of this block. This recommendation is being presented to the Governing Body for consideration during a **PUBLIC HEARING** on Tuesday, October 13, 2015. Action being requesting is to review this request and, if approved, direct the City Attorney to prepare the necessary Order.

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

Attachment: Maps

BURLINGTON NORTHERN RAILROAD



JOPLIN AVENUE

ATCHISON TOPEKA SANTE FE RAILROAD

BURLINGTON NORTHERN RAILROAD

ALLEY PROPOSED TO BE VACATED

KANSAS CITY SOUTHERN RAILROAD

WASHINGTON AVENUE

SMELTER STREET

STILWELL AVE

MONROE AVE

MADISON AVE

MADISON AVE

JACKSON AVENUE

HOMER AVE

TUCKER AVE

QUINCY AVENUE

TAYLOR



E MADISON ST

E JACKSON ST

S STILLWELL ST

E MADISON ST

S HOMER AVE

E MADISON ST

55

(Published in The Morning Sun on October 16th, 2015)

ORDINANCE NO. S-1029

AN ORDINANCE LEVYING AN ADDITIONAL CITY RETAILERS SALES TAX IN THE AMOUNT OF ONE-QUARTER OF ONE PERCENT (0.25%) WITHIN THE CITY OF PITTSBURG, EFFECTIVE APRIL 1, 2016.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF PITTSBURG, KANSAS.

Section 1. A majority of the electors voting thereon having approved at a special question election held on the 24th day of September 2015, the levying of an additional retailers sales tax in the City of Pittsburg, as authorized by K.S.A. 12-187, et seq., as amended, there is hereby levied an additional city retailers sales tax in the amount of one-quarter of one percent (0.25%) to take effect on the first (1st) day of April, 2016.

Section 2. The proceeds of said sales tax shall be used to pay for the maintenance and repair of city streets.

Section 3. The sales tax levied in this ordinance shall continue for a time period not to exceed five (5) years from the date such additional sales tax is first collected.

Section 4. Except as may be provided by law, such tax shall be identical in its application and exemptions therefrom to the Kansas Retailers Sales Tax Act and all laws and administrative rules and regulations of the Kansas Department of Revenue relating to the state's retailers sales tax shall apply to such city retailers sales tax insofar as such laws and regulations may be made applicable. The services of the State Department of

Revenue shall be utilized to administer, enforce and collect said tax.

Section 5. This ordinance shall be published once in the official city newspaper, and a copy duly certified shall be submitted to the State Director of Taxation by the City Clerk.

PASSED AND APPROVED this 13th day of October, 2015.

Chuck Munsell, Mayor

ATTEST:

Tammy Nagel, City Clerk



Memorandum

TO: Daron Hall, City Manager

FROM: Blake Benson, Economic Development Director

DATE: October 7, 2015

SUBJECT: October 13, 2015 Agenda Item
Holiday Inn Express Industrial Revenue Bond

In 2008, the City of Pittsburg approved an Industrial Revenue Bond (IRB) to assist with the construction of a Holiday Inn Express at 4011 Parkview Drive. IRB's are a common economic development incentive tool, as they offer developers a significant cost savings through a sales tax exemption on construction materials, followed by a property tax exemption schedule predicated on the amount of investment. The Holiday Inn Express IRB carried with it an eight year property tax exemption, based on the initial investment of \$4.9 million. Although there is no financial liability on the City's part related to the bond indebtedness, Kansas statute dictates that the City officially owns the property until the tenant pays off the bonds.

The property has been sold by HI1 Pittsburg, LLC, to Pittsburg Hospitality, LLC. The new owners have requested transferral of the Industrial Revenue Bond, which will provide them better financing terms with their lending institution. The existing property tax exemption will expire in 2017 as originally scheduled. Gilmore & Bell, P.C., the City's bond counsel, has provided an Ordinance, Assignment of Lease, Supplemental Lease, Supplemental Indenture and a Bond Purchase Agreement to facilitate the issuance of 2015 bonds to replace the 2008 bonds.

Please place these items on the agenda for the City Commission meeting scheduled for Tuesday, October 13, 2015. Action being requested is the approval or denial of the submitted bond documents and, if approved, authorize the Mayor to sign them.

CITY OF PITTSBURG, KANSAS

APPLICATION FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS

I. GENERAL INFORMATION

1. Pittsburg Hospitality, LLC Aug 28, 2015
Name of Applicant Firm Date of Request
2. 15051 Leffingwell Rd.#201, Whittier, CA 90604 (562) 777-2249
Firm Address Firm Phone Number
- Rajni Marwah, Manager (562) 708-8344
Name/Title of Responsible Officer Phone Number
3. Names and addresses of all persons or corporation who would be obligated as either applicant or personal guarantors of the bond documents:
- Rajni Marwah 15051 Leffingwell Rd.#201, Whittier, CA 90604
Name Address
- Gurbax Rai Marwah 15051 Leffingwell Rd.#201, Whittier, CA 90604
Name Address
- Name Address
4. Names and addresses of the principal officers and directors of the applicant:
- Rajni Marwah 15051 Leffingwell Rd.#201, Whittier, CA 90604
Name Address
- Gurbax Rai Marwah 15051 Leffingwell Rd.#201, Whittier, CA 90604
5. Nature of applicant's business: Holiday Inn Express & Suites with 72 Guest rooms
6. The products to be assembled or manufactured or service to be rendered:
72 guest rooms and suites of a national brand hotel, provide state of the art guest service and experience.
7. Doug Patterson, Property Law Firm, LLC (913) 396-5105
Applicant's Attorney Phone Number
8. Doug Patterson (913) 396-5105
Applicant's Bond Counsel Phone Number

9. Jared Turnbull, Arvest Bank (620) 231-2551
Applicant's Bond Underwriter Phone Number
10. Estimated amount of issue: \$4,080,000.00
11. Number of years to retire bonds: Ten year call - 20 year amortization
12. List all previous industrial revenue bond issues of applicant or parent company or subsidiary:
None
13. Describe all threatened or pending litigation and legal claims or regulatory issues:
None

II. NATURE OF IMPROVEMENTS

- | | |
|--|---|
| 1. Amount requested for purchase of land: | <u>\$4,080,000.00 land and improvements</u> |
| 2. Amount requested for land improvements (bldgs): | <u>\$</u> |
| 3. Amount requested for machinery and equipment: | <u>\$</u> |
| 4. Capitalized debt service: | <u>\$ TBD</u> |
| 5. Underwriting expense: | <u>\$ TBD</u> |
| 6. Cost of issuance: | <u>\$ TBD</u> |
| 7. Other (including refunding of existing IRB's): | <u>\$ TBD</u> |
| TOTAL REQUEST: | <u>\$4,080,000 IRB</u> |

III. IRB PROPOSAL

1. Will the issue refinance an existing project? Yes - owned by a third party
2. Is the proposed project an expansion or replacement of another existing facility? Expansion and Improve
3. Is the applicant presently located in the City of Pittsburg? No
4. What type and size of building will be constructed?
Acquisition of 72 guest room Holdiay Inn Express

5. Name and address of contractor and/or architect:

Designer Consolidated Contractors, Inc., P.O. Box 25444, Overland Park, KS 66225

6. What type of equipment will be financed? Replacement and additional hotel personal property in guest rooms, lobby and service facilities.

7. If the applicant will be in competition with local firms,

a) Name the firms This is an existing hotel within the Pittsburg, Kansas market. It is now and will continue to compete with hotels such as Comfort Inn.

b) Describe nature of the competition: Hotel room sales

IV. MARKETING OF BONDS

- | | |
|--|--|
| 1. Has a bond underwriter submitted an analysis indicating that the tenant's bonds are marketable? | <u>They will be privately placed with or by Arvest Bank.</u> |
| a) If yes, attach a copy to this application
See Arvest Bank letter 8/27/2015 | |
| 2. Will the bonds be sold as a public offering or privately placed? | <u>Private</u> |
| 3. Have arrangements for the marketing of the bonds been made? | <u>N/A</u> |
| 4. Has the tenant investigated conventional financing? | <u>Yes</u> |
| 5. Does the tenant intend to purchase all or any part of the industrial revenue bonds? | <u>No</u> |

V. PROPOSED LOCATION

1. Location of the proposed facility: 4011 N. Parkview Drive, Pittsburg, Kansas
2. If facility is a proposed expansion or replacement of another plant, state size and location of current operations:
Acquisition and renovation of existing Holiday Inn Express

3. What percentage of the facility will be occupied by the applicant? 0
4. If the prospective location properly zoned? Yes - Compliant
5. If a zoning change is pending, cite application number and present status. If application has not been made, briefly describe what change will be needed and plans for submitting application: N/A
6. If unusual demands for water or sewer will be made, specify the demands: N/A

VI. OWNERSHIP AND MANAGEMENT

1. Describe the organizational structure of applicant (proprietorship, partnership, subsidiary, corporation, etc.): _____

A Kansas limited liability company; owned by a husband wife team and their two adult children.

Note relationship to a parent company: Not Applicable

VII. FINANCIAL RESPONSIBILITY

1. How many years has the applicant been in business? 30
2. What amount is the applicant to deposit in a reserve account for payment of debt service? 1:20 to 1 DSCR
3. What portion of the project is being financed from other company funds (in addition to bond issue)? 1,020,000.00

Please explain Equity and for DSCR purposes

4. Describe all threatened or outstanding litigation None

5. Attach proforma statements for the first five (5) years of operation after issuance of the bonds, including revenue projections, operating expense projections, and a debt amortization schedule.

VIII. TAX EXEMPTION/PAYMENT

1. Will the applicant request an ad valorem tax exemption? Yes
 - a) If yes, what does applicant intend to propose as an annual payment in lieu of taxes? Pilots consistant with the current Pilot Agreement

IX. MEASURE OF ECONOMIC GROWTH AND BENEFIT

1. What dollar amount of sales is contemplated? \$2,000,000.00 approximately
2. What percentage of sales will be sold locally? 100%
3. What is the estimated amount of merchandise and services purchased locally, per year? \$850,000.00 (supplies, utilities and labor)
4. How many people will the project employ? up to 25 with current room sales

Type: Professional	<u>2 - Managers</u>
Technical	<u>1 - Operator</u>
Clerical	<u>2 - Clerks</u>
General Labor	<u>19</u>
5. Number of current full-time employees at applicant's present location: approximately 18

X. In order to facilitate the timely processing of the application, please attach as part of the proposal the following items:

1. Certified copies of applicant's financial audits for the past three years.
2. Applicant's most recent annual or quarterly financial report.
3. Interim financial statements, to date, for the current fiscal year.
4. A financial audit, current to date, for each personal guarantor certified by a certified public accountant and the guarantor.
5. Applicant's tax returns as well as the tax return of each guarantor for the past three years.

XI. Applicant should be aware that additional financial data shall be required if requested by the City Manager, City Attorney, Bond Counsel, or the Bond Underwriter.

ORDINANCE NO. S-1030

**OF THE
CITY OF PITTSBURG**

**\$4,080,000
TAXABLE INDUSTRIAL REVENUE BONDS
SERIES 2008 AND SERIES 2015
(HOLIDAY INN EXPRESS PROJECT)**

(Published in the *Morning Sun*, October 16, 2015)

ORDINANCE NO. S-1030

AN ORDINANCE AUTHORIZING CONSENT TO THE ASSIGNMENT OF A CERTAIN LEASE BETWEEN THE CITY, AS LESSOR, AND HI1 PITTSBURG, LLC, AS LESSEE, WHEREBY SAID LESSEE TRANSFERS ITS LEASEHOLD INTEREST IN THE HOLIDAY INN EXPRESS HOTEL TO PITTSBURG HOSPITALITY, LLC, AS ASSIGNEE; ISSUANCE OF ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES 2015 (HOLIDAY INN EXPRESS PROJECT) IN FOR THE PURPOSES OF PAYING A PORTION OF THE COSTS OF ASSIGNEE'S ACQUISITION OF SUCH LEASEHOLD INTEREST; AND EXECUTION OF ADDITIONAL DOCUMENTS NECESSARY OR DESIRABLE TO EFFECT THE TRANSACTION CONTEMPLATED HEREBY.

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

A. The City of Pittsburg, Kansas (the "Issuer") is authorized by the Kansas Economic Development Revenue Bond Act, as amended, as codified in 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, 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 and to issue revenue bonds for the purpose of refunding such bonds.

B. Pursuant to the Act, the Issuer has issued its Taxable Industrial Revenue Bonds, Series 2008 (Holiday Inn Express Project) in the aggregate principal amount of not to exceed \$4,900,000, of which \$3,403,074.32 remains outstanding (the "Series 2008 Bonds"), for the purpose of paying the costs of acquiring, constructing and equipping the Holiday Inn Express hotel within the City of Pittsburg (the "Project"), and has leased the Project to HI1 Pittsburg, LLC, a Kansas limited liability company (the "Original Tenant") pursuant to a Lease dated as of May 15, 2008 (the "Original Lease").

C. The Original Tenant has entered into an agreement to sell its leasehold interest in the Project to Pittsburg Hospitality, LLC, a Kansas limited liability company (the "Successor Tenant"), subject to the consent of the Issuer.

D. The Issuer has heretofore found and determined it is desirable to consent to such sale and the assignment of the Lease to the Successor Tenant, to amend the terms of the Series 2008 Bonds to modify the interest rate and extend the maturity date, and to issue its Taxable Industrial Revenue Bonds, Series 2015 (Holiday Inn Express Project) in the aggregate principal amount of \$676,925.68 (the "Series 2015 Bonds") to pay a portion of the cost of the acquisition of such leasehold interest.

E. The Issuer's governing body finds that it is necessary and desirable to execute and deliver the following documents (collectively, the "Bond Documents"):

- (i) Issuer's Consent to Assignment, under which the Issuer consents to the assignment of the Original Lease to the Successor Tenant;

(ii) Supplemental Trust Indenture No. 3 (the "Supplemental Indenture"), further amending and supplementing the Trust Indenture dated as of May 15, 2008 (as supplemented and amended in accordance with its terms, the "Indenture") with Security Bank of Kansas City, Kansas City, Kansas, as successor trustee to UMB Bank, n.a., Kansas City, Missouri, (the "Trustee"), which amends the terms of the outstanding Series 2008 Bonds and prescribes the terms and conditions of issuing and securing the Series 2015 Bonds;

(iii) Supplemental Lease No. 1, amending and supplementing the Original Lease, under which the Issuer will lease the Project to the Successor Tenant in consideration of Basic Rent and other payments; and

(iv) Bond Purchase Agreement (the "Bond Purchase Agreement") providing for the sale of the Series 2015 Bonds by the Issuer to Arvest Bank, Joplin, Missouri.

F. The Issuer's governing body has found that under the provisions of K.S.A. 79-201a, the Project purchased or constructed with the proceeds of the Series 2008 Bonds should be exempt from ad valorem property taxes for a period of 8 years, commencing the year following the year in which the Series 2008 Bonds were issued, 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 dated as of May 11, 2008 between the Issuer and the Original Tenant (the "Agreement for Payment in Lieu of Taxes"). Prior to making this determination, the governing body of the Issuer conducted the public hearing and reviewed the analysis of costs and benefits of such exemption required by K.S.A. Supp. 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 Supplemental Indenture and the Supplemental Lease.

Section 2. Consent to Assignment. The Issuer hereby consents to the assignment by the Original Tenant to the Successor Tenant of the Original Tenant's leasehold interest in the Original Lease. Notwithstanding such consent to said assignment, the Issuer expressly reserves to itself and its assignees all rights and privileges accruing to it under the terms of the Original Lease, as supplemented and amended by the Supplemental Lease (collectively, the "Lease").

Section 3. Authorization of and Security for the Series 2015 Bonds. The Issuer is authorized and directed to issue the Series 2015 Bonds, to be designated "City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series 2015 (Holiday Inn Express Project)" in the aggregate principal amount of \$676,925.68. The Series 2015 Bonds will bear interest at a stated rate and will mature, and will have such other redemption provisions, including premiums, will be in such forms and will be issued according to the provisions, covenants, agreements and other terms as are set forth in the Indenture and the Bond Purchase Agreement. The Series 2015 Bonds will be special limited obligations of the Issuer payable solely from the Trust Estate under the Indenture, including revenues from the lease of the Project to the Successor Tenant. The Series 2015 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 Supplemental Indenture. The Issuer is authorized to enter into the Supplemental 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 2008 Bonds and Series 2015 Bonds on the terms and conditions in the Indenture.

Section 5. Authorization of Lease of the Project. The Issuer is authorized to enter into the Supplemental Lease with the Successor Tenant in the form approved in this ordinance. The Issuer will lease the Project to the Successor Tenant according to the provisions of the Lease.

Section 6. Approval of the Guaranty Agreement. The form of the Guaranty Agreement between the Successor Tenant, the other guarantors named therein, and the Trustee, for the benefit of the owners of the Series 2008 Bonds and Series 2015 Bonds, is approved.

Section 7. Authorization of Bond Purchase Agreement. The Issuer is authorized to sell the Series 2015 Bonds to Arvest Bank, Joplin, Missouri, according to the terms and provisions of the Bond Purchase Agreement, in the form approved in this ordinance.

Section 8. Execution of Bonds and Bond Documents. The Mayor of the Issuer or such person authorized by the Issuer to act for the Mayor in the Mayor's absence is hereby authorized and directed to execute a replacement bond certificate for the Series 2008 Bonds and to execute the Series 2015 Bonds, and deliver both to the Trustee for authentication on behalf of the Issuer in the manner provided by the Act and in the Indenture. The Mayor or other authorized signatory is hereby 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, which forms are approved, with such corrections or amendments as the Mayor or other authorized signatory shall approve, as evidenced by his or her signature. The authorized signatory may also sign and deliver such other documents, or certificates 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 2008 Bonds, the Series 2015 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. Tax Exemption; Payment in Lieu of Taxes. The Project purchased or constructed with the proceeds of the Series 2008 Bonds will continue to be exempt from ad valorem property taxes for 8 years, commencing in the calendar year after the calendar year in which the Series 2008 Bonds were issued, subject to the conditions set forth in the Agreement for Payment in Lieu of Taxes and an assumption of the Original Tenant's obligations under the Agreement for Payment in Lieu of Taxes by the Successor Tenant.

Section 10. Pledge of the Project and Net Lease Rentals. The Issuer hereby pledges the Project and the net earnings therefrom to the payment of the Series 2008 Bonds and Series 2015 Bonds in accordance with K.S.A. 12-1744. The lien created by the pledge will be discharged when all of the Series 2008 Bonds and Series 2015 Bonds are paid or deemed to have been paid under the Indenture.

Section 11. 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 Issuer's duties with respect to the Series 2008 Bonds, the Series 2015 Bonds, and the Bond Documents.

Section 12. Effective Date. This ordinance shall take effect after its final passage by the governing body of the Issuer, signature by the Mayor and publication once in the Issuer's official newspaper.

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PASSED by the governing body of the City of Pittsburg, Kansas this 13th day of October, 2015.

[SEAL]

Mayor

Attest:

City Clerk

ASSIGNMENT OF LEASE AND RELATED DOCUMENTS

THIS ASSIGNMENT OF LEASE AND RELATED DOCUMENTS, made as of November 3, 2015, by H11 Pittsburg, LLC, a Kansas limited liability company (the "Assignor"), and Pittsburg Hospitality, LLC, a Kansas limited liability company (the "Assignee");

WITNESSETH:

WHEREAS, Assignor has heretofore entered into a Lease as Tenant with the City of Pittsburg, Kansas (the "Issuer") dated as of May 15, 2008 (the "Lease") covering the land, buildings, machinery and equipment described in *Schedule I* attached hereto (the "Project"), which Lease was entered into in connection with the issuance by the Issuer of its Taxable Industrial Revenue Bonds, Series 2008 (Holiday Inn Express Project), in the original principal amount of not to exceed \$4,900,000 (the "Bonds"); and

WHEREAS, Assignor and Assignee have agreed that Assignee will acquire Assignor's leasehold rights in the Project and will assume Assignor's obligations under the Lease;

THEREFORE, Assignor, for itself, its successors and assigns, hereby agrees and covenants with Assignee, its successors and assigns, as follows:

Section 1. Assignor's Covenants.

(a) In accordance with *Section 9.3* of the Lease, the Issuer has filed with Security Bank of Kansas City, as Trustee for the Issuer (the "Trustee"), and Arvest Bank, as Owner of 100% of the Bonds, its written consent to said assignment;

(b) The Lease is in full force and effect and to the best of Assignor's knowledge, there is no existing default under the provisions of the Lease or in the performance of any terms, covenants, conditions or warranties thereof to be observed and performed by Assignor;

(c) All Basic Rent and Additional Rent reserved in the Lease payable prior to the date hereof have been paid;

(d) Assignor has not modified, amended or in any way altered the terms of the Lease (except as disclosed to Assignee), or waived, excused, condoned or in any way released or discharged the Issuer from the obligations, covenants, conditions and agreement to be done and performed by the Issuer.

Section 2. Assignment and Warranty. Assignor does hereby sell, assign, transfer and set over to Assignee all of the Assignor's right, title and interest in the Lease. Assignor covenants and warrants with Assignee, its successors and assigns that at the date of this Assignment, title to the Project described in *Schedule I* hereto is free and clear of all liens and encumbrances, except such liens and encumbrances to which title was subject on the date of commencement of the Lease and such liens and encumbrances to which it has become subject since that date and which have been disclosed to and accepted by Assignee, including without limitation the Leasehold Mortgage, Security Agreement and Fixture Filing from Assignor to Trustee dated May 15, 2008 and recorded on June 13, 2008 as Document No. 583-399 with the Register of Deeds of Crawford County, Kansas. Assignor further agrees to warrant and defend title to the property assigned from any and all claims of all persons claiming by, through or under Assignor.

Section 3. Assumption of Related Documents. In connection with the assignment of Assignor's right, title and interest in the Lease, Assignee shall agree to assume all obligations of Assignor under the Agreement for Payment in Lieu of Taxes dated as of March 11, 2008 (the "PILOT Agreement") between the Issuer and Assignor relating to an abatement of ad valorem taxes on the Project described in *Schedule I* hereto. In addition, Assignee shall agree to assume all obligations of Assignor, Portell & Ratzlaff, L.L.C., a Kansas limited liability company, Doug and Cindy Portell, husband and wife, and Roger and Virginia Ratzlaff, husband and wife, as guarantors (collectively, the "Guarantors") under a Guaranty Agreement dated as of May 15, 2008 (the "Guaranty Agreement") from such Guarantors to the Trustee executed in connection with the issuance of the Bonds.

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IN WITNESS WHEREOF, Assignor has caused this Assignment of Lease to be executed by its duly authorized officer.

HI1 PITTSBURG, LLC

By: _____
Doug Portell, Member

By: _____
Roger Ratzlaff, Member

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS:
COUNTY OF JOHNSON)

This instrument was acknowledged before me on the ___ day of _____, 2015, by Doug Portell and Roger Ratzlaff, Members of HI1 Pittsburg, LLC, a Kansas limited liability company.

[SEAL]

Notary Public

My Appointment Expires:

ACCEPTANCE AND ASSUMPTION

Assignee hereby accepts the foregoing Assignment of Lease and Related Documents from Assignor and hereby assumes and agrees to discharge all obligations, express or implied, of Assignor arising under the Lease, the PILOT Agreement and the Guaranty Agreement accruing after the date of this Assignment of Lease and Related Documents.

IN WITNESS WHEREOF, Assignee has caused this Acceptance and Assumption to be executed by its members.

PITTSBURG HOSPITALITY, LLC

By: _____
Gurbax Rai Marwah , Member

By: _____
Rajni Marwah, Member

By: _____
Rahul Marwah, Member

By: _____
Ritu Portugal, Member

ACKNOWLEDGMENT

STATE OF _____)
) SS.
COUNTY OF _____)

This instrument was acknowledged before me on the ____ day of _____, 2015, by Gurbax Rai Marwah , Rajni Marwah, Rahul Marwah and Ritu Portugal, the members of Pittsburg Hospitality, LLC, a Kansas limited liability company.

(Seal)

Notary Public

My Appointment Expires:

KAB\600551.70025\ASSIGNMENT OF LEASE

(Signature Page to Assignment of Lease)

ISSUER'S CONSENT TO ASSIGNMENT

The undersigned, as Issuer under a Lease dated as of May 15, 2008, between the City of Pittsburg, Kansas and HI1 Pittsburg, LLC, as Tenant (the "Tenant") of the real estate in Crawford County, Kansas described in *Schedule I* attached hereto, hereby consents to the assignment by the Tenant to Pittsburg Hospitality, LLC, a Kansas limited liability company, of Tenant's entire leasehold interest in the Lease, said consent being authorized by Ordinance of the Issuer. The Issuer further acknowledges and agrees to the assumption of the Tenant's obligations under the PILOT Agreement by Pittsburg Hospitality, LLC.

The undersigned expressly reserves to itself and its assignees all rights and privileges accruing to it under the terms of the Lease.

CITY OF PITTSBURG, KANSAS

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF CRAWFORD)

This instrument was acknowledged before me on the ____ day of _____, 2015, by Chuck Munsell as Mayor of the City of Pittsburg, Kansas, a municipal corporation of the State of Kansas.

[SEAL]

Notary Public

My Appointment Expires:

ACKNOWLEDGMENT OF ASSIGNMENT

The undersigned, Security Bank of Kansas City, Kansas City, Kansas, as successor trustee to UMB Bank, n.a., (the "Trustee"), as Trustee under a certain Trust Indenture dated as of May 15, 2008 between the Issuer and Trustee, as supplemented and amended by Supplemental Trust Indenture No. 1 dated as of September 9, 2008 and Supplemental Trust Indenture No. 2 dated as of May 1, 2014 between the same parties, pursuant to which the Issuer issued its Taxable Industrial Revenue Bonds, Series 2008 (Holiday Inn Express Project), and as assignee of all of the Issuer's assignable rights under a Lease dated as of May 15, 2008 between the Issuer as lessor and HI1 Pittsburg, LLC, (the "Tenant"), as lessee (the "Lease"), hereby acknowledges assignment by the Tenant to Pittsburg Hospitality, LLC, a Kansas limited liability company, of its entire leasehold interest in the Lease. The Trustee expressly reserves its security interest in all equipment, machinery and fixtures constituting a part of the Project described in the Lease, and does not by this instrument authorize the sale, exchange or other disposition thereof by Tenant or Pittsburg Hospitality, LLC. The Trustee further acknowledges the assumption of the Guarantor's obligations under the Guaranty Agreement (as such terms are defined in the foregoing Assignment of Lease and Related Documents) by Pittsburg Hospitality, LLC.

DATED: _____

SECURITY BANK OF KANSAS CITY
Kansas City, Kansas
as Trustee

By: _____
Bonnie Mosher, Vice President

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF SEDGWICK)

This instrument was acknowledged before me on the ____ day of _____, 2015, by Bonnie Mosher, Vice President 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:

SCHEDULE I

DESCRIPTION OF PROPERTY

The following property acquired by the City of Pittsburg, Kansas (the "Issuer") in connection with the issuance by the City of its Industrial Revenue Bonds, Series 2008 (Holiday Inn Express Project) (the "Series 2008 Bonds"):

(a) The following described real estate in Crawford County, Kansas:

Lot Number Two (2) and the West One Hundred Twenty Seven (127) feet of Lot Number Three (3) in "Comfort Estates," an Addition to the City of Pittsburg, Crawford County, Kansas, according to the recorded plat thereof.

said real property constituting the "Land" as defined in the Lease entered into by the Issuer concurrently with the issuance of the Series 2008 Bonds (as supplemented and amended, the "Lease").

(b) All buildings, building additions, improvements, machinery and equipment constructed, located or installed on the Land, all or any portion of the costs of which were paid from the proceeds of the Series 2008 Bonds and which constitute Improvements as referred to in the Lease, together with any substitutions or replacements therefor.

The property described in paragraphs (a) and (b) of this Schedule I together constitute the "Project" as referred to in the Lease.

CITY OF PITTSBURG, KANSAS

AS ISSUER

AND

SECURITY BANK OF KANSAS CITY
KANSAS CITY, KANSAS

AS TRUSTEE

SUPPLEMENTAL TRUST INDENTURE NO. 3

DATED AS OF NOVEMBER 3, 2015

\$4,080,000
TAXABLE INDUSTRIAL REVENUE BONDS
SERIES 2008 AND SERIES 2015
(HOLIDAY INN EXPRESS PROJECT)

SUPPLEMENTAL TRUST INDENTURE NO. 3

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SUPPLEMENTAL TRUST INDENTURE NO. 3

THIS SUPPLEMENTAL TRUST INDENTURE NO. 3 dated as of the Dated Date (the "Supplemental Indenture"), between the City of Pittsburg, Kansas and Security Bank of Kansas City, Kansas City, Kansas, as successor trustee to UMB Bank, n.a. (the "Trustee"), which further amends and supplements a Trust Indenture dated as of May 15, 2008, as supplemented and amended by Supplemental Trust Indenture No. 1 dated as of September 9, 2008 and Supplemental Trust Indenture No. 2 dated as of May 1, 2014, all between the same parties (collectively, the "Original Indenture"), incorporated herein by reference;

WITNESSETH:

WHEREAS, the Issuer has previously issued its Taxable Industrial Revenue Bonds, Series 2008 (Holiday Inn Express Project) in the principal amount of not to exceed \$4,900,000, of which \$3,403,074.32 remains Outstanding (the "Series 2008 Bonds"), pursuant to the Original Indenture, for the purpose of providing funds to acquire, construct and equip a hotel facility (the "Project"); and

WHEREAS, the Original Indenture specifically authorizes the issuance of Additional Bonds to be secured on a parity of lien basis with the Series 2008 Bonds; and

WHEREAS, the Project is currently leased by the Issuer to HI1 Pittsburg, LLC, a Kansas limited liability company (the "Original Tenant") pursuant to a Lease dated as of May 15, 2008 (the "Original Lease"); and

WHEREAS, the Original Tenant has entered into an agreement to sell its leasehold interest in the Project to Pittsburg Hospitality, LLC, a Kansas limited liability company (the "Successor Tenant"), subject to the consent of the Issuer; and

WHEREAS, the Issuer's governing body has passed an Ordinance authorizing the Issuer to amend the terms of the Series 2008 Bonds in connection with the sale of the Original Tenant's leasehold interest in the Project and to issue its Taxable Industrial Revenue Bonds, Series 2015 (Holiday Inn Express Project), in the principal amount of \$676,925.68 (the "Series 2015 Bonds"), for the purposes of paying a portion of the costs of the Successor Tenant's acquisition of the leasehold interest in the Project; and

WHEREAS, pursuant to such Ordinance, the Issuer is authorized (i) to execute and deliver this Supplemental Indenture for the purpose of issuing and securing the Series 2008 Bonds as well as the Series 2015 Bonds and any Additional Bonds issued and secured under the Indenture (collectively the "Bonds"), as hereinafter provided, and (ii) to enter into a Supplemental Lease (the "Supplemental Lease," and together with the Original Lease, the "Lease"), between the Issuer and the Successor Tenant, pursuant to which Issuer shall lease the Project to the Successor 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 2008 Bonds and Series 2015 Bonds as the same become due (as well as all other Bonds Outstanding under the Indenture); and

WHEREAS, all things necessary to make the Series 2015 Bonds, when authenticated by the Trustee and issued as provided in this Supplemental Indenture and in the Original Indenture, the valid and legally binding limited obligations of the Issuer, and to constitute this Supplemental Indenture a valid and legally binding pledge and assignment of the Project as security for the payment of the principal of, premium, if any, and interest on the Bonds, have been done and performed, and the execution and delivery

of this Supplemental Indenture and the execution and issuance of the Series 2015 Bonds, subject to the terms hereof, have in all respects been duly authorized; and

WHEREAS, the Issuer has found that all requirements of the Original Indenture have been or will preceding their issuance be met for the issuance of the Series 2015 Bonds as Additional Bonds equal in priority to and on a parity of lien basis with the Series 2008 Bonds;

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

GRANTING CLAUSES

The Issuer, in order to secure the payment of the principal of, premium, if any, and interest on all Bonds issued and Outstanding under the 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, its successors and assigns, the property described below (said property being herein referred to as the "Trust Estate Additions"):

(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 (except the Issuer's right to indemnity thereunder), 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 (except for the rights of the Issuer to receive moneys for its own account under the Lease); provided that the pledge and assignment hereby made shall not impair or diminish the obligations of the Issuer under 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, together with all rights appertaining to such property, 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 the proportionate benefit, protection and security of all Owners from time to time of Bonds issued and Outstanding under the 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 Supplemental Indenture;

PROVIDED, HOWEVER, that if the Issuer shall well and truly 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, or shall provide for the payment thereof (as provided in **Article XII** of the Original Indenture), 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 Supplemental Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Supplemental Indenture shall be and remain in full force and effect.

THIS SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is hereby expressly declared, covenanted and agreed by and between the parties hereto, that all Series 2015 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 as expressed in the Indenture, and the Issuer does hereby agree and covenant with the Trustee and with the respective Owners from time to time of the Series 2008 Bonds and Series 2015 Bonds, as follows:

ARTICLE I

DEFINITIONS

Section 101. **Definitions of Words and Terms.** In addition to the words and terms defined elsewhere in the Indenture and the Lease, the capitalized words and terms in this Supplemental Indenture shall have the following meanings, unless some other meaning is plainly intended:

“Bonds” means the Series 2008 Bonds, the Series 2015 Bonds and any Additional Bonds.

“Commitment Letter” means the commitment letter dated as of August 27, 2015 from Arvest Bank relating to financing for the acquisition of the Project by the Successor Tenant.

“Dated Date” means November 3, 2015, date of the authentication and delivery of the Series 2015 Bonds to the Original Purchaser thereof and the date of the authentication and delivery of the amended Series 2008 Bond certificate to the Owner thereof.

“Commercial Security Agreement” means the Commercial Security Agreement dated as of November 3, 2015 between the Trustee, as Secured Party, and the Successor Tenant, as Debtor.

"Guaranty Agreement" means the separate Guaranty Agreement dated as of November 3, 2015, 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 2015 Bonds.

"Indenture" means the Original Indenture, as amended and supplemented by Supplemental Indenture No. 3.

"Lease" means the Original Lease, as amended and supplemented by Supplemental Lease No. 1.

“Leasehold Mortgage Modification” means the Leasehold Mortgage Modification Agreement dated as of November 3, 2015 between the Successor Tenant, as Assuming Mortgagor, and the Trustee, as Mortgagee, modifying the Leasehold Mortgage, Security Agreement and Fixture Filing from the Original Tenant to Trustee dated May 15, 2008 and recorded on June 13, 2008 as Document No. 583-399 with the Register of Deeds for Crawford County, Kansas, as assumed by Successor Tenant pursuant to an Assignment of Lease and Related Documents by and between the Original Tenant, as Assignor, and the Successor Tenant, as Assuming Mortgagor, dated as of November 3, 2015.

"Original Indenture" means the Trust Indenture dated as of May 15, 2008 between the Issuer and the Trustee, as supplemented and amended by Supplemental Trust Indenture No. 1 dated as of September 9, 2008 and Supplemental Trust Indenture No. 2 dated as of May 1, 2014 between the same parties.

"Original Lease" means the Lease dated as of May 15, 2008 entered into between the Issuer and the Original Tenant.

"Original Proceeds" means with respect to the Series 2015 Bonds, the proceeds of the sale of the Series 2015 Bonds.

"Original Purchaser" with respect to the Series 2015 Bonds means Arvest Bank, Joplin, Missouri.

"Original Tenant" means HI1 Pittsburg, LLC, a Kansas limited liability company.

"Pledge Agreement" means, collectively, each separate Membership Interest Pledge, Hypothecation and Security Agreement dated as of November 3, 2015, between each owner of the Successor Tenant, as Pledgor, and the Trustee.

"Prepayment Charge" means an amount determined by the Owner of the Series 2008 Bonds and Series 2015 Bonds, which will equal, at the sole discretion of such Owner, either (i) the cost to the Owner of closing out any hedging transaction or prepaying any borrowing arrangement entered into by the Owner in connection with funding the purchase of the Series 2008 Bonds or Series 2015 Bonds, as applicable, or (ii) the present value of the remaining payments on the amount to be prepaid, discounted at the Current Fixed Rate, less the principal amount to be repaid. For purposes of calculating the Prepayment Charge, the Current Fixed Rate shall mean the rate for the interest rate swap having a term or duration closest to the remaining term of the Series 2008 Bonds and Series 2015 Bonds, as applicable, at the time of repayment. The Prepayment Charge shall not be less than zero.

"Record Date" means the 1st day of the month in which a Principal Payment Date or Interest Payment Date occurs.

"Series 2008 Bonds" means the City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series 2008 (Holiday Inn Express Project), in the original aggregate amount of not to exceed \$4,900,000, of which \$3,403,074.32 remains Outstanding.

"Series 2015 Bonds" means the City of Pittsburg, Kansas xxx Revenue Bonds, Series 2015 (Holiday Inn Express Project) dated the Dated Date, in the aggregate amount of \$676,925.68.

"Successor Tenant" means Pittsburg Hospitality, LLC, a Kansas limited liability company.

"Supplemental Indenture No. 3" means Supplemental Trust Indenture No. 3 dated as of the Dated Date between the Issuer and the Trustee.

"Supplemental Lease No. 1" means Supplemental Lease No. 1 dated as of the Dated Date between the Issuer and the Tenant.

"Tenant" means the Successor Tenant, its successors and assigns.

"Trustee" means Security Bank of Kansas City, Kansas City, Kansas, as successor trustee to UMB Bank, n.a., Kansas City, Missouri, 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.

ARTICLE II

THE BONDS

Section 201. **Authorization of Series 2015 Bonds.**

(a) There shall be issued and secured pursuant to the Indenture a series of bonds in the aggregate principal amount of \$676,925.68, which series of bonds shall be designated "City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series 2015 (Holiday Inn Express Project)." The Series 2015 Bonds shall be dated as of the Dated Date, shall become due on the Principal Payment Dates in the years and in the respective principal amounts (subject to prior redemption as hereinafter provided in *Article III*) as set forth on *Schedule I* hereto. The Series 2015 Bonds shall bear interest from their dated date or the Interest Payment Date to which interest has been paid, at the rate of 4.95% per annum computed on an actual/360 counting method, as set forth on *Schedule I* hereto.

(b) 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 2015 Bonds.

(c) The Series 2015 Bonds shall bear interest from their effective date of registration, which date shall be set forth on each such bond. Upon the original issuance and delivery of the Series 2015 Bonds, the effective date of registration thereof shall be the Dated Date. Interest on the Series 2015 Bonds shall be payable in the manner stated in the Original Indenture on the 20th day of each month, as set forth on *Schedule I* hereto.

(d) The Series 2015 Bonds shall be substantially in the form and executed in the manner set forth in *Article IV* of this Supplemental Indenture 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:

(1) An original or certified copy of the Ordinance enacted by Issuer's governing body authorizing the issuance of the Series 2015 Bonds and the execution of this Supplemental Indenture and the Supplemental Lease.

(2) An original executed counterpart of this Supplemental Indenture.

(3) An original executed counterpart of the Supplemental Lease.

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

(5) Original executed counterparts of the Leasehold Mortgage Modification, the Commercial Security Agreement and the Pledge Agreement.

(6) An opinion of Bond Counsel to the effect that the Series 2015 Bonds constitute valid and legally binding obligations of the Issuer.

(7) Such other opinions, certificates, statements, receipts and documents as are required by the Commitment Letter or as the Trustee may reasonably require for the delivery of the Series 2015 Bonds.

(e) When the documents specified in subsection (d) of this Section and in *Section 2.09* of the Original Indenture shall have been filed with the Trustee, and when certificates representing all the Series 2015 Bonds shall have been executed and authenticated as required by the Indenture, the Trustee shall deliver the Series 2015 Bonds to or upon the order of their Original Purchaser, but only upon payment to the Trustee of the purchase price of the Series 2015 Bonds. The proceeds of the sale of the Series 2015 Bonds, 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 VI* of the Original Indenture and *Article V* of this Supplemental Indenture.

Section 202. Amendments to Original Indenture relating to Series 2008 Bonds. Notwithstanding anything in the Original Indenture to the contrary, effective as of the Dated Date, the Series 2008 Bonds Outstanding in the aggregate principal amount of \$3,403,074.32 shall become due on the Principal Payment Dates in the years and in the respective principal amounts (subject to prior redemption as hereinafter provided in *Article III*) as set forth on *Schedule I* hereto. The Series 2008 Bonds shall bear interest from the Dated Date or the Interest Payment Date to which interest has been paid, at the rate of 4.95% per annum computed on an actual/360 counting method. Interest on the Series 2008 Bonds shall be payable in the manner stated in the Original Indenture on the 20th day of each month, as set forth on *Schedule I* hereto.

Section 203. Security for Bonds; Terms and Provisions. Except as to differences in the maturities thereof and in the rates of interest and the provisions for redemption, and except as otherwise stated in this Supplemental Indenture, the Series 2015 Bonds authorized herein shall be on a parity with and shall be entitled to the same benefit and security as the Series 2008 Bonds issued under the Original Indenture. Except as specifically provided herein and to the extent permitted by the Original Indenture, the Series 2015 Bonds herein authorized and the Series 2008 Bonds as herein modified are and shall be governed by all of the provisions of the Original Indenture with respect to the payment of principal, redemption premium, if any, and interest of such Bonds, the collection and disposition of revenues, the covenants of the Issuer, the nature and extent of the security for Bonds, the Issuer's right to issue Additional Bonds, the rights, duties and obligations of the Issuer, the rights of the Owners, and the provisions relating to registration, transfer, amendments, events of default, enforcement, acceleration in the event of default and defeasance, and all other provisions of the Original Indenture. In case any provision, covenant, stipulation, obligation or agreement contained in the Series 2008 Bonds, the Series 2015 Bonds or in this Supplemental Indenture shall for any reason be held to be in violation of, or contrary to or conflict with the provisions of the Original Indenture, as heretofore amended and supplemented then the provisions of this Supplemental Indenture shall be deemed to control to the extent applicable.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Series 2008 Bonds and Series 2015 Bonds. The Series 2008 Bonds and Series 2015 Bonds shall be subject to redemption as follows:

Optional Redemption.

(a) Notwithstanding anything in the Original Indenture to the contrary, the Series 2008 Bonds shall be subject to redemption in whole or in part, at the option of and upon instructions from the Tenant to the Issuer, at the par value of the principal amount thereof, plus a premium equal to the Prepayment Charge, plus interest accrued to the date of redemption. Any partial redemption of Series 2008 Bonds shall be in minimum denominations of \$10,000.

(b) The Series 2015 Bonds shall be subject to redemption in whole or in part, at the option of and upon instructions from the Tenant to the Issuer, at the par value of the principal amount thereof, plus a premium equal to the Prepayment Charge, plus interest accrued to the date of redemption. Any partial redemption of Series 2015 Bonds shall be in minimum denominations of \$10,000.

Section 302. Other Redemption Provisions.

Except as otherwise specifically provided in *Section 301* hereof, all the provisions of *Article III* of the Original Indenture relating to redemption of Bonds shall apply to the Series 2008 Bonds and the Series 2015 Bonds.

ARTICLE IV

FORM OF BONDS

Section 401. Form of Series 2008 Bonds.

The Series 2008 Bond certificate which was delivered to the Original Purchaser of the Series 2008 Bonds shall be surrendered to the Trustee and shall be cancelled in accordance with *Section 212* of the Original Indenture. The Issuer shall execute and the Trustee shall authenticate and deliver to the Owner a substitute Bond in the form set forth on *Appendix A-1* hereto. Upon the issuance of such substitute Bond, 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 402. Form of Series 2015 Bonds.

The Series 2015 Bonds shall be in substantially the form attached as *Appendix A-2*.

ARTICLE V

CUSTODY AND APPLICATION OF BOND PROCEEDS

Section 501. Fund and Accounts. The following Funds and Accounts are ratified in the custody of the Trustee:

- (a) "City of Pittsburg, Kansas Project Fund (Holiday Inn Express Project)"
- (b) "City of Pittsburg, Kansas Debt Service Fund (Holiday Inn Express Project)"

The Trustee is authorized to create separate subaccounts in any Fund or Account for the Series 2015 Bonds issued pursuant to this Supplemental Indenture.

Section 502. **Deposit of Bond Proceeds.** The net proceeds received from the sale of the Series 2015 Bonds shall be deposited simultaneously with the delivery of the Series 2015 Bonds into the Project Fund and applied to payment of the cost of acquisition by the Successor Tenant of the Original Tenant's leasehold interest in the Project.

ARTICLE VI

REVENUES AND FUNDS

Section 601. **Disbursements from the Project Fund.**

The moneys in the Project Fund shall be disbursed by the Trustee for payment of the cost of acquisition by the Successor Tenant of the Original Tenant's leasehold interest in the Project, in accordance with the provisions of *Section 503* of the Original Indenture.

Section 602. **Application of Moneys in the Debt Service Fund.** Moneys in the Debt Service Fund shall be applied as set out in *Section 603* of the Original Indenture.

ARTICLE VII

MISCELLANEOUS

Section 701. **Investment of Moneys in Funds.** Moneys held in the funds and accounts established pursuant to this Supplemental Indenture shall be invested and reinvested by the Trustee in Investment Securities in accordance with the provisions of the Original Indenture.

Section 702. **Manner of Investment.** All investments made pursuant to this Article shall be made as provided in the Original Indenture.

Section 703. **Ratification and Confirmation of Original Indenture.** Except as expressly modified in this Supplemental Indenture, the Original Indenture and the covenants therein contained are hereby ratified and confirmed by the parties as of the date of this Supplemental Indenture, and except as otherwise provided herein, shall apply to the Series 2008 Bonds, the Series 2015 Bonds, and the Original Proceeds thereof.

Section 704. **Execution of Counterparts; Electronic Transactions** This Supplemental Indenture 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 in the Indenture 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.

(THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK)

IN WITNESS WHEREOF, the Issuer has caused this Supplemental 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
as Issuer

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF CRAWFORD)

This instrument was acknowledged before me on the ____ day of _____, 2015, by Chuck Munsell as Mayor of the City of Pittsburg, Kansas, a municipal corporation of the State of Kansas.

[SEAL]

Notary Public

My Appointment Expires:

APPENDIX A-1

FORM OF SERIES 2008 BONDS

FACE OF THE BOND

No. _____

\$ _____

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF CRAWFORD
CITY OF PITTSBURG, KANSAS
TAXABLE INDUSTRIAL REVENUE BOND
SERIES 2008
(HOLIDAY INN EXPRESS PROJECT)**

Registered Owner: _____

Principal Amount: _____ Dollars

The City of Pittsburg, Kansas, a municipal corporation 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 installments of the Principal Amount identified above in the amounts ("Principal Payments") and on the dates (the "Principal Payment Dates") as shown on the Amortization Schedule which is a part of this Bond, and in like manner to pay to the Registered Owner identified above, interest thereon from the effective date of registration of this Bond (which date is set forth on this Bond) at an interest rate of **4.95%**. Interest shall be payable monthly on the 20th day of each month, beginning November 20, 2015 (the "Interest Payment Dates"), on the unpaid principal amount thereof from the next preceding Interest Payment Date, until the unpaid principal amount has been paid, at the interest rate stated above. Interest on the Bonds shall be computed on an actual/360 counting method. Principal and interest shall be payable in immediately available funds wire transferred or otherwise delivered to the Registered Owner by Security Bank of Kansas City, Kansas City, Kansas (the "Paying Agent" and "Trustee").

This Bond certificate evidences ownership of a duly authorized series of Bonds of the Issuer designated "City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series 2008 (Holiday Inn Express Project)," issued in the original aggregate principal amount of not to exceed \$4,900,000, of which \$3,403,074.32 remains outstanding as of the date hereof (the "Series 2008 Bonds"), for the purpose acquiring, constructing and equipping a hotel facility (the "Project "). The Issuer shall lease the Project to Pittsburg Hospitality, LLC, a Kansas limited liability company, as successor tenant to HI1 Pittsburg, LLC, a Kansas limited liability company (the "Tenant"), under the terms of a Lease dated as of May 15, 2008, as amended and supplemented by Supplemental Lease No. 1 dated as of November 3, 2015, between the Issuer and the Tenant (said Lease and Supplemental Lease, as further amended and supplemented from time to time in accordance with the provisions thereof, being herein collectively called the "Lease"). The issuance of the Series 2008 Bonds and the Lease of the Project to the Tenant is pursuant to the authority of and in conformity with the provisions, restrictions and limitations of the constitution and statutes of the State of Kansas, including particularly K.S.A. 12-1740 *et seq.*, and pursuant to proceedings duly had by the governing body of the Issuer.

Except as specifically provided otherwise in the Indenture (as hereinafter defined), the Series 2008 Bonds are on a parity with and equal in priority in all respects with the City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series 2015, dated November 3, 2015 in the aggregate principal amount of \$676,925.68(the "Series 2015 Bonds"). The Series 2008 Bonds are issued and secured under and entitled to the protection of the Trust Indenture dated as of May 15, 2008, as amended and supplemented by Supplemental Trust Indenture No. 1 dated as of September 9, 2008, Supplemental Trust Indenture No. 2 dated as of May 1, 2014 and Supplemental Trust Indenture No. 3 dated as of November 3, 2015, all between the Issuer and the Trustee (said Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein collectively called the "Indenture"). Subject to the terms and conditions set forth therein, the Indenture permits the Issuer to issue Additional Bonds (as defined therein) secured by the Indenture ratably and on a parity with the Series 2008 Bonds and Series 2015 Bonds (the Series 2008 Bonds and Series 2015 Bonds together with such Additional Bonds being herein referred to collectively as the "Bonds"). Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Owners, and the terms upon which the Bonds are issued and secured.

The Series 2008 Bonds shall be subject to redemption in whole or in part, at the option of and upon instructions from the Tenant to the Issuer, at the par value of the principal amount thereof, plus a premium equal to the Prepayment Charge (as such term is defined in the Indenture), plus interest accrued to the date of redemption. Any partial redemption of Series 2008 Bonds shall be in minimum denominations of \$10,000.

When any Bonds are called for redemption as aforesaid, notice thereof identifying the Bonds to be redeemed will be given by mailing a copy of the redemption notice at least 10 days prior to the date fixed for redemption to the Owner of each Bond to be redeemed at the address shown on the registration books maintained by the Trustee; provided, however, that failure to give such notice by mailing as aforesaid, or any defect therein, shall not affect the validity of any proceedings for the redemption of Bonds. If less than all of the Outstanding Bonds of this series are called for redemption, Bonds shall be redeemed as directed in writing by the Tenant. Bonds of less than a full maturity shall be selected by the Trustee in such equitable manner as it may determine. All Bonds so called for redemption will cease to bear interest on the specified Redemption Date and shall no longer be secured by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

The Bonds and the interest thereon are limited obligations of the Issuer payable exclusively out of the Trust Estate under the Indenture, including but not limited to the rents, revenues and receipts under the Lease, and are secured by a pledge of the Project as described in the Lease and a pledge and assignment of the Trust Estate, including all rentals and other amounts to be received by the Issuer under and pursuant to the Lease, all as provided in the Indenture. The Bonds and the interest thereon do not constitute a debt or general obligation of the Issuer, the State of Kansas or any municipal corporation thereof, and are not payable in any manner by taxation. The Bonds do not constitute an indebtedness within the meaning of constitutional or statutory debt limitations or restrictions. Pursuant to the provisions of the Lease, Basic Rent is to be paid by the Tenant directly to the Trustee for the account of the Issuer and deposited in a special trust account created by the Issuer and designated "City of Pittsburg, Kansas Debt Service Fund (Holiday Inn Express Project)." The full and prompt payment of the principal of, redemption premium, if any, and interest on the Bonds is unconditionally guaranteed by the Tenant and by Gurbax Rai Marwah and Rajni Marwah, being all members of the Tenant, to the Trustee, for the benefit of the Owner(s) of Bonds, under the terms of a separate Guaranty Agreement dated as of November 3, 2015. The obligations of the Tenant are further secured by (i) a Leasehold Mortgage, Security Agreement and Fixture Filing from H11 Pittsburg, LLC to Trustee dated May 15, 2008 and recorded on June 13, 2008 as Document No. 583-399

with the Register of Deeds for Crawford County, Kansas, as assumed by Tenant pursuant to an Assignment of Lease and Related Documents by and between Assignor and Assuming Mortgagor dated as of November 3, 2015, as further modified and amended by that certain Leasehold Mortgage Modification Agreement between Tenant and Trustee dated November 3, 2015; (ii) a Commercial Security Agreement dated as of November 3, 2015 between the Trustee, as Secured Party, and the Tenant, as Debtor; and (iii) Membership Interest Pledge, Hypothecation and Security Agreements dated as of November 3, 2015, between each owner of the Tenant, as Pledgor, and the Trustee.

No Owner of Bonds shall have the right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then Outstanding may become or may be declared due and payable prior to the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of this Bond or the Indenture may be made only to the extent and under the circumstances permitted by the Indenture.

This Bond certificate is transferable, as provided in the Indenture, only upon the registration books of the Issuer kept for that purpose at the above mentioned office of the Bond Registrar and Paying Agent by the Owner hereof in person or by duly authorized attorney, upon surrender of this Certificate together with a written instrument of transfer satisfactory to the Bond Registrar and Paying Agent duly executed by the Owner or such Owner's duly authorized attorney, and thereupon a new Bond certificate in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Tenant has agreed to pay as Additional Rent under the Lease all costs incurred in connection with the issuance, transfer, exchange, registration, redemption or payment of the Bonds except (a) the reasonable fees and expenses in connection with the replacement of Bond certificates mutilated, stolen, lost or destroyed or (b) any tax or other governmental charge imposed in relation to the transfer, exchange, registration, redemption or payment of the Bonds. The Issuer, the Trustee and any Paying Agent may deem and treat the person in whose name this Bond certificate is registered as the absolute Owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

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, the 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 November 3, 2015.

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 2008 (Holiday Inn Express 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 Bond represented by this certificate and all rights thereunder, and hereby authorizes the transfer of such Bonds 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]

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.

[INSERT AMORTIZATION SCHEDULE]

APPENDIX A-2

FORM OF SERIES 2015 BONDS

FACE OF THE BOND

No. _____

\$ _____

**UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF CRAWFORD
CITY OF PITTSBURG, KANSAS
TAXABLE INDUSTRIAL REVENUE BOND
SERIES 2015
(HOLIDAY INN EXPRESS PROJECT)**

Registered Owner: _____

Principal Amount: _____ Dollars

The City of Pittsburg, Kansas, a municipal corporation 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 installments of the Principal Amount identified above in the amounts ("Principal Payments") and on the dates (the "Principal Payment Dates") as shown on the Amortization Schedule which is a part of this Bond, and in like manner to pay to the Registered Owner identified above, interest thereon from the effective date of registration of this Bond (which date is set forth on this Bond) at an interest rate of **4.95%**. Interest shall be payable monthly on the 20th day of each month, beginning November 20, 2015 (the "Interest Payment Dates"), on the unpaid principal amount thereof from the next preceding Interest Payment Date, until the unpaid principal amount has been paid, at the interest rate stated above. Interest on the Bonds shall be computed on an actual/360 counting method. Principal and interest shall be payable in immediately available funds wire transferred or otherwise delivered to the Registered Owner by Security Bank of Kansas City, Kansas City, Kansas (the "Paying Agent" and "Trustee").

This Bond certificate evidences ownership of a duly authorized series of Bonds of the Issuer designated "City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series 2015 (Holiday Inn Express Project)," issued in the aggregate principal amount of \$676,925.68 (the "Series 2015 Bonds"), for the purpose acquiring a leasehold interest in a hotel facility (the "Project"). The Issuer shall lease the Project to Pittsburg Hospitality, LLC, a Kansas limited liability company, as successor tenant to HI1 Pittsburg, LLC, a Kansas limited liability company (the "Tenant"), under the terms of a Lease dated as of May 15, 2008, as amended and supplemented by Supplemental Lease No. 1 dated as of November 3, 2015 between the Issuer and the Tenant (said Lease and Supplemental Lease, as further amended and supplemented from time to time in accordance with the provisions thereof, being herein collectively called the "Lease"). The issuance of the Series 2015 Bonds and the Lease of the Project to the Tenant is pursuant to the authority of and in conformity with the provisions, restrictions and limitations of the constitution and statutes of the State of Kansas, including particularly K.S.A. 12-1740 *et seq.*, and pursuant to proceedings duly had by the governing body of the Issuer.

Except as specifically provided otherwise in the Indenture (as hereinafter defined), the Series 2015 Bonds are on a parity with and equal in priority in all respects with the City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series 2008 (the "Series 2008 Bonds"). The Series 2015 Bonds are issued and secured under and entitled to the protection of the Trust Indenture dated as of May 15, 2008, as amended and supplemented by Supplemental Trust Indenture No. 1 dated as of September 9, 2008, Supplemental Trust Indenture No. 2 dated as of May 1, 2014 and Supplemental Trust Indenture No. 3 dated as of November 3, 2015, all between the Issuer and the Trustee (said Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein collectively called the "Indenture"). Subject to the terms and conditions set forth therein, the Indenture permits the Issuer to issue Additional Bonds (as defined therein) secured by the Indenture ratably and on a parity with the Series 2008 Bonds and Series 2015 Bonds (the Series 2008 Bonds and Series 2015 Bonds together with such Additional Bonds being herein referred to collectively as the "Bonds"). Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Owners, and the terms upon which the Bonds are issued and secured.

The Series 2015 Bonds shall be subject to redemption in whole or in part, at the option of and upon instructions from the Tenant to the Issuer, at the par value of the principal amount thereof, plus a premium equal to the Prepayment Charge (as such term is defined in the Indenture), plus interest accrued to the date of redemption. Any partial redemption of Series 2015 Bonds shall be in minimum denominations of \$10,000.

When any Bonds are called for redemption as aforesaid, notice thereof identifying the Bonds to be redeemed will be given by mailing a copy of the redemption notice at least 10 days prior to the date fixed for redemption to the Owner of each Bond to be redeemed at the address shown on the registration books maintained by the Trustee; provided, however, that failure to give such notice by mailing as aforesaid, or any defect therein, shall not affect the validity of any proceedings for the redemption of Bonds. If less than all of the Outstanding Bonds of this series are called for redemption, Bonds shall be redeemed as directed in writing by the Tenant. Bonds of less than a full maturity shall be selected by the Trustee in such equitable manner as it may determine. All Bonds so called for redemption will cease to bear interest on the specified Redemption Date and shall no longer be secured by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

The Bonds and the interest thereon are limited obligations of the Issuer payable exclusively out of the Trust Estate under the Indenture, including but not limited to the rents, revenues and receipts under the Lease, and are secured by a pledge of the Project as described in the Lease and a pledge and assignment of the Trust Estate, including all rentals and other amounts to be received by the Issuer under and pursuant to the Lease, all as provided in the Indenture. The Bonds and the interest thereon do not constitute a debt or general obligation of the Issuer, the State of Kansas or any municipal corporation thereof, and are not payable in any manner by taxation. The Bonds do not constitute an indebtedness within the meaning of constitutional or statutory debt limitations or restrictions. Pursuant to the provisions of the Lease, Basic Rent is to be paid by the Tenant directly to the Trustee for the account of the Issuer and deposited in a special trust account created by the Issuer and designated "City of Pittsburg, Kansas Debt Service Fund (Holiday Inn Express Project)." The full and prompt payment of the principal of, redemption premium, if any, and interest on the Bonds is unconditionally guaranteed by the Tenant and by Gurbax Rai Marwah and Rajni Marwah, being all members of the Tenant, to the Trustee, for the benefit of the Owner(s) of Bonds, under the terms of a separate Guaranty Agreement dated as of November 3, 2015.

No Owner of Bonds shall have the right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the

Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then Outstanding may become or may be declared due and payable prior to the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of this Bond or the Indenture may be made only to the extent and under the circumstances permitted by the Indenture.

This Bond certificate is transferable, as provided in the Indenture, only upon the registration books of the Issuer kept for that purpose at the above mentioned office of the Bond Registrar and Paying Agent by the Owner hereof in person or by duly authorized attorney, upon surrender of this Certificate together with a written instrument of transfer satisfactory to the Bond Registrar and Paying Agent duly executed by the Owner or such Owner's duly authorized attorney, and thereupon a new Bond certificate in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Tenant has agreed to pay as Additional Rent under the Lease all costs incurred in connection with the issuance, transfer, exchange, registration, redemption or payment of the Bonds except (a) the reasonable fees and expenses in connection with the replacement of Bond certificates mutilated, stolen, lost or destroyed or (b) any tax or other governmental charge imposed in relation to the transfer, exchange, registration, redemption or payment of the Bonds. The Issuer, the Trustee and any Paying Agent may deem and treat the person in whose name this Bond certificate is registered as the absolute Owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

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, the 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 November 3, 2015.

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 2015 (Holiday Inn Express 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 Bond represented by this certificate and all rights thereunder, and hereby authorizes the transfer of such Bonds 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]

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.

[INSERT AMORTIZATION SCHEDULE]

SCHEDULE I-1

AMORTIZATION SCHEDULE – SERIES 2008 BONDS

Payment Date	Total Payment	Principal	Interest	Principal Balance
				\$ 3,403,074.32
12/03/15	\$22,499.93	\$ 8,462.25	\$14,037.68	3,394,612.07
01/03/16	22,499.93	8,030.39	14,469.54	3,386,581.68
02/03/16	22,499.93	8,064.63	14,435.30	3,378,517.05
03/03/16	22,499.93	9,028.09	13,471.84	3,369,488.96
04/03/16	22,499.93	8,137.49	14,362.44	3,361,351.47
05/03/16	22,499.93	8,634.35	13,865.58	3,352,717.12
06/03/16	22,499.93	8,208.98	14,290.95	3,344,508.14
07/03/16	22,499.93	8,703.83	13,796.10	3,335,804.31
08/03/16	22,499.93	8,281.06	14,218.87	3,327,523.25
09/03/16	22,499.93	8,316.37	14,183.56	3,319,206.88
10/03/16	22,499.93	8,808.20	13,691.73	3,310,398.68
11/03/16	22,499.93	8,389.35	14,110.58	3,302,009.33
12/03/16	22,499.93	8,879.14	13,620.79	3,293,130.19
01/03/17	22,499.93	8,462.97	14,036.96	3,284,667.22
02/03/17	22,499.93	8,499.03	14,000.90	3,276,168.19
03/03/17	22,499.93	9,886.69	12,613.24	3,266,281.50
04/03/17	22,499.93	8,577.40	13,922.53	3,257,704.10
05/03/17	22,499.93	9,061.90	13,438.03	3,248,642.20
06/03/17	22,499.93	8,652.59	13,847.34	3,239,989.61
07/03/17	22,499.93	9,134.98	13,364.95	3,230,854.63
08/03/17	22,499.93	8,728.41	13,771.52	3,222,126.22
09/03/17	22,499.93	8,765.62	13,734.31	3,213,360.60
10/03/17	22,499.93	9,244.81	13,255.12	3,204,115.79
11/03/17	22,499.93	8,842.39	13,657.54	3,195,273.40
12/03/17	22,499.93	9,319.43	13,180.50	3,185,953.97
01/03/18	22,499.93	8,919.80	13,580.13	3,177,034.17
02/03/18	22,499.93	8,957.82	13,542.11	3,168,076.35
03/03/18	22,499.93	10,302.84	12,197.09	3,157,773.51
04/03/18	22,499.93	9,039.92	13,460.01	3,148,733.59
05/03/18	22,499.93	9,511.40	12,988.53	3,139,222.19
06/03/18	22,499.93	9,119.00	13,380.93	3,130,103.19
07/03/18	22,499.93	9,588.25	12,911.68	3,120,514.94
08/03/18	22,499.93	9,198.74	13,301.19	3,111,316.20
09/03/18	22,499.93	9,237.94	13,261.99	3,102,078.26
10/03/18	22,499.93	9,703.86	12,796.07	3,092,374.40

11/03/18	22,499.93	9,318.68	13,181.25	3,083,055.72
12/03/18	22,499.93	9,782.33	12,717.60	3,073,273.39
01/03/19	22,499.93	9,400.10	13,099.83	3,063,873.29
02/03/19	22,499.93	9,440.17	13,059.76	3,054,433.12
03/03/19	22,499.93	10,740.36	11,759.57	3,043,692.76
04/03/19	22,499.93	9,526.19	12,973.74	3,034,166.57
05/03/19	22,499.93	9,983.99	12,515.94	3,024,182.58
06/03/19	22,499.93	9,609.36	12,890.57	3,014,573.22
07/03/19	22,499.93	10,064.81	12,435.12	3,004,508.41
08/03/19	22,499.93	9,693.21	12,806.72	2,994,815.20
09/03/19	22,499.93	9,734.53	12,765.40	2,985,080.67
10/03/19	22,499.93	10,186.48	12,313.45	2,974,894.19
11/03/19	22,499.93	9,819.44	12,680.49	2,965,074.75
12/03/19	22,499.93	10,269.00	12,230.93	2,954,805.75
01/03/20	22,499.93	9,905.07	12,594.86	2,944,900.68
02/03/20	22,499.93	9,947.29	12,552.64	2,934,953.39
03/03/20	22,499.93	10,796.80	11,703.13	2,924,156.59
04/03/20	22,499.93	10,035.71	12,464.22	2,914,120.88
05/03/20	22,499.93	10,479.19	12,020.74	2,903,641.69
06/03/20	22,499.93	10,123.15	12,376.78	2,893,518.54
07/03/20	22,499.93	10,564.17	11,935.76	2,882,954.37
08/03/20	22,499.93	10,211.34	12,288.59	2,872,743.03
09/03/20	22,499.93	10,254.86	12,245.07	2,862,488.17
10/03/20	22,499.93	10,692.16	11,807.77	2,851,796.01
11/03/20	22,499.93	10,344.15	12,155.78	2,841,451.86
12/03/20	22,499.93	10,778.95	11,720.98	2,830,672.91
01/03/21	22,499.93	10,434.18	12,065.75	2,820,238.73
02/03/21	22,499.93	10,478.66	12,021.27	2,809,760.07
03/03/21	22,499.93	11,682.36	10,817.57	2,798,077.71
04/03/21	22,499.93	10,573.12	11,926.81	2,787,504.59
05/03/21	22,499.93	11,001.48	11,498.45	2,776,503.11
06/03/21	22,499.93	10,665.08	11,834.85	2,765,838.03
07/03/21	22,499.93	11,090.85	11,409.08	2,754,747.18
08/03/21	22,499.93	10,757.82	11,742.11	2,743,989.36
09/03/21	22,499.93	10,803.67	11,696.26	2,733,185.69
10/03/21	22,499.93	11,225.54	11,274.39	2,721,960.15
11/03/21	22,499.93	10,897.58	11,602.35	2,711,062.57
12/03/21	22,499.93	11,316.80	11,183.13	2,699,745.77
01/03/22	22,499.93	10,992.26	11,507.67	2,688,753.51
02/03/22	22,499.93	11,039.12	11,460.81	2,677,714.39
03/03/22	22,499.93	12,190.73	10,309.20	2,665,523.66

04/03/22	22,499.93	11,138.13	11,361.80	2,654,385.53
05/03/22	22,499.93	11,550.59	10,949.34	2,642,834.94
06/03/22	22,499.93	11,234.85	11,265.08	2,631,600.09
07/03/22	22,499.93	11,644.58	10,855.35	2,619,955.51
08/03/22	22,499.93	11,332.37	11,167.56	2,608,623.14
09/03/22	22,499.93	11,380.67	11,119.26	2,597,242.47
10/03/22	22,499.93	11,786.31	10,713.62	2,585,456.16
11/03/22	22,499.93	11,479.42	11,020.51	2,573,976.74
12/03/22	22,499.93	11,882.28	10,617.65	2,562,094.46
01/03/23	22,499.93	11,579.00	10,920.93	2,550,515.46
02/03/23	22,499.93	11,628.36	10,871.57	2,538,887.10
03/03/23	22,499.93	12,725.21	9,774.72	2,526,161.89
04/03/23	22,499.93	11,732.17	10,767.76	2,514,429.72
05/03/23	22,499.93	12,127.90	10,372.03	2,502,301.82
06/03/23	22,499.93	11,833.87	10,666.06	2,490,467.95
07/03/23	22,499.93	12,226.75	10,273.18	2,478,241.20
08/03/23	22,499.93	11,936.43	10,563.50	2,466,304.77
09/03/23	22,499.93	11,987.30	10,512.63	2,454,317.47
10/03/23	22,499.93	12,375.87	10,124.06	2,441,941.60
11/03/23	22,499.93	12,091.16	10,408.77	2,429,850.44
12/03/23	22,499.93	12,476.79	10,023.14	2,417,373.65
01/03/24	22,499.93	12,195.88	10,304.05	2,405,177.77
02/03/24	22,499.93	12,247.86	10,252.07	2,392,929.91
03/03/24	22,499.93	12,958.12	9,541.81	2,379,971.79
04/03/24	22,499.93	12,355.30	10,144.63	2,367,616.49
05/03/24	22,499.93	12,733.51	9,766.42	2,354,882.98
06/03/24	22,499.93	12,462.25	10,037.68	2,342,420.73
07/03/24	22,499.93	12,837.44	9,662.49	2,329,583.29
08/03/24	22,499.93	12,570.08	9,929.85	2,317,013.21
09/03/24	22,499.93	12,623.66	9,876.27	2,304,389.55
10/03/24	22,499.93	12,994.33	9,505.60	2,291,395.22
11/03/24	22,499.93	12,732.85	9,767.08	2,278,662.37
12/03/24	22,499.93	13,100.45	9,399.48	2,265,561.92
01/03/25	22,499.93	12,842.97	9,656.96	2,252,718.95
02/03/25	22,499.93	12,897.72	9,602.21	2,239,821.23
03/03/25	22,499.93	13,876.62	8,623.31	2,225,944.61
04/03/25	22,499.93	13,011.84	9,488.09	2,212,932.77
05/03/25	22,499.93	13,371.58	9,128.35	2,199,561.19
06/03/25	22,499.93	13,124.30	9,375.63	2,186,436.89
07/03/25	22,499.93	13,480.88	9,019.05	2,172,956.01
08/03/25	22,499.93	13,237.70	9,262.23	2,159,718.31

09/03/25	22,499.93	13,294.13	9,205.80	2,146,424.18
10/03/25	22,499.93	13,645.93	8,854.00	2,132,778.25
11/03/25	22,499.93	13,408.97	9,090.96	2,119,369.28

SCHEDULE I-2

AMORTIZATION SCHEDULE – SERIES 2015 BONDS

Payment Date	Total Payment	Principal	Interest	Principal Balance
				\$676,925.68
12/03/15	\$4,475.60	\$1,683.28	\$2,792.32	675,242.40
01/03/16	4,475.60	1,597.38	2,878.22	673,645.02
02/03/16	4,475.60	1,604.19	2,871.41	672,040.83
03/03/16	4,475.60	1,795.84	2,679.76	670,244.99
04/03/16	4,475.60	1,618.68	2,856.92	668,626.31
05/03/16	4,475.60	1,717.51	2,758.09	666,908.80
06/03/16	4,475.60	1,632.90	2,842.70	665,275.90
07/03/16	4,475.60	1,731.34	2,744.26	663,544.56
08/03/16	4,475.60	1,647.24	2,828.36	661,897.32
09/03/16	4,475.60	1,654.27	2,821.33	660,243.05
10/03/16	4,475.60	1,752.09	2,723.51	658,490.96
11/03/16	4,475.60	1,668.79	2,806.81	656,822.17
12/03/16	4,475.60	1,766.20	2,709.40	655,055.97
01/03/17	4,475.60	1,683.43	2,792.17	653,372.54
02/03/17	4,475.60	1,690.60	2,785.00	651,681.94
03/03/17	4,475.60	1,966.62	2,508.98	649,715.32
04/03/17	4,475.60	1,706.19	2,769.41	648,009.13
05/03/17	4,475.60	1,802.56	2,673.04	646,206.57
06/03/17	4,475.60	1,721.15	2,754.45	644,485.42
07/03/17	4,475.60	1,817.09	2,658.51	642,668.33
08/03/17	4,475.60	1,736.23	2,739.37	640,932.10
09/03/17	4,475.60	1,743.63	2,731.97	639,188.47
10/03/17	4,475.60	1,838.95	2,636.65	637,349.52
11/03/17	4,475.60	1,758.89	2,716.71	635,590.63
12/03/17	4,475.60	1,853.79	2,621.81	633,736.84
01/03/18	4,475.60	1,774.30	2,701.30	631,962.54
02/03/18	4,475.60	1,781.86	2,693.74	630,180.68
03/03/18	4,475.60	2,049.40	2,426.20	628,131.28
04/03/18	4,475.60	1,798.19	2,677.41	626,333.09
05/03/18	4,475.60	1,891.98	2,583.62	624,441.11
06/03/18	4,475.60	1,813.92	2,661.68	622,627.19
07/03/18	4,475.60	1,907.26	2,568.34	620,719.93
08/03/18	4,475.60	1,829.78	2,645.82	618,890.15
09/03/18	4,475.60	1,837.58	2,638.02	617,052.57

10/03/18	4,475.60	1,930.26	2,545.34	615,122.31
11/03/18	4,475.60	1,853.64	2,621.96	613,268.67
12/03/18	4,475.60	1,945.87	2,529.73	611,322.80
01/03/19	4,475.60	1,869.84	2,605.76	609,452.96
02/03/19	4,475.60	1,877.80	2,597.80	607,575.16
03/03/19	4,475.60	2,136.44	2,339.16	605,438.72
04/03/19	4,475.60	1,894.92	2,580.68	603,543.80
05/03/19	4,475.60	1,985.98	2,489.62	601,557.82
06/03/19	4,475.60	1,911.46	2,564.14	599,646.36
07/03/19	4,475.60	2,002.06	2,473.54	597,644.30
08/03/19	4,475.60	1,928.14	2,547.46	595,716.16
09/03/19	4,475.60	1,936.36	2,539.24	593,779.80
10/03/19	4,475.60	2,026.26	2,449.34	591,753.54
11/03/19	4,475.60	1,953.25	2,522.35	589,800.29
12/03/19	4,475.60	2,042.67	2,432.93	587,757.62
01/03/20	4,475.60	1,970.28	2,505.32	585,787.34
02/03/20	4,475.60	1,978.69	2,496.91	583,808.65
03/03/20	4,475.60	2,147.66	2,327.94	581,660.99
04/03/20	4,475.60	1,996.27	2,479.33	579,664.72
05/03/20	4,475.60	2,084.48	2,391.12	577,580.24
06/03/20	4,475.60	2,013.67	2,461.93	575,566.57
07/03/20	4,475.60	2,101.38	2,374.22	573,465.19
08/03/20	4,475.60	2,031.21	2,444.39	571,433.98
09/03/20	4,475.60	2,039.86	2,435.74	569,394.12
10/03/20	4,475.60	2,126.85	2,348.75	567,267.27
11/03/20	4,475.60	2,057.62	2,417.98	565,209.65
12/03/20	4,475.60	2,144.11	2,331.49	563,065.54
01/03/21	4,475.60	2,075.54	2,400.06	560,990.00
02/03/21	4,475.60	2,084.38	2,391.22	558,905.62
03/03/21	4,475.60	2,323.81	2,151.79	556,581.81
04/03/21	4,475.60	2,103.17	2,372.43	554,478.64
05/03/21	4,475.60	2,188.38	2,287.22	552,290.26
06/03/21	4,475.60	2,121.46	2,354.14	550,168.80
07/03/21	4,475.60	2,206.15	2,269.45	547,962.65
08/03/21	4,475.60	2,139.91	2,335.69	545,822.74
09/03/21	4,475.60	2,149.03	2,326.57	543,673.71
10/03/21	4,475.60	2,232.95	2,242.65	541,440.76
11/03/21	4,475.60	2,167.71	2,307.89	539,273.05
12/03/21	4,475.60	2,251.10	2,224.50	537,021.95
01/03/22	4,475.60	2,186.54	2,289.06	534,835.41
02/03/22	4,475.60	2,195.86	2,279.74	532,639.55

03/03/22	4,475.60	2,424.94	2,050.66	530,214.61
04/03/22	4,475.60	2,215.56	2,260.04	527,999.05
05/03/22	4,475.60	2,297.61	2,177.99	525,701.44
06/03/22	4,475.60	2,234.79	2,240.81	523,466.65
07/03/22	4,475.60	2,316.30	2,159.30	521,150.35
08/03/22	4,475.60	2,254.20	2,221.40	518,896.15
09/03/22	4,475.60	2,263.81	2,211.79	516,632.34
10/03/22	4,475.60	2,344.49	2,131.11	514,287.85
11/03/22	4,475.60	2,283.44	2,192.16	512,004.41
12/03/22	4,475.60	2,363.59	2,112.01	509,640.82
01/03/23	4,475.60	2,303.25	2,172.35	507,337.57
02/03/23	4,475.60	2,313.08	2,162.52	505,024.49
03/03/23	4,475.60	2,531.25	1,944.35	502,493.24
04/03/23	4,475.60	2,333.72	2,141.88	500,159.52
05/03/23	4,475.60	2,412.45	2,063.15	497,747.07
06/03/23	4,475.60	2,353.95	2,121.65	495,393.12
07/03/23	4,475.60	2,432.10	2,043.50	492,961.02
08/03/23	4,475.60	2,374.36	2,101.24	490,586.66
09/03/23	4,475.60	2,384.47	2,091.13	488,202.19
10/03/23	4,475.60	2,461.77	2,013.83	485,740.42
11/03/23	4,475.60	2,405.13	2,070.47	483,335.29
12/03/23	4,475.60	2,481.84	1,993.76	480,853.45
01/03/24	4,475.60	2,425.96	2,049.64	478,427.49
02/03/24	4,475.60	2,436.31	2,039.29	475,991.18
03/03/24	4,475.60	2,577.58	1,898.02	473,413.60
04/03/24	4,475.60	2,457.68	2,017.92	470,955.92
05/03/24	4,475.60	2,532.90	1,942.70	468,423.02
06/03/24	4,475.60	2,478.95	1,996.65	465,944.07
07/03/24	4,475.60	2,553.58	1,922.02	463,390.49
08/03/24	4,475.60	2,500.40	1,975.20	460,890.09
09/03/24	4,475.60	2,511.05	1,964.55	458,379.04
10/03/24	4,475.60	2,584.79	1,890.81	455,794.25
11/03/24	4,475.60	2,532.78	1,942.82	453,261.47
12/03/24	4,475.60	2,605.89	1,869.71	450,655.58
01/03/25	4,475.60	2,554.68	1,920.92	448,100.90
02/03/25	4,475.60	2,565.57	1,910.03	445,535.33
03/03/25	4,475.60	2,760.29	1,715.31	442,775.04
04/03/25	4,475.60	2,588.27	1,887.33	440,186.77
05/03/25	4,475.60	2,659.83	1,815.77	437,526.94
06/03/25	4,475.60	2,610.65	1,864.95	434,916.29
07/03/25	4,475.60	2,681.57	1,794.03	432,234.72

08/03/25	4,475.60	2,633.20	1,842.40	429,601.52
09/03/25	4,475.60	2,644.42	1,831.18	426,957.10
10/03/25	4,475.60	2,714.40	1,761.20	424,242.70
11/03/25	4,475.60	2,667.27	1,808.33	421,575.43

SCHEDULE I-3

**COMBINED AMORTIZATION SCHEDULE
SERIES 2008 BONDS AND SERIES 2015 BONDS**

Payment Date	Total Payment	Principal	Interest	Principal Balance
				\$4,080,000.00
12/03/15	\$ 26,975.53	\$ 10,145.53	\$ 16,830.00	4,069,854.47
01/03/16	26,975.53	9,627.78	17,347.75	4,060,226.69
02/03/16	26,975.53	9,668.81	17,306.72	4,050,557.88
03/03/16	26,975.53	10,823.93	16,151.60	4,039,733.95
04/03/16	26,975.53	9,756.16	17,219.37	4,029,977.79
05/03/16	26,975.53	10,351.88	16,623.65	4,019,625.91
06/03/16	26,975.53	9,841.87	17,133.66	4,009,784.04
07/03/16	26,975.53	10,435.17	16,540.36	3,999,348.87
08/03/16	26,975.53	9,928.31	17,047.22	3,989,420.56
09/03/16	26,975.53	9,970.62	17,004.91	3,979,449.94
10/03/16	26,975.53	10,560.30	16,415.23	3,968,889.64
11/03/16	26,975.53	10,058.14	16,917.39	3,958,831.50
12/03/16	26,975.53	10,645.35	16,330.18	3,948,186.15
01/03/17	26,975.53	10,146.38	16,829.15	3,938,039.77
02/03/17	26,975.53	10,189.64	16,785.89	3,927,850.13
03/03/17	26,975.53	11,853.31	15,122.22	3,915,996.82
04/03/17	26,975.53	10,283.59	16,691.94	3,905,713.23
05/03/17	26,975.53	10,864.46	16,111.07	3,894,848.77
06/03/17	26,975.53	10,373.74	16,601.79	3,884,475.03
07/03/17	26,975.53	10,952.07	16,023.46	3,873,522.96
08/03/17	26,975.53	10,464.64	16,510.89	3,863,058.32
09/03/17	26,975.53	10,509.24	16,466.29	3,852,549.08
10/03/17	26,975.53	11,083.77	15,891.76	3,841,465.31
11/03/17	26,975.53	10,601.28	16,374.25	3,830,864.03
12/03/17	26,975.53	11,173.22	15,802.31	3,819,690.81
01/03/18	26,975.53	10,694.10	16,281.43	3,808,996.71
02/03/18	26,975.53	10,739.68	16,235.85	3,798,257.03
03/03/18	26,975.53	12,352.24	14,623.29	3,785,904.79
04/03/18	26,975.53	10,838.11	16,137.42	3,775,066.68
05/03/18	26,975.53	11,403.38	15,572.15	3,763,663.30
06/03/18	26,975.53	10,932.91	16,042.62	3,752,730.39
07/03/18	26,975.53	11,495.52	15,480.01	3,741,234.87
08/03/18	26,975.53	11,028.52	15,947.01	3,730,206.35
09/03/18	26,975.53	11,075.52	15,900.01	3,719,130.83

10/03/18	26,975.53	11,634.12	15,341.41	3,707,496.71
11/03/18	26,975.53	11,172.32	15,803.21	3,696,324.39
12/03/18	26,975.53	11,728.20	15,247.33	3,684,596.19
01/03/19	26,975.53	11,269.93	15,705.60	3,673,326.26
02/03/19	26,975.53	11,317.98	15,657.55	3,662,008.28
03/03/19	26,975.53	12,876.80	14,098.73	3,649,131.48
04/03/19	26,975.53	11,421.11	15,554.42	3,637,710.37
05/03/19	26,975.53	11,969.97	15,005.56	3,625,740.40
06/03/19	26,975.53	11,520.81	15,454.72	3,614,219.59
07/03/19	26,975.53	12,066.88	14,908.65	3,602,152.71
08/03/19	26,975.53	11,621.35	15,354.18	3,590,531.36
09/03/19	26,975.53	11,670.89	15,304.64	3,578,860.47
10/03/19	26,975.53	12,212.73	14,762.80	3,566,647.74
11/03/19	26,975.53	11,772.70	15,202.83	3,554,875.04
12/03/19	26,975.53	12,311.67	14,663.86	3,542,563.37
01/03/20	26,975.53	11,875.35	15,100.18	3,530,688.02
02/03/20	26,975.53	11,925.97	15,049.56	3,518,762.05
03/03/20	26,975.53	12,944.47	14,031.06	3,505,817.58
04/03/20	26,975.53	12,031.98	14,943.55	3,493,785.60
05/03/20	26,975.53	12,563.67	14,411.86	3,481,221.93
06/03/20	26,975.53	12,136.82	14,838.71	3,469,085.11
07/03/20	26,975.53	12,665.55	14,309.98	3,456,419.56
08/03/20	26,975.53	12,242.54	14,732.99	3,444,177.02
09/03/20	26,975.53	12,294.73	14,680.80	3,431,882.29
10/03/20	26,975.53	12,819.01	14,156.52	3,419,063.28
11/03/20	26,975.53	12,401.78	14,573.75	3,406,661.50
12/03/20	26,975.53	12,923.05	14,052.48	3,393,738.45
01/03/21	26,975.53	12,509.72	14,465.81	3,381,228.73
02/03/21	26,975.53	12,563.04	14,412.49	3,368,665.69
03/03/21	26,975.53	14,006.17	12,969.36	3,354,659.52
04/03/21	26,975.53	12,676.29	14,299.24	3,341,983.23
05/03/21	26,975.53	13,189.85	13,785.68	3,328,793.38
06/03/21	26,975.53	12,786.55	14,188.98	3,316,006.83
07/03/21	26,975.53	13,297.00	13,678.53	3,302,709.83
08/03/21	26,975.53	12,897.73	14,077.80	3,289,812.10
09/03/21	26,975.53	12,952.71	14,022.82	3,276,859.39
10/03/21	26,975.53	13,458.48	13,517.05	3,263,400.91
11/03/21	26,975.53	13,065.28	13,910.25	3,250,335.63
12/03/21	26,975.53	13,567.90	13,407.63	3,236,767.73
01/03/22	26,975.53	13,178.81	13,796.72	3,223,588.92
02/03/22	26,975.53	13,234.98	13,740.55	3,210,353.94

03/03/22	26,975.53	14,615.67	12,359.86	3,195,738.27
04/03/22	26,975.53	13,353.69	13,621.84	3,182,384.58
05/03/22	26,975.53	13,848.20	13,127.33	3,168,536.38
06/03/22	26,975.53	13,469.64	13,505.89	3,155,066.74
07/03/22	26,975.53	13,960.88	13,014.65	3,141,105.86
08/03/22	26,975.53	13,586.57	13,388.96	3,127,519.29
09/03/22	26,975.53	13,644.48	13,331.05	3,113,874.81
10/03/22	26,975.53	14,130.79	12,844.74	3,099,744.02
11/03/22	26,975.53	13,762.87	13,212.66	3,085,981.15
12/03/22	26,975.53	14,245.86	12,729.67	3,071,735.29
01/03/23	26,975.53	13,882.26	13,093.27	3,057,853.03
02/03/23	26,975.53	13,941.43	13,034.10	3,043,911.60
03/03/23	26,975.53	15,256.47	11,719.06	3,028,655.13
04/03/23	26,975.53	14,065.89	12,909.64	3,014,589.24
05/03/23	26,975.53	14,540.35	12,435.18	3,000,048.89
06/03/23	26,975.53	14,187.82	12,787.71	2,985,861.07
07/03/23	26,975.53	14,658.85	12,316.68	2,971,202.22
08/03/23	26,975.53	14,310.78	12,664.75	2,956,891.44
09/03/23	26,975.53	14,371.78	12,603.75	2,942,519.66
10/03/23	26,975.53	14,837.64	12,137.89	2,927,682.02
11/03/23	26,975.53	14,496.29	12,479.24	2,913,185.73
12/03/23	26,975.53	14,958.63	12,016.90	2,898,227.10
01/03/24	26,975.53	14,621.84	12,353.69	2,883,605.26
02/03/24	26,975.53	14,684.16	12,291.37	2,868,921.10
03/03/24	26,975.53	15,535.71	11,439.82	2,853,385.39
04/03/24	26,975.53	14,812.98	12,162.55	2,838,572.41
05/03/24	26,975.53	15,266.41	11,709.12	2,823,306.00
06/03/24	26,975.53	14,941.19	12,034.34	2,808,364.81
07/03/24	26,975.53	15,391.03	11,584.50	2,792,973.78
08/03/24	26,975.53	15,070.48	11,905.05	2,777,903.30
09/03/24	26,975.53	15,134.71	11,840.82	2,762,768.59
10/03/24	26,975.53	15,579.11	11,396.42	2,747,189.48
11/03/24	26,975.53	15,265.64	11,709.89	2,731,923.84
12/03/24	26,975.53	15,706.34	11,269.19	2,716,217.50
01/03/25	26,975.53	15,397.66	11,577.87	2,700,819.84
02/03/25	26,975.53	15,463.28	11,512.25	2,685,356.56
03/03/25	26,975.53	16,636.91	10,338.62	2,668,719.65
04/03/25	26,975.53	15,600.11	11,375.42	2,653,119.54
05/03/25	26,975.53	16,031.41	10,944.12	2,637,088.13
06/03/25	26,975.53	15,734.94	11,240.59	2,621,353.19
07/03/25	26,975.53	16,162.45	10,813.08	2,605,190.74

08/03/25	26,975.53	15,870.91	11,104.62	2,589,319.83
09/03/25	26,975.53	15,938.55	11,036.98	2,573,381.28
10/03/25	26,975.53	16,360.33	10,615.20	2,557,020.95
11/03/25	26,975.53	16,076.23	10,899.30	2,540,944.72

CITY OF PITTSBURG, KANSAS

AS ISSUER

AND

PITTSBURG HOSPITALITY, LLC

AS TENANT

SUPPLEMENTAL LEASE NO. 1

DATED AS OF NOVEMBER 3, 2015

\$4,080,000
TAXABLE INDUSTRIAL REVENUE BONDS
SERIES 2008 AND SERIES 2015
(HOLIDAY INN EXPRESS PROJECT)

SUPPLEMENTAL LEASE NO. 1

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SUPPLEMENTAL LEASE NO. 1

THIS SUPPLEMENTAL LEASE NO. 1 is made as of the Dated Date, between the City of Pittsburg, Kansas a municipal corporation of the State of Kansas (the "Issuer"), and Pittsburg Hospitality, LLC, a Kansas limited liability company, as successor tenant to HI1 Pittsburg, LLC, a Kansas limited liability company (the "Tenant"), and supplements a Lease between the same parties made as of May 15, 2008 (the "Original Lease").

WHEREAS, the parties have heretofore entered into the Original Lease covering the property described in *Schedule I* attached hereto and made a part hereof (the "Project"); and

WHEREAS, the Project and all rentals due under the Lease were pledged to secure payment of the City of Pittsburg, Kansas Taxable Industrial Revenue Bonds, Series 2008, in the original principal amount of not to exceed \$4,900,000, of which \$3,403,074.32 remains Outstanding (the "Series 2008 Bonds"), the proceeds of which were used to provide funds for the acquisition, construction and equipping of a hotel facility located on the Land described in *Schedule I*; and

WHEREAS, the Series 2008 Bonds were issued pursuant to a Trust Indenture dated as of May 15, 2008 between the Issuer and the Trustee, as supplemented and amended by Supplemental Trust Indenture No. 1 dated as of September 9, 2008 and Supplemental Trust Indenture No. 2 dated as of May 1, 2014 (collectively, the "Original Indenture") between the Issuer and Security Bank of Kansas City, Kansas City, Kansas, as successor trustee to UMB Bank, n.a. (the "Trustee"); and

WHEREAS, Issuer is a duly incorporated city of the first class of the State of Kansas, with authority to enter into this Supplemental Lease, acting by and through its governing body; and

WHEREAS, to provide funds to pay a portion of the costs of acquisition of the leasehold interest in the Project, the Issuer intends to issue and sell its Taxable Industrial Revenue Bonds, Series 2015 in the aggregate principal amount of \$676,925.68 (the "Series 2015 Bonds"); and

WHEREAS, *Section 209* of the Original Indenture provides that the Issuer may issue Additional Bonds which shall be on a parity with and shall be entitled to the same benefit and security of the Indenture as the Series 2008 Bonds, upon the satisfaction of certain conditions as set forth in said Section, all of which series of bonds are sometimes hereafter called the "Bonds"; and

WHEREAS, in order to satisfy the conditions set forth in *Section 209* of the Original Indenture precedent to the issuance of Additional Bonds, the governing body of the Issuer has passed an ordinance authorizing the issuance of such Additional Bonds, fixing the amount and terms thereof and describing the purposes for which such Additional Bonds are being issued, authorizing the Issuer to enter into a Supplemental Indenture with the Trustee (the "Supplemental Indenture") to provide for the issuance and securing of such Additional Bonds, and authorizing the Issuer to enter into this Supplemental Lease to provide for rental payments sufficient to pay the principal of, premium, if any, and interest on all Bonds Outstanding from time to time under the Original Indenture, as supplemented and amended from time to time in accordance with the terms thereof (collectively, the "Indenture");

WHEREAS, the Bonds shall be secured by a pledge of the Project and by a pledge of all rentals under the Original Lease and this Supplemental Lease; and

NOW, THEREFORE, in consideration of the premises, of other good and valuable consideration, and of the mutual benefits, covenants and agreements herein contained, the parties hereto further supplement the Original Lease and agree as follows:

Section 1. Definitions. Capitalized terms not otherwise defined in this Supplemental Lease shall have the meanings set forth in the Original Lease and the Indenture. In addition to the words, terms and phrases defined in the Lease and in the Indenture, the capitalized words, terms and phrases as used herein shall have the meanings set forth below, unless the context or use indicates another or different meaning or intent:

“Agreement for Payment in Lieu of Taxes” shall mean the Agreement for Payment in Lieu of Taxes dated as of March 11, 2008 between the Issuer and the Original Tenant, as assigned to and assumed by the Successor Tenant.

"Basic Rent Payment Date" means November 20, 2015 and the 20th 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 the Original Lease and ending on November 3, 2025, subject to prior termination as specified in this Lease, but ending, in any event, 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.

["Equipment Loan"] means the Amortizing Equipment Finance Agreement dated [_____] between the Tenant and Arvest Bank.]

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

(a) Failure of the Tenant to make any payment of Basic Rent within five business days of 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) A default under the Guaranty Agreement;

(f) A default under the Leasehold Mortgage[;

(g) A default under the Equipment Loan].

“Leasehold Mortgage” means the Leasehold Mortgage, Security Agreement and Fixture Filing from the Original Tenant to the Trustee dated May 15, 2008 and recorded on June 13, 2008 as Document No. 583-399 with the Register of Deeds for Crawford County, Kansas, as assumed by Successor Tenant pursuant to an Assignment of Lease and Related Documents by and between the Original Tenant, as Assignor, and the Successor Tenant, as Assuming Mortgagor, dated as of November 3, 2015, as further modified and amended by that certain Leasehold Mortgage Modification Agreement between Tenant and Trustee dated November 3, 2015.

"Notice Address" shall mean:

(1) With respect to the Tenant:

Pittsburg Hospitality, LLC
15051 Leffingwell Road, #201
Whittier, California 90604
Attn: Any Member

(2) With respect to the Issuer:

City of Pittsburg, Kansas
201 W. 4th St.
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

"Permitted Encumbrances" easements and rights-of-way of record at the time of conveyance of the Land to the Issuer, the Leasehold Mortgage, and any mortgages, liens or other encumbrances or title exceptions referenced in the Owner's Title Policy required by *Section 7* hereof.

Section 2. Representations and Covenants of Tenant. The Tenant makes the following covenants and representations as the basis for the undertakings on its part herein contained:

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

(b) Except as otherwise permitted herein, the Tenant shall (1) maintain and preserve its existence and organization as a limited liability company 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.

(c) Neither the execution and/or delivery of the Lease, the consummation of the transactions contemplated hereby or by the Indenture, nor the fulfillment of or compliance with the terms and conditions of this Lease contravenes in any material respect any provisions of its articles of organization or operating agreement, 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) The 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 hereof 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 the Lease.

(g) After reasonable inquiry and investigation, the Tenant is not aware of (A) any Hazardous Substances generated from or located on the Project; (B) any prior use of the Land which might reasonably involve Hazardous Substances; or (C) 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.

Section 3. 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 Series 2008 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 have been complied with and an exemption order has been granted by the State Board of Tax Appeals. Subject to the provisions of *Section 4* of this Supplemental 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, take any action as may be necessary to maintain such *ad valorem* tax exemption in full force and effect, in accordance with K.S.A. 79-201a, 79-210 *et seq.* and the requirements of the State Board of Tax Appeals. If it becomes necessary to litigate the issue of availability or applicability of the *ad valorem* tax exemption, the Issuer will cooperate fully with Tenant

in pursuing such litigation, but all litigation costs and reasonable attorney fees must be paid by Tenant, either directly or as Additional Rent.

Section 4. 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 Agreement for Payment in Lieu of Taxes.

Section 5. Extension of Lease Term. The Term of the Lease is extended until November 3, 2025 or until all the Bonds and all interest thereon shall have been paid or provision made for their payment, whichever is earlier.

Section 6. Basic Rent. "Basic Rent" as payable under *Section 3.1* of the Original Lease shall be increased to provide funds sufficient to permit the Trustee to make all interest and principal payments on the Series 2008 Bonds and Series 2015 Bonds when due, as well as all other Bonds Outstanding under the Indenture (less Basic Rent Credits as set out in the Original Lease and any other credits provided in the Original Indenture).

Section 7. 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 addition, Tenant shall provide the Trustee with a loan title policy insuring the lien of the Leasehold Mortgage. Each policy shall be in an amount equal to \$4,080,000. Such title insurance policies shall contain no exceptions, other than those permitted by the Issuer and Original Purchaser, and the encumbrance created by the Lease. The Issuer and the Tenant agree that any and all proceeds therefrom during the Basic Term (a) if received 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 (b) if received after the Bonds, redemption premium, if any, and interest thereon have been paid in full, shall belong and be paid to the Tenant.

Section 8. Other Original Lease Provisions. Except as may be specifically otherwise provided herein, and except as a contrary intention clearly appears, all provisions of the Original Lease and this Supplemental Lease are hereby declared to be applicable to the Project. As used in the Original Lease, the term "Bonds" shall include the Series 2015 Bonds and the term "Tenant" shall mean the Successor Tenant.

Section 9. Ratification and Confirmation of Original Lease. Except as expressly modified in this Supplemental Lease, the Original Lease and the covenants therein contained are hereby ratified and confirmed by the parties as of the date of this Supplemental Lease and shall apply to the Series 2008 Bonds and Series 2015 Bond and the proceeds thereof.

Section 10. Execution of Counterparts; Electronic Transactions. This Supplemental 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 in the Lease 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.

(THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK)

IN WITNESS WHEREOF, the Issuer has caused this Supplemental 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
as Issuer

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF CRAWFORD)

This instrument was acknowledged before me on the ____ day of _____, 2015, by Chuck Munsell as Mayor of the City of Pittsburg, Kansas, a municipal corporation of the State of Kansas.

[SEAL]

Notary Public

My Appointment Expires:

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

PITTSBURG HOSPITALITY, LLC

By: _____
Gurbax Rai Marwah, Member

By: _____
Rajni Marwah, Member

By: _____
Rahul Marwah, Member

By: _____
Ritu Portugal, Member

"TENANT"

ACKNOWLEDGMENT

STATE OF _____)
) SS.
COUNTY OF _____)

This instrument was acknowledged before me on the ____ day of _____, 2015, by Gurbax Rai Marwah, Rajni Marwah, Rahul Marwah and Ritu Portugal, the members of Pittsburg Hospitality, LLC, a Kansas limited liability company.

(Seal)

Notary Public

My Appointment Expires:

SCHEDULE I

DESCRIPTION OF PROPERTY

The following property acquired by the City of Pittsburg, Kansas (the "Issuer") in connection with the issuance by the City of its Industrial Revenue Bonds, Series 2008 (Holiday Inn Express Project) (the "Series 2008 Bonds"):

(a) The following described real estate in Crawford County, Kansas:

Lot Number Two (2) and the West One Hundred Twenty Seven (127) feet of Lot Number Three (3) in "Comfort Estates," an Addition to the City of Pittsburg, Crawford County, Kansas, according to the recorded plat thereof.

said real property constituting the "Land" as defined in the Lease entered into by the Issuer concurrently with the issuance of the Series 2008 Bonds (as supplemented and amended, the "Lease").

(b) All buildings, building additions, improvements, machinery and equipment constructed, located or installed on the Land, all or any portion of the costs of which were paid from the proceeds of the Series 2008 Bonds and which constitute Improvements as referred to in the Lease, together with any substitutions or replacements therefor.

The property described in paragraphs (a) and (b) of this Schedule I together constitute the "Project" as referred to in the Lease.

**PITTSBURG HOSPITALITY, LLC
AS TENANT**

**CITY OF PITTSBURG, KANSAS
AS ISSUER**

**ARVEST BANK
AS PURCHASER**

BOND PURCHASE AGREEMENT

**\$676,925.68
TAXABLE INDUSTRIAL REVENUE BONDS
SERIES 2015
(HOLIDAY INN EXPRESS PROJECT)**

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CITY OF PITTSBURG, KANSAS
TAXABLE INDUSTRIAL REVENUE BONDS
SERIES 2015
(HOLIDAY INN EXPRESS PROJECT)
Dated: November 3, 2015

THIS AGREEMENT entered into as of October 13, 2015, between Pittsburg Hospitality, LLC, a Kansas limited liability company (the "Company") the City of Pittsburg, Kansas (the "Issuer") and Arvest Bank (the "Purchaser"), collectively referred to herein as the "Parties."

Section 1. **Recitals.**

(a) The Issuer has issued its Taxable Industrial Revenue Bonds, Series 2008 (Holiday Inn Express Project) (the "Series 2008 Bonds") for the purpose of financing the acquisition, construction and equipping of a hotel facility (the "Project") located within the corporate limits of the Issuer, such Project leased by the Issuer to HI1 Pittsburg, LLC (the "Original Tenant") pursuant to a Lease dated as of May 15, 2008 (the "Original Lease").

(b) The Original Tenant has assigned its leasehold interest in the Project to the Company and the Issuer proposes to issue and sell the Bonds identified above (the "Bonds") to provide a portion of the funds necessary to acquire such leasehold interest in the Project, such Bonds to be issued on a parity of lien with the outstanding Series 2008 Bonds. The Project will be leased to the Company pursuant to the Original Lease, as supplemented and amended by the Supplemental Lease No. 1 dated November 3, 2015 (the "Supplemental Lease," and together with the Original Lease, the "Lease").

(c) Pursuant to the constitution and laws of the State of Kansas, including K.S.A. 12-1740 *et seq.*, as amended (the "Act"), the Bonds are limited obligations of the Issuer payable solely from the Trust Estate under the Indenture (hereinafter defined), including payments made by the Company pursuant to the Lease. The Bonds will be dated November 3, 2015, will contain such other terms and provisions as are set forth in an ordinance duly passed by the governing body of the Issuer and signed by its Mayor (the "Ordinance"), and other proceedings and determinations related thereto as authorized and governed by the provisions of a Trust Indenture dated May 15, 2008 between the Issuer and Security Bank of Kansas City, Kansas City, Kansas, as trustee (the "Trustee"), as supplemented and amended by Supplemental Trust Indenture No. 1 dated as of September 9, 2008, Supplemental Trust Indenture No. 2 dated as of May 1, 2014 and Supplemental Trust Indenture No. 3 dated as of November 3, 2015, all between the same parties (as supplemented and amended, the "Indenture").

(d) Pursuant to a Guaranty Agreement dated as of November 3, 2015 (the "Guaranty Agreement") between the Company, Gurbax Rai Marwah and Rajni Marwah, as guarantors, and the Trustee, such guarantors unconditionally guarantee, jointly and severally, the full, prompt, and complete payment of all principal, interest, and redemption premium, if any, on the Series 2008 Bonds and the Bonds and performance of all of the obligations of the Company under the Lease.

(e) In order to induce the Purchaser to enter into this Bond Purchase Agreement and to purchase the Bonds at a price and bearing interest at the rate or rates set forth in the Indenture, the Issuer and the Company have joined in this Bond Purchase Agreement.

(e) Purchaser is knowledgeable and experienced in financial and business matters and is capable of evaluating investment merit and risks associated with its purchase of the Bonds. Purchaser has been furnished and has reviewed the provisions of the Ordinance, the Indenture, the Lease and the Guaranty relating to the authorization of and security for payment of the Bonds. Prior to the execution hereof Purchaser also obtained and examined such financial records and information and conducted such investigations as it has deemed necessary in order to enable itself to fully evaluate the terms and provisions of the Bonds, of the Ordinance, and of the Indenture and Lease authorizing their issuance and providing for the payment thereof and the financial and investment merits and risks associated with the purchase of the Bonds. On the basis of such information materials and Purchaser's investigation, Purchaser has made the decision to purchase the Bonds and has not relied upon any representations of the Issuer or any of its officers or employees with respect to the Project, the Company or security for payment of the Bonds.

(f) Purchaser is purchasing the Bonds as an investment for its own account and not with a view to the sale, redistribution or other disposition thereof in the ordinary course of business in a transaction not amounting to a public offering as contemplated by Section 4(2) of the Securities Act of 1933, as amended. Purchaser acknowledges that (1) the Bonds will not be registered under the Securities Act of 1933, as amended or any applicable state securities law, (2) the Bonds may not be transferred unless, in the opinion of counsel acceptable to the Trustee, such transfer will not cause a violation of the Securities Act of 1933, as amended, or any applicable state securities law and that (3) language consistent with the foregoing restrictions will appear in the registration and transfer provisions of the Indenture. The Bonds are purchased by Purchaser under the following conditions: (i) the Bonds are not being registered or otherwise qualified for sale under the "Blue Sky" laws; (ii) Purchaser will hold the Notes as one single debt instrument, (iii) no CUSIP numbers will be obtained for the Bonds, (iv) no official statement or other similar offering document has been prepared in connection with the private placement of the Bonds, (v) the Bonds will not close through the DTC or any similar repository and will not be in book entry form. The obligations represented by the Bonds must be able to be classified as a loan or held-to-maturity security in order to be acceptable to Purchaser.

(g) The proceeds of the sale of the Bonds are to be applied to provide funds to enable the Company to acquire a leasehold interest in the Project, all as set forth in the Lease, Ordinance and Indenture.

Section 2. Purchase, Sale and Closing.

Upon fulfillment of the terms and conditions set forth herein, the Purchaser will purchase the Bonds from the Issuer, and the Issuer will sell the Bonds to the Purchaser. The purchase price for the Bonds will be the par amount of the Bonds. The Bonds shall be issued under and secured as provided in the Indenture, shall bear interest at a fixed rate of 4.95%, and shall amortize as set forth in *Schedule I* attached thereto. The closing (the "Closing") will be at the offices of Gilmore & Bell, P.C., Wichita, Kansas at 10:00 a.m., prevailing local time, on November 3, 2015, or at such other place or other date or time as may be agreed to by the Parties. The Bonds will be delivered to Purchaser as one certificate in registered form in the denomination of \$676,925.68, unless otherwise requested by the Purchaser, at least 24 hours before Closing. The Purchaser will be paid by the Company a transaction fee of \$20,000 contingent upon delivery of the Bonds at Closing.

Section 3. Issuer's Representations.

The Issuer makes the following representations as of the Closing, all of which will continue in effect subsequent to the Closing:

(a) The Issuer is a municipal corporation incorporated as a city of the first class under the laws of the State of Kansas.

(b) The governing body of the Issuer did pass the Ordinance; it has been approved and signed by a duly authorized official of the Issuer, it has been published once in the official city newspaper as required by law, and it is presently in full force and effect and has not been amended or modified.

(c) The Issuer has full power and authority to execute and deliver the Indenture, the Lease, the Bond Purchase Agreement and any and all other documents reasonably necessary in connection with the Indenture, the Lease and the Bond Purchase Agreement (the "Issuer Documents"); the Issuer Documents have been duly executed and delivered by the Issuer in the manner authorized, and the Bonds have been issued and constitute legal, valid and binding special obligations of the Issuer in accordance with their terms, except to the extent limited by or subject to bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights, principles of equity or the exercise of judicial discretion.

(d) The execution, delivery and performance of the Issuer Documents will not conflict with or constitute on the part of the Issuer a material breach or default under any agreement, indenture or instrument known to it to which the Issuer is a party or by which it is bound.

(e) The Issuer has duly and validly authorized the taking on its behalf of any and all actions necessary to carry out and give effect to the transactions contemplated to be performed on its part by the Ordinance and the Issuer Documents.

(f) There is not now pending or, to the knowledge of the officials of the Issuer, threatened any litigation seeking to restrain or enjoin the issuance or delivery of the Bonds, or contesting or questioning (i) the validity of the Bonds, (ii) the proceedings or authority under which they are issued, (iii) the existence of the Issuer, (iv) the authority of the Issuer to enact the Ordinance or enter into the Issuer Documents, or (v) the Issuer's pledge of the Project, the revenues therefrom and the Trust Estate under the Indenture as security for the payment of the Bonds.

(g) Any certificate signed by an official of the Issuer and delivered to the Purchaser shall be deemed a representation by the Issuer to the Purchaser as to the truth of the statements made in such certificate.

Section 4. Representations of the Company.

The Company makes the following representations as of the Closing, all of which will continue in effect subsequent to the Closing:

(a) The statements and information relating to the Project, the Company, Gurbax Rai Marwah and Rajni Marwah, and the anticipated sources and use of funds to be applied in connection with the issuance of the Bonds provided to the Purchaser are true and correct in all material respects and do not omit any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. .

(b) The Company is a duly formed Kansas limited liability company organized under the laws of the State of Kansas.

(c) The Company has full power and authority to enter into, execute and deliver the Lease, the Guaranty Agreement and this Bond Purchase Agreement (the "Company Documents"), and to perform its obligations thereunder, all of which have been duly authorized by all proper and necessary corporate action, and no consent or approval of parties not signatories to this Bond Purchase Agreement or of any public authority other than the Issuer is necessary to carry out the same.

(d) The execution, delivery and performance by the Company of the Company Documents will not conflict with or constitute a material violation or breach of or a default under its articles of organization or operating agreement, or any mortgage, indenture, deed of trust, contract, instrument or agreement binding on it or affecting its property, or any provision of law or order, rule, regulation, ordinance or decree of any court, government or governmental body having jurisdiction over the Company or any of its property.

(e) To the actual knowledge of the members of the Company and the members of the Company signing this Bond Purchase Agreement, there is no litigation, proceeding or investigation by or before any court, public board or body, pending, or threatened, against or affecting the Company, its members or property, challenging the validity of the Company Documents, or seeking to enjoin any of the transactions contemplated by such instruments or the performance by the Company of its obligations thereunder, or challenging the acquisition or operation of the Project. Further, no litigation, proceeding, or investigation is pending or, to the knowledge of the members of the Company signing this Bond Purchase Agreement, threatened, against the Company, its officers, members or property except (i) that arising in the normal course of the its business operations, and being defended by or on behalf of the Company, in which the probable ultimate recovery and estimated defense costs and expenses, in the opinion of the Company's management, will be entirely within applicable insurance policy limits (subject to applicable self-insurance, retentions and deductibles), or (ii) that which, if determined adversely to the Company, would not, in the opinion of the Company's management, materially adversely affect the Company's operations or condition, financial or otherwise.

(f) To the best of the knowledge of the members of the Company signing this Bond Purchase Agreement, the financial information furnished by the Company to the Purchaser fairly presents the financial condition of the Company as of the date thereof.

Section 5. Representations to Survive Closing.

The representations, warranties, agreements, and indemnities of the Issuer, the Company and the Purchaser contained herein will survive the Closing and any investigation made by or on behalf of the Issuer, the Purchaser, the Company of any matters described in, or related to, the transactions contemplated hereby and by the Official Statement, the Lease and Guaranty Agreement.

Section 6. Conditions of Closing.

The Purchaser's obligations to purchase the Bonds are subject to fulfillment of the following conditions at or before Closing:

(a) The representations of the Issuer and the Company hereunder must be true on and as of the Closing date and must be confirmed by certificates dated as of the Closing;

(b) Neither the Issuer nor the Company has defaulted in the performance of any of their respective covenants hereunder;

(c) The Purchaser must receive at the Closing:

(i) an opinion of Bond Counsel, dated as of the Closing, in form and substance satisfactory to the Purchaser and its counsel;

(ii) an opinion of counsel for the Company, dated as of the Closing, in form and substance satisfactory to Bond Counsel and to the Purchaser and its counsel

confirming the Company's representations as set forth in paragraphs (b) through (d) inclusive of *Section 4* of this Bond Purchase Agreement;

- (iii) an opinion of counsel for the Issuer, dated as of the Closing, in form and substance satisfactory to Bond Counsel and to the Purchaser and its counsel, confirming the Issuer's representations set forth in *Section 3* of this Bond Purchase Agreement;
- (iv) a certificate or certificates, satisfactory in form and substance to Bond Counsel and the Purchaser and its counsel, of an authorized official of the Issuer dated the date of the Closing to the effect that (A) each of the representations of the Issuer set forth in *Section 3* hereof is true, accurate and complete in all material respects as of the Closing, and each of the agreements of the Issuer set forth in this Bond Purchase Agreement to be complied with at or prior to the Closing has been complied with; and (B) no litigation is pending, or to such official's knowledge, threatened, to restrain or enjoin the issuance or delivery of the Bonds, or contesting or questioning the validity of the Bonds, the proceedings or authority under which they are issued, the existence of the Issuer, the authority of the Issuer to enact the Ordinance or enter into the Indenture, the Lease or the Bond Purchase Agreement, or the Issuer's pledge of the Project, the revenues therefrom and the Trust Estate under the Indenture as security for the payment of the Bonds, and (C) that none of the proceedings authorizing issuance of the Bonds or execution and delivery of the bond documents has been repealed, revoked or rescinded;
- (v) a certificate or certificates, satisfactory in form and substance to Bond Counsel and to the Purchaser and its counsel, of a member or officer of the Company, dated the date of Closing to the effect that (A) each of the representations of the Company set forth in *Section 4* hereof is true, accurate and complete in all material respects as of the Closing, and each of the agreements of the Company set forth in this Bond Purchase Agreement to be complied with at or prior to the Closing has been complied with as of such time; and (B) insofar as the persons signing such certificate or certificates are aware, after reasonable investigation, since the date of the Bond Purchase Agreement, there has been no material adverse change in the business, properties or financial condition of the Company or the results of operations of the Company, except as disclosed to the Purchaser;
- (vi) satisfactory compliance with all requirements set forth in the Commitment Letter dated August 27, 2015 from the Purchaser to the Company;
- (vii) executed copies of the Ordinance, Indenture, Lease and Guaranty;
- (viii) executed copies of the Leasehold Mortgage Modification, the Commercial Security Agreement and the Pledge Agreement (as such terms are defined in the Indenture); and
- (ix) such additional documentation as Bond Counsel, the Purchaser or its counsel may reasonably request to evidence the satisfaction at or prior to Closing of all conditions then to be satisfied.

(d) At Closing, there shall not have been any adverse change in the business, property or financial condition of the Company from that furnished to the Purchaser which, in the judgment of the Purchaser, is material and makes it inadvisable to proceed with the sale of the Bonds; and the Purchaser

shall have received a certificate from the Company and the Guarantors that no material adverse change has occurred or, if such a change has occurred, full information with respect thereto.

Section 7. Events Permitting Purchaser to Terminate.

The Purchaser may terminate its obligation to purchase the Bonds at any time before Closing, if any of the following occur:

(a) Any legislative, executive or regulatory action or court decision which, in the judgment of the Purchaser, casts sufficient doubt on the legality of obligations such as the Bonds so as to materially impair the marketability or lower the market price thereof;

(b) Any action by the Securities and Exchange Commission or other agency which would require registration of the Bonds under the Securities Act of 1933, as amended, in connection with a public offering hereof or qualification of the Trust Indenture under the Trust Indenture Act of 1939, as amended;

(c) Any restriction on trading in securities, or any banking moratorium, or the inception or escalation of any war or major military hostilities which, in the judgment of the Purchaser, substantially impairs the ability of the Purchaser to market the Bonds;

(d) Any development involving a prospective change in or affecting particularly the business, operations or properties of the Company which, in the judgment of the Purchaser, materially impairs the investment quality of the Bonds; or

(e) Any condition listed in Section 6 above has not been met.

If the Purchaser terminates its obligations to purchase the Bonds because any of the conditions specified hereunder shall not have been fulfilled at or before the Closing, such termination shall not result in any liability on the part of the Purchaser.

Section 8. Notices and Other Actions.

All notices, demands and formal actions hereunder will be in writing mailed, telegraphed or delivered to:

The Issuer: The City of Pittsburg
Department of Finance and Administration
201 W. 4th St., P.O. Box 688
Pittsburg, Kansas 66762-0688

The Company Pittsburg Hospitality, LLC
15051 Leffingwell Road, #201
Whittier, California 90604

The Purchaser: Arvest Bank
3201 McClelland Blvd., Ste C
Joplin, Missouri 64804

Section 9. **Successors.**

This Bond Purchase Agreement will inure to the benefit of and be binding upon the parties and their respective successors, but will not confer any rights upon any other persons.

Section 10. **Applicable Law.**

This Bond Purchase Agreement is governed by, and interpreted under, the laws of the state of Kansas.

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IN WITNESS WHEREOF, the Company, the Issuer and the Purchaser, intending to be legally bound, have each caused their duly authorized representatives to execute and deliver this Bond Purchase Agreement as of the date first above written.

PITTSBURG HOSPITALITY, LLC

By: _____
Title:

CITY OF PITTSBURG, KANSAS

[SEAL]

By: _____
Mayor

Attest:

City Clerk

ARVEST BANK

By: _____
Title:

SCHEDULE I

Payment Date	Total Payment	Principal	Interest	Principal Balance
				\$676,925.68
12/03/15	\$4,475.60	\$1,683.28	\$2,792.32	675,242.40
01/03/16	4,475.60	1,597.38	2,878.22	673,645.02
02/03/16	4,475.60	1,604.19	2,871.41	672,040.83
03/03/16	4,475.60	1,795.84	2,679.76	670,244.99
04/03/16	4,475.60	1,618.68	2,856.92	668,626.31
05/03/16	4,475.60	1,717.51	2,758.09	666,908.80
06/03/16	4,475.60	1,632.90	2,842.70	665,275.90
07/03/16	4,475.60	1,731.34	2,744.26	663,544.56
08/03/16	4,475.60	1,647.24	2,828.36	661,897.32
09/03/16	4,475.60	1,654.27	2,821.33	660,243.05
10/03/16	4,475.60	1,752.09	2,723.51	658,490.96
11/03/16	4,475.60	1,668.79	2,806.81	656,822.17
12/03/16	4,475.60	1,766.20	2,709.40	655,055.97
01/03/17	4,475.60	1,683.43	2,792.17	653,372.54
02/03/17	4,475.60	1,690.60	2,785.00	651,681.94
03/03/17	4,475.60	1,966.62	2,508.98	649,715.32
04/03/17	4,475.60	1,706.19	2,769.41	648,009.13
05/03/17	4,475.60	1,802.56	2,673.04	646,206.57
06/03/17	4,475.60	1,721.15	2,754.45	644,485.42
07/03/17	4,475.60	1,817.09	2,658.51	642,668.33
08/03/17	4,475.60	1,736.23	2,739.37	640,932.10
09/03/17	4,475.60	1,743.63	2,731.97	639,188.47
10/03/17	4,475.60	1,838.95	2,636.65	637,349.52
11/03/17	4,475.60	1,758.89	2,716.71	635,590.63
12/03/17	4,475.60	1,853.79	2,621.81	633,736.84
01/03/18	4,475.60	1,774.30	2,701.30	631,962.54
02/03/18	4,475.60	1,781.86	2,693.74	630,180.68
03/03/18	4,475.60	2,049.40	2,426.20	628,131.28
04/03/18	4,475.60	1,798.19	2,677.41	626,333.09
05/03/18	4,475.60	1,891.98	2,583.62	624,441.11
06/03/18	4,475.60	1,813.92	2,661.68	622,627.19
07/03/18	4,475.60	1,907.26	2,568.34	620,719.93
08/03/18	4,475.60	1,829.78	2,645.82	618,890.15
09/03/18	4,475.60	1,837.58	2,638.02	617,052.57
10/03/18	4,475.60	1,930.26	2,545.34	615,122.31
11/03/18	4,475.60	1,853.64	2,621.96	613,268.67

12/03/18	4,475.60	1,945.87	2,529.73	611,322.80
01/03/19	4,475.60	1,869.84	2,605.76	609,452.96
02/03/19	4,475.60	1,877.80	2,597.80	607,575.16
03/03/19	4,475.60	2,136.44	2,339.16	605,438.72
04/03/19	4,475.60	1,894.92	2,580.68	603,543.80
05/03/19	4,475.60	1,985.98	2,489.62	601,557.82
06/03/19	4,475.60	1,911.46	2,564.14	599,646.36
07/03/19	4,475.60	2,002.06	2,473.54	597,644.30
08/03/19	4,475.60	1,928.14	2,547.46	595,716.16
09/03/19	4,475.60	1,936.36	2,539.24	593,779.80
10/03/19	4,475.60	2,026.26	2,449.34	591,753.54
11/03/19	4,475.60	1,953.25	2,522.35	589,800.29
12/03/19	4,475.60	2,042.67	2,432.93	587,757.62
01/03/20	4,475.60	1,970.28	2,505.32	585,787.34
02/03/20	4,475.60	1,978.69	2,496.91	583,808.65
03/03/20	4,475.60	2,147.66	2,327.94	581,660.99
04/03/20	4,475.60	1,996.27	2,479.33	579,664.72
05/03/20	4,475.60	2,084.48	2,391.12	577,580.24
06/03/20	4,475.60	2,013.67	2,461.93	575,566.57
07/03/20	4,475.60	2,101.38	2,374.22	573,465.19
08/03/20	4,475.60	2,031.21	2,444.39	571,433.98
09/03/20	4,475.60	2,039.86	2,435.74	569,394.12
10/03/20	4,475.60	2,126.85	2,348.75	567,267.27
11/03/20	4,475.60	2,057.62	2,417.98	565,209.65
12/03/20	4,475.60	2,144.11	2,331.49	563,065.54
01/03/21	4,475.60	2,075.54	2,400.06	560,990.00
02/03/21	4,475.60	2,084.38	2,391.22	558,905.62
03/03/21	4,475.60	2,323.81	2,151.79	556,581.81
04/03/21	4,475.60	2,103.17	2,372.43	554,478.64
05/03/21	4,475.60	2,188.38	2,287.22	552,290.26
06/03/21	4,475.60	2,121.46	2,354.14	550,168.80
07/03/21	4,475.60	2,206.15	2,269.45	547,962.65
08/03/21	4,475.60	2,139.91	2,335.69	545,822.74
09/03/21	4,475.60	2,149.03	2,326.57	543,673.71
10/03/21	4,475.60	2,232.95	2,242.65	541,440.76
11/03/21	4,475.60	2,167.71	2,307.89	539,273.05
12/03/21	4,475.60	2,251.10	2,224.50	537,021.95
01/03/22	4,475.60	2,186.54	2,289.06	534,835.41
02/03/22	4,475.60	2,195.86	2,279.74	532,639.55
03/03/22	4,475.60	2,424.94	2,050.66	530,214.61
04/03/22	4,475.60	2,215.56	2,260.04	527,999.05

05/03/22	4,475.60	2,297.61	2,177.99	525,701.44
06/03/22	4,475.60	2,234.79	2,240.81	523,466.65
07/03/22	4,475.60	2,316.30	2,159.30	521,150.35
08/03/22	4,475.60	2,254.20	2,221.40	518,896.15
09/03/22	4,475.60	2,263.81	2,211.79	516,632.34
10/03/22	4,475.60	2,344.49	2,131.11	514,287.85
11/03/22	4,475.60	2,283.44	2,192.16	512,004.41
12/03/22	4,475.60	2,363.59	2,112.01	509,640.82
01/03/23	4,475.60	2,303.25	2,172.35	507,337.57
02/03/23	4,475.60	2,313.08	2,162.52	505,024.49
03/03/23	4,475.60	2,531.25	1,944.35	502,493.24
04/03/23	4,475.60	2,333.72	2,141.88	500,159.52
05/03/23	4,475.60	2,412.45	2,063.15	497,747.07
06/03/23	4,475.60	2,353.95	2,121.65	495,393.12
07/03/23	4,475.60	2,432.10	2,043.50	492,961.02
08/03/23	4,475.60	2,374.36	2,101.24	490,586.66
09/03/23	4,475.60	2,384.47	2,091.13	488,202.19
10/03/23	4,475.60	2,461.77	2,013.83	485,740.42
11/03/23	4,475.60	2,405.13	2,070.47	483,335.29
12/03/23	4,475.60	2,481.84	1,993.76	480,853.45
01/03/24	4,475.60	2,425.96	2,049.64	478,427.49
02/03/24	4,475.60	2,436.31	2,039.29	475,991.18
03/03/24	4,475.60	2,577.58	1,898.02	473,413.60
04/03/24	4,475.60	2,457.68	2,017.92	470,955.92
05/03/24	4,475.60	2,532.90	1,942.70	468,423.02
06/03/24	4,475.60	2,478.95	1,996.65	465,944.07
07/03/24	4,475.60	2,553.58	1,922.02	463,390.49
08/03/24	4,475.60	2,500.40	1,975.20	460,890.09
09/03/24	4,475.60	2,511.05	1,964.55	458,379.04
10/03/24	4,475.60	2,584.79	1,890.81	455,794.25
11/03/24	4,475.60	2,532.78	1,942.82	453,261.47
12/03/24	4,475.60	2,605.89	1,869.71	450,655.58
01/03/25	4,475.60	2,554.68	1,920.92	448,100.90
02/03/25	4,475.60	2,565.57	1,910.03	445,535.33
03/03/25	4,475.60	2,760.29	1,715.31	442,775.04
04/03/25	4,475.60	2,588.27	1,887.33	440,186.77
05/03/25	4,475.60	2,659.83	1,815.77	437,526.94
06/03/25	4,475.60	2,610.65	1,864.95	434,916.29
07/03/25	4,475.60	2,681.57	1,794.03	432,234.72
08/03/25	4,475.60	2,633.20	1,842.40	429,601.52
09/03/25	4,475.60	2,644.42	1,831.18	426,957.10

10/03/25	4,475.60	2,714.40	1,761.20	424,242.70
11/03/25	4,475.60	2,667.27	1,808.33	421,575.43



Memorandum

TO: Daron Hall, City Manager

FROM: Blake Benson, Economic Development Director

DATE: October 7, 2015

SUBJECT: October 13, 2015 Agenda Item
Holiday Inn Express Revolving Loan Fund request

The new owners of the Holiday Inn Express, Pittsburg Hospitality, LLC, are making a significant investment in Pittsburg through the purchase of the hotel and a remodeling project valued at approximately \$500,000. The purchase of the hotel is being financed by Arvest Bank-Pittsburg, but the hotel's owners have applied to the Revolving Loan Fund (RLF) to help offset the cost of the remodeling project. The request was for \$500,000.

The EDAC reviewed this request at its October 7, 2015, meeting and considered the economic impact of the project on our community. EDAC members also considered Pittsburg Hospitality's interest in building a Denny's restaurant location in Pittsburg, as their parent company currently owns 13 Denny's locations across the U.S. Such a project would be consistent with our 2013 retail feasibility study that indicated a need for a similar type of restaurant in Pittsburg. This would result in an additional investment of more than \$1 million should Pittsburg Hospitality proceed with construction of a Denny's.

Ultimately, the EDAC recommended providing a \$350,000 loan to cover costs associated with the remodel of the Pittsburg Holiday Inn Express. The loan is to be repaid over seven years at an interest rate of 3.25%. However, as an incentive for Pittsburg Hospitality, LLC, to build a Denny's restaurant in a timely fashion, the EDAC recommendation also includes a provision that would forgive up to \$100,000 of this amount, provided that Pittsburg Hospitality, LLC, build and open a Denny's restaurant within two years. \$50,000 would be forgiven upon opening of the

restaurant (no later than October 2017) with an additional \$50,000 forgiven at the end of the seven-year loan term.

Please place these items on the agenda for the City Commission meeting scheduled for Tuesday, October 13, 2015. Action being requested is the approval or denial of the EDAC recommendation and, if approved, authorize the Mayor to sign them.



**APPLICATION FOR LOAN
CITY OF PITTSBURG, KANSAS
ECONOMIC DEVELOPMENT REVOLVING LOAN FUND
(SALES TAX)**

I. GENERAL INFORMATION

- | | | |
|----|---|---|
| 1. | Pittsburg Hospitality LLC
Name of Applicant Firm | 8-28-2015
Date of Request |
| | 15051 Leffingwell Rd # 201 Whittier Ca 90606
Firm Address | (562)777-2249
Firm Phone Number |
| 3. | Names and addresses of all persons or corporation who would be obligated as either applicant or personal guarantors of loans: | |
| | Gurbax Rai Marwah
Name | 2878 Oak knoll Dr Diamond Bar Ca 91765
Address |
| | Rajni Marwah
Name | 2878 Oak Knoll Dr Diamond Bar Ca 91765
Address |
| 4. | Names and addresses of the principal officers and directors of the applicant: | |
| | Gurbax Rai Marwah
Name | 2878 oak Knoll Dr Diamond Bar Ca 91765
Address |
| | Rajni Marwah
Name | 2878 Oak Knoll Dr Diamond Bar Ca 91765
Address |
| |
Name |
Address |
| |
Name |
Address |
| 5. | Nature of applicant's business: <u>Hotel</u> | |
| | <hr/> | |
| | <hr/> | |
| 6. | The products to be assembled or manufactured or service to be rendered:
Property improvement | |
| | <hr/> | |
| | <hr/> | |
| | <hr/> | |
| 7. | Douglas J Patterson
Applicant's Attorney | (913) 663-1300
Phone Number |
| 8. | MiKe Rasmussen
Applicant's Financial Advisor | (501)358-4292
Phone Number |

9. Mike Rasmussen (501)358-4292
Applicant's Accountant Phone Number
10. Estimated amount of loan: \$ 500,000
11. Number of years to retire loan: 10
12. List previous loans and credit references:
Barr .W. Russell Senior VP & Bus client Manager Bank of America (888)852-5000x8066 Barr.!
Jared Turnbull Arvest Bank Pittsburg Ks (620)231-2551

II. USE OF LOAN PROCEEDS

1. Amount requested for purchase of land: \$ _____
2. Amount requested for land improvements (bldgs): \$ 250,000
3. Amount requested for machinery and equipment: \$ 250,000
4. Capitalized debt service: \$ TBD, if any
5. Loan closing costs: \$ TBD, if any
6. Working capital: \$ Applicant
7. Other (specify) \$ NA
- TOTAL REQUEST: \$ 500,000

III. LOAN PROPOSAL

1. Will the loan refinance an existing project? No , not belonging to applicant
2. Will the loan proceeds be used to expand or replace an existing facility? Property improve
3. Is the applicant presently located in the City of Pittsburg? No
4. What type and size of building will be constructed? existing hotel imp
-
5. Name and address of contractor and/or architect:
Design Consolidated Contractors Inc P.O Box 25444 Overland Park ,KS 66225
-
6. What type of equipment will be financed? Furniture fixtures Carpet,wall paper & renovations
-

7. If the applicant will be in direct competition with local firms,
- (a) Name of firms: Comfort Inn & suites
- _____
- _____
- (b) Describe nature of the competition: Another Hotel
- _____
- _____
- _____

IV. LOAN ANALYSIS

1. Has a financial advisor submitted an analysis indicating the need for the loan, the advisability of the loan or benefit to the applicant of the loan?
 Scope of Property improvement plan attached

 (If yes, attach a copy to this application.)
2. Has additional financing, whether internally generated or through other loans, been arranged? (If yes, explain on an attached sheet) Arvest Bank is financing the Aquisition
3. Has the applicant investigated conventional financing?
Yes
- _____
- _____

V. PROPOSED LOCATION

1. Location of the proposed facility: 4011 North Parkview Drive Pittsburg Ks 66762
2. If the facility is a proposed expansion or replacement of another plant, state size and location of current operations:
This is a 72 rooms hotel Holiday Inn express located at 4011 North Parkview Dr Pittsburg Ks 6
- _____
- _____
3. What percentage of the facility will be occupied by the applicant? 100%
4. Is the prospective location properly zoned? Yes
- _____

5. If a zoning change is pending, cite application number and present status. If application has not been made, briefly describe what change will be needed and plans for submitting application:

NA

6. If unusual demands for water or sewer services or police or fire protection will be made, specify the demands:

This is an existing Hotel So no additional demand will be generated

VI. OWNERSHIP AND MANAGEMENT

1. Describe the organizational structure of applicant (proprietorship, partnership, subsidiary, corporation, etc.):

LLC A Kansas limited liability company

Note relationship to a parent company: NA

2. What portion of the project is being financed from other company funds (in addition to this loan)?

\$ Total project cost is 5.6 million

Please explain Arvest Bank is financing \$4,08000 Million Company is putting \$1,020000

3. Describe all threatened or outstanding litigation

None

4. Attach proforma statements for the first three (3) years of operation after issuance of the loan, including revenue projections, operating expense projections and a debt amortization schedule.

VII. MEASURE OF ECONOMIC GROWTH AND BENEFIT

1. What dollar amount of sales is contemplated? 2,000,000

2. What percentage of sales will be sold locally? 100%
-
-

3. What is the estimated amount of merchandise and services purchased locally, per year?
850,000 (includes salaries, utilities, supplies & contract labor)

4. How many people will the project employ:

Type:	Professional	1
	Technical	1
	Clerical	1
	General Labor	25

5. Number of current full-time employees at applicant's present location: ~~20~~ 18

6. What is ratio of loan fund dollars to jobs created? 5% + increase in employment

VIII. In order to facilitate the timely processing of the application, please attach as part of the proposal the following items:

1. Copies of applicant's financial statements for the past three years certified as correct by the owner or an authorized officer.
2. Applicant's most recent annual or quarterly financial report.
3. Interim financial statements, to date, for the current fiscal year.
4. Financial statements, current to date, for each personal guarantor, on forms, certified by a Certified Public Accountant or the guarantor.
5. Copies of both federal and state income tax returns filed by applicant and each personal guarantor during the past three years.
6. In certain cases, due to the size of the loan, audited financials may be required.
7. Completed business plan with three year financial projections.
8. Loan (if approved) must be personally guaranteed.

IX. Applicant should be aware that additional financial data shall be required if requested by the City Manager, City Attorney or any other persons authorized by the City of Pittsburg, Kansas, including the Economic Development Revolving Loan Fund (Sales Tax) Committee (EDAC).

X. Attached hereto is a copy of the Collateral Requirements for the Economic Development Revolving Loan Fund (Sales Tax) for informational purposes. HOWEVER, APPLICANT ACKNOWLEDGES AND AGREES THAT SAID REQUIREMENTS AS WELL AS THIS APPLICATION ARE A SET OF GUIDELINES AND ANY OF THE PROVISIONS STATED THEREIN MAY BE WAIVED OR ADDED TO AT THE DISCRETION OF THE PITTSBURG CITY COMMISSION.

XI. EACH APPLICANT ALSO EXPRESSLY AGREES AND UNDERSTANDS THAT THE CITY'S MONETARY PLEDGE OF MONIES FROM THE FUND AND COMMITMENTS MADE IN ANY AGREEMENT SHALL BE CONTINGENT UPON THE CITY CONTINUING TO COLLECT THE ONE-HALF CENT CITY RETAILERS' SALES TAX; AND APPLICANT ACKNOWLEDGES THAT SAID SALES TAX MAY BE DISCONTINUED AS PROVIDED BY THE PROVISIONS OF K.S.A. 12-187 et. seq. AND AMENDMENTS THERETO, AT ANY TIME.

Rahmi Maswadi
Signature

8-28-2015
Date

manager
Title

**COLLATERAL REQUIREMENTS – CITY OF PITTSBURG, KANSAS
ECONOMIC DEVELOPMENT REVOLVING FUND
(SALES TAX)**

The following documents will be required:

1. A fully completed and signed application, with documents required therein attached.
2. A fully completed and signed financial statement by each personal guarantor.
3. The federal income tax returns of each personal guarantor for the last three (3) years, whether calendar or fiscal years.
4. Documents confirming compliance with the Kansas Bulk Transfer Act, if the Act is applicable.
5. A personal guaranty agreement to be signed by each personal guarantor and spouse.
6. Key persons term life insurance on the principal personal guarantor.
7. If the applicant is a corporation, a resolution of the Board of Directors authorizing the appropriate offices of the Corporation to sign the various loan documents on behalf of the Corporation.
8. Loan Agreement and Security Agreement, with Use of Loan Proceeds form attached.
9. Promissory Notes and Mortgage.
10. UCC financial statements for filing with the Secretary of State and the Crawford County Register of Deeds.
11. Other relevant financial information or loan security documents requested by the City Manager, the City Attorney or any authorized representative of the City of Pittsburg, Kansas.

Property Improvement Plan

Opt Out

Proposed Change of Ownership of the

Holiday Inn Express Hotel & Suites Pittsburg
Pittsburg, KS

April 1, 2014

Revised by Chris Morton on May 15, 2015



HOTEL INFORMATION

Property Name: Holiday Inn Express Hotel & Suites Pittsburg	PIP Date: March 18, 2014
Address: 4011 North Parkview Drive	Location #: 11050
City, ST: Pittsburg, KS 66762	Project #: 19644
Applicant Name: Mr. Roger Ratzlaff	Office: 913-951-5800
Company: Portell & Ratzlaff Hotels	Cell: 913-707-8305
Address: 19255 Flint Street	Email: roger.ratzlaff@gmail.com
City, ST: Springhill, KS 66083	InnCode: PTSPT
	Proposed Action: Change of Ownership
	Proposed Brand: Holiday Inn Express and S
	Proposed Term: 10-Year

Property Summary

Revised by Chris Morton on May 15, 2015

Hotel Location: This hotel is located on the north edge of town, immediately adjacent to US-69. Pittsburg is a small market located approximately one hundred twenty miles south of Kansas City, and thirty miles north of Joplin, Missouri.

Primary Exterior Finishes/Style: This three story, interior corridor, center-pavilion prototype has a brick, stone and EIFS exterior.

Customer Base: 80% corporate and 20% leisure

Market Competitors: Comfort Inn & Suites, Super 8, Hampton Inn Joplin and Fairfield Inn Joplin

Recently completed renovations: N/A

BUILDING	GUEST ROOM AREAS	Type	Qty.
Year Built: 2009	2 Queen / 9 King	Standard Room:	11
Addition(s): N/A	32 Queen / 2 King	Standard Double:	34
# of Rooms: N/A	King	1 Room Suite:	17
# of Rooms: N/A	Not Applicable	2 Room Suite:	0
Highest Story: 3	King	2 Room KidSuite:	2
# of Guest Floors: 3	King	Room W/Whirlpool:	2
Exterior Materials: Brick, Stone & EIFS	King	ADA Single:	3
Guest Corridor Type: Interior	King	ADA Double:	1
# of Parking Spaces: 80	King	ADA Suites:	1
Type: Surface	Queen	Other:	0
# of Guest Elevators: 1	King		
# of Service Elevators: 0	Not Applicable		
Public Area Internet: Wireless		Total Rooms:	71
Guest Room Area Internet: Wireless/Wired		# of ADA w/ Roll-In Shower:	1
Public Area HVAC: Central Air		# of Hearing Impaired Rooms:	4
Guest Room Area HVAC: PTAC			
Employee Restroom: Yes			
Employee Break Room: No			

LIFE SAFETY	GREATROOM	Seats
Emergency Generator: No	Breakfast Area: Yes	Approx. Sq.ft.: 1000
Hardwire Smoke Detectors: Yes		32
Commercial Areas		
Guest Corridors		
Guest Rooms		
Sprinkler System: Yes		
Commercial Areas		
Guest Corridors		
Guest Rooms		

GUEST AMENITIES	MEETING SPACE	Name	SF
Indoor Pool: Yes	Meeting Room #1: Buffalo		825
Max Depth (ft.): 5'-0"	Meeting Room #2: Gorilla		825
Outdoor Pool: No	Meeting Room #3: N/A		0
Max Depth (ft.): N/A	Boardroom: N/A		0
Whirlpool: Yes			
Max Depth (ft.): 3'-0"			
Square Ft: 230			
Fitness Room: Yes			
Business Center: Yes			
Sets of Public Restrooms: 1			
Unisex: 1			
Guest Laundry: Yes			
# of Vending Areas: 1			
	1650 SF / Key	Total Meeting Space (SF):	1650

IHG Contacts

PIP Consultant: Chris Morton	Senior Consultant, Design & Property Improvement	Phone: 312-206-9990
		Email: chris.morton@ihg.com
Plan Review Consultant: Chandra Starks	Senior Consultant, Design & Plan Review	Phone: 770-604-5178
		Email: chandra.starks@ihg.com

UNDERSTANDING THE PIP & RESOURCES

All architectural and design drawings, construction documents, color boards and materials specifications for all renovation scope must be submitted to IHG's Design & Construction department for review and approval prior to any commitment to purchase materials or commence any work addressing that scope. IHG reserves the right to require franchisee to replace or modify any materials or work not formally submitted to and approved by IHG Design & Construction.

Resources: Please refer to the IHG Design and Construction website www.ihgdesignconnect.com (2014 passcode: **balance**) for various resources required for the successful implementation of your PIP including Brand Standards, Design Guidelines (including Standardized Lobby and Restaurant Design (SLRD, and information on the Standardized Room Design program.

Questions regarding this PIP and other design and construction issues can be answered by contacting your IHG PIP or Plan Review Consultant identified on page 2.

The findings in this report are no longer effective six months after the date of this report unless a license agreement is executed within that time, unless extended in writing by IHG.

MILESTONE COMPLETION TABLE

If the franchise application is approved and a license agreement is issued and executed, the following is the requisite milestone completion schedule for completion of the corresponding aspects of the PIP.

Design Milestones:

Submission of Plans 90 days from date of license

Submission of Furniture, Fixtures & Equipment 90 days from date of license

Renovation Milestones:

Renovation Start Date 120 days from date of license

Exterior Areas..... 12 months from date of license

Public Areas 12 months from date of license

Recreational Areas 12 months from date of license

Heart of House Areas 12 months from date of license

Guest Room Areas 6 months from date of license

Final Completion..... 12 months from date of license

Upcoming Brand Milestones:

Submission of Plans.....November 1, 2018

Full Guest Room Area Renovation to Brand SRD (Except Guest Room Softgoods)May 1, 2019

Full Public Space Softgood & Hardgood Renovation.....May 1, 2019

Guest Room Softgood RenovationMay 1, 2020

*The above upcoming milestone is to accelerate new design. All other milestones are in compliance with the capital expenditure cycle within the FDD of a new license.

All requests for extensions or waivers must be submitted in writing to IHG, addressed to the appropriate PIP consultant and must be specifically approved in writing by IHG. As a condition to approving a milestone extension, IHG may require that the PIP be modified to include upgrading or renovation of additional areas or items (in addition to any charges that might be due).

IHG will conduct field-inspections at this hotel on or about the above Renovation Milestone dates at no charge to the owner. Should these original milestone dates not be met, thereby requiring additional inspections, IHG may charge the franchisee up to \$5,000.00 for each additional inspection (in addition to any other charges that might otherwise be due).

I.) EXTERIOR AREAS

A. Signage

1. No deficiencies noted.

B. Site/Parking

1. Restripe the parking lot.
2. Provide decorative fences, screens, landscaping or a combination thereof to conceal all site mounted utilities throughout the property from guest view.
3. With the exception of the hallmark garbage can, replace all garbage cans throughout the property with new more contemporary garbage cans.

C. Landscaping

1. Enhance the landscaping around the entire perimeter of the hotel with a greater variety of plantings reflective of the local environment including small trees, bushes, shrubs, flowering plants and seasonal flowers.
2. Replace all rocks and wood chips throughout the property with sod, creeping ivy or similar type ground covering.
3. Replace all dead/dying trees, bushes, shrubs and grass.

D. Porte Cochere

1. Professionally clean the decorative drive and decorative sidewalks throughout the porte-cochere and arrival area.
2. Replace all damaged EIFS.
3. Paint all EIFS.
4. Replace all damaged hallmark light fixtures.

E. Building

1. Replace all damaged EIFS.
2. Paint all EIFS.
3. Clean all PTAC grills throughout the perimeter of the hotel for a fresh, clean appearance. Replace damaged grills on an as needed basis only.
4. Replace all damaged hallmark light fixtures.

II.) PUBLIC AREAS

A. Lobby

Entrance Vestibule Requirements

1. Replace all damaged wall vinyl.
2. Refinish all wood trim.
3. Repair and paint the ceiling.

Lobby Requirements

1. Remove all walls between the lobby and great room to provide one continuous, dynamic space. Columns currently located within walls to be removed will need to be built out to match existing in size and shape.
2. Remove the fireplace.
3. Replace all carpet.
4. Refurbish all wood bases.
5. Replace all wall vinyl.
6. Replace all soft seating.
7. Replace all artwork and décor.
8. Replace all lamps.
9. Replace the pendant lights at the front desk with recessed cans.
10. Refinish all wood trim and crown molding.
11. Replace all front desk millwork cladding.

Public Corridor Requirements

1. Refurbish all wood bases.
2. Replace all damaged wall vinyl.
3. Replace all dirty/damaged acoustic ceiling tiles.
4. Replace all soft seating near the guest laundry.
5. Replace all artwork and decor.

B. Market

1. Replace all damaged wall vinyl.
2. Replace all dirty/damaged acoustic ceiling tiles.
3. Replace the cooler and freezer.
4. Replace all merchandise displays.
5. Replace all millwork and cabinetry.

C. Business Center

1. Replace the carpet.
2. Replace all damaged wall vinyl.
3. Replace all dirty/damaged acoustic ceiling tiles.
4. Replace all chairs.
5. Replace the millwork cabinetry at the desk.
6. Provide a valance at the window treatments.
7. Replace the light fixture.

D. Great Room

1. Refurbish all wood bases.
2. Replace all carpet.
3. Replace all wall vinyl.
4. Paint all ceilings and soffits.
5. Replace all breakfast buffet and coffee station cabinetry. Install Express Start breakfast components.
6. Replace all furnishings. Provide 2-top, 4-top and banquet seating. A counter height community table with integrated power/data is also recommended.

7. Replace all garbage cans.
8. Replace all artwork and décor.
9. Replace all decorative ceiling fixtures.
10. Refinish all crown molding.
11. Provide a valance at the window treatments.
12. Provide a feature wall at the flat panel televisions.

E. Public Restrooms

1. Professionally clean all tile flooring.
2. Replace all damaged wall vinyl.
3. Replace all dirty/damaged acoustic ceiling tiles.
4. Replace the vanity light.
5. Replace the vanity mirror.
6. Remove the wall mounted tissue dispenser.
7. Replace all toilet partitions and privacy screens (at urinals).
8. Replace wood trim at tile wainscots with pre-finished metal trim.

F. Meeting Area

1. Refurbish all wood bases.
2. Replace all carpet.
3. Replace all damaged wall vinyl.
4. Repair and paint all ceilings and soffits.
5. Replace all cabinetry at all banquettes.
6. Replace all banquet seating.
7. Replace all miscellaneous furnishings.
8. Replace all garbage cans.
9. Replace all artwork and décor.
10. Replace all decorative ceiling mounted light fixtures.
11. Refinish all crown molding.
12. Replace all window treatments.

III.) RECREATIONAL AREAS

A. Fitness Center

1. Replace all flooring.
2. Replace all wall vinyl.
3. Replace all dirty/damaged acoustic ceiling tiles.
4. Replace fitness equipment with new cardio and strength equipment and accessories sourced from the IHG contracted vendors.
5. Replace all signage.
6. Replace towel storage and hamper.
7. Replace the garbage can.
8. Move the sanitary wipe and dispensers to an accessible location, and mount both at 48" above finished floor (max).
9. Provide sport themed artwork.

B. Pool Area

Vestibule Requirements

1. Replace all wall vinyl.
2. Replace all acoustic ceiling tiles.
3. Replace all décor.
4. Replace the broken vision glass in the door to the lobby.

Pool Room Requirements

1. Professionally clean all waterline tiles, all coping, the pool deck and all tile wainscoting.
2. Repair and paint damaged walls to eliminate holes, patches and uneven surfaces.
3. Repair and paint all ceilings and bulkheads.
4. Replace towel storage and hamper.
5. Replace the garbage can.
6. Replace all décor.
7. Refinish all doors, door and window frames, door hardware and accessories to eliminate signs of rust/wear.
8. Replace all doors, frames, hardware and accessories that are rusted/damaged beyond repair.
9. Replace the broken exterior window.
10. Replace all wall mounted lights.
11. Paint all vents.
12. Replace pool deck furniture.
13. Repair or replace the HVAC system to improve air exchange, eliminate humidity and maintain a comfortable temperature.

Pool Restroom Requirements

1. Professionally clean all tile flooring, wall base and wainscoting.
2. Paint all walls.
3. Remove the light fixture and the entire ceiling. Provide a painted drywall or acoustic ceiling with recessed cans or recessed fluorescent lights.
4. Replace the vanity light.
5. Replace the vanity mirror.
6. Remove the wall mounted tissue dispenser.
7. Replace the combination towel dispenser/garbage can unit.
8. Replace all grab bars
9. Replace the toilet paper holder.
10. Replace all entrance door hardware.

C. Whirlpool

1. No deficiencies noted.

IV.) HEART OF HOUSE AREAS

A. Front Office/Admin Areas

1. Replace all carpet.
2. Replace all wall vinyl.
3. Replace all window treatments.

B. Housekeeping/Laundry

1. Replace all window treatments.

C. Maintenance/Engineering

1. Replace all window treatments.

D. Equipment Rooms/Storage

1. No deficiencies noted.

E. Pantry

1. No deficiencies noted.

F. Employee Breakroom

1. No deficiencies noted.

G. Employee Restroom

1. No deficiencies noted.

V.) GUEST ROOM AREAS

A. Elevators

1. Replace the flooring.
2. Refinish all scratched stainless steel walls.
3. Replace all lenses in the ceiling.

B. Elevator Lobbies

1. Replace all carpet.
2. Replace all damaged wall vinyl.
3. Replace all dirty/damaged ceiling tiles.
4. Replace all soft seating.

C. Corridors

1. Replace all carpet.
2. Replace all damaged wall vinyl.
3. Replace all dirty/damaged ceiling tiles.

D. Vending

1. Replace all damaged floor tiles.
2. Replace all damaged wall vinyl.
3. Replace all garbage cans.
4. Soda/food machines are no longer required on guest floors because of first floor Market. Ice machines are required on a minimum of every other floor (preferably odd numbered floor). Close of any unused spaces.

E. Guest Laundry

1. Replace all damaged floor tiles.
2. Replace all damaged wall vinyl.
3. Replace all dirty/damaged ceiling tiles.
4. Replace the garbage can.
5. Provide a new permanent shelf or table, with a solid surface top, for folding clothes.
6. Provide a shelf or valance at the washer and dryer to conceal utilities.

F. Stairwells

1. Replace all carpet.
2. Replace all damaged wall vinyl.

G. Guest Rooms & Guest Suites

The following guest rooms were inspected: Rooms 207 (ADA King Suite), 312 (King Suite) & 332 (QN/QN)

1. Replace all carpet.
2. Refinish damaged walls.
3. Repair and paint damaged ceilings.
4. Refinish damaged casegoods.
5. Replace all soft seating including lounge chairs, ottomans, sleeper sofas and ergonomic task chairs.
6. Reupholster all luggage benches.
7. Refinish damaged kitchenette cabinetry.
8. Replace damaged lamps and lamp shades.
9. Provide convenience outlets at night stands and desks.
10. Provide wall mounted thermostatic control for PTACs.
11. Provide a safe in the closet.
12. Provide 42" flat panel televisions. Mounts must tilt and pivot. (Hotels with 32" to 40" units: Provide 42" units upon replacement of existing televisions.)

13. In guest suites replace the television in the sleeping area with a 42" flat panel television (upon replacement of any existing undersized flat panel television). This is the only television required if the unobstructed line of sight between any seating position on the sofa is less than 16'. An additional 42" television in the living area is required if the unobstructed line of sight between any seating position on the sofa is greater than 16', or the line of sight is obstructed.

H. Guest Bathrooms

1. Replace all damaged wall vinyl.
2. Replace all acoustic ceiling tiles.
3. Repair/reinstall sagging vanities.
4. Replace or reinstall sagging shower rods.
5. Refinish or replace damaged tubs.
6. Replace the flush kits on all toilets.
7. Replace all broken/malfunctioning and noisy fans.
8. Replace all GFCI outlets. Provide new GFCI outlets with integral guide lights.

VI.) LIFE SAFETY & ACCESSIBILITY

A. Life Safety

Some Life Safety deficiencies were noted during the PIP Inspection. Other deficiencies may exist as only a limited site evaluation was conducted in conjunction with this PIP. Full compliance with IHG's Global Brand Safety Standards in addition to local, state and national codes is the sole responsibility of the Owner. An evaluation by a licensed engineer or architect is strongly recommended.

General Property

1. Provide single or multiple-station (interconnected) carbon monoxide detectors per IHG's Global Brand Safety Standards (the "BSS").

Exterior Areas

1. No deficiencies noted.

Public Areas

1. **Lobby:** Provide a manual fire alarm pull station behind the front desk.

Recreational Areas

1. **Fitness Center:** Provide a branded "Use at Your Own Risk" sign at the entrance to the fitness center.
2. **Fitness Center:** Replace all rules and use signs with branded signs.
3. **Fitness Center:** Provide a branded "Emergency Phone" sign.
4. **Pool Area:** Provide a branded "Use at Your Own Risk" sign at the entrance to and within the pool area.
5. **Pool Area:** Replace all rules and use signs with branded signs.
6. **Pool Area:** Provide a branded "Emergency Phone" sign.
7. **Pool Area:** Lower the whirlpool timer and emergency shut off controls to 48" above finished floor (max) and label both with branded signs.
8. **Pool Area:** Lower the shepherd's hook 48" above finished floor (max).
9. **Pool & Whirlpool:** Pools and whirlpools with a single drain must be equipped with a secondary safety system. Approved systems include: Safety Vacuum Release System (SVRS), suction-limiting vent system, gravity drainage system or automatic pump shutoff system.
10. **Pool & Whirlpool:** Replace all drain covers due to condition. All drains must be equipped with ANSI/ASME A112.19.8-2007 approved anti-entrapment drain covers. Drains 18" x 23" (46 cm x 58 cm) or larger are exempt.
11. **Pool Restroom:** Permanently disable the override feature on the motion sensor.

Heart of House Areas

1. No deficiencies noted.

Guest Room Areas

1. **Stairwells:** Provide 6" high reflective floor indicator numbers per the BSS at all floor landings in all stairwells.

B. ADA (Americans With Disabilities Act)

U.S. Hotels: All areas of the hotel property are required to be in compliance with Local, State and Federal disability regulations, including the ADA. Licensee is solely responsible for ensuring that the Hotel complies with all applicable accessibility standards including the ADA. The ADA requirements and design standards can be found at www.ada.gov, or you can contact (800) 514-0301 with questions concerning ADA requirements. Consult your architect about changes to the ADA Accessibility Guidelines which went into effect on March 15th, 2012. *IHG requires that each hotel submit a complete ADA certificate to ensure that the Hotel conforms to and complies with the design standards and requirements of the Americans with Disabilities Act ("ADA"), the ADA Architectural Guidelines ("ADAAG"), and all other related or similar state and local laws, regulations, and other requirements governing public accommodations for persons with disabilities in effect.*

The commissioning of an ADA/accessibility Property Report by a professional specializing in ADA and accessibility compliance is strongly recommended to ensure full compliance with all accessibility laws.

Questions? Visit the U.S. Dept. of Justice web site: <http://www.usdoj.gov/crt/ada/> or call: (800) 514-0301

Some ADA/accessibility deficiencies have been noted on the PIP. Note, however, that the PIP does not contain an exhaustive list of all possible ADA/accessibility deficiencies. Other possible deficiencies may exist as only a limited site evaluation was conducted in conjunction with the PIP. All ADA/accessibility deficiencies must be corrected in conjunction with the other requirements outlined in this PIP for each area of the hotel and be completed by the PIP Milestone Dates. Note that ADA/accessibility deficiencies may also be listed in the sub-areas of this PIP:

Exterior Areas

1. No deficiencies noted.

Public Areas

1. No deficiencies noted.

Recreational Areas

1. No deficiencies noted.

Heart of House Areas

1. No deficiencies noted.

Guest Room Areas

1. Provide rear and side-mounted grab bars at tubs. Grab bars must withstand 250lbs. Refer to ADA 2010 607.4 for specific requirements.
2. In accessible rooms with roll-in-showers provide fold down, wall mounted seats. Seats must withstand 250lbs. Refer to ADA 2010 610.3 for specific requirements.
3. Provide rear and side-mounted grab bars at roll-in-showers. Grab bars must withstand 250lbs. Refer to ADA 2010 608.3 for specific requirements.
4. Move towel racks to accessible locations that do not obstruct the use of toilet grab bars, and mount them at 48" above finished floor (max).
5. Provide three (3) additional rooms for the hearing impaired with communication features that meet the following (either permanently installed, or by providing TTY kits, one (1) per room in each required room):
 - a. Visual fire alarm with a strobe that can be seen in all areas of the guest room.
 - b. Visual notification device that lights up when the phone rings.
 - c. Visual notification device that lights up when the door bell is rung.
 - d. Outlet within 4 feet of the phone to allow the guest to plug in a TTY and phone with volume control.

ACKNOWLEDGEMENT PAGE

Proposed Change of Ownership of the HOLIDAY INN EXPRESS HOTEL & SUITES PITTSBURG PITTSBURG, KS – Location #11050 / Project #19644 May 15, 2015

I understand that the above captioned Property Improvement Plan ("PIP") does not obligate Holiday Hospitality Franchising, LLC ("HHFL" also referred to as "IHG") in any way to approve my franchise application or issue a license agreement and that HHFL expressly reserves the right to deny such application or deny offering a franchise. I further acknowledge that this report is a summary of the work that will be required, and that all work must be completed in conformity with all applicable Holiday Inn Express and Suites Standards. I understand that if the franchise application is approved and a license agreement is executed, as a Licensee I will be responsible for compliance with all local, state and federal laws, regulations and codes. The attached work outlined in this PIP does not address all requirements that may be mandated by local, state or federal codes, laws or regulations. As a Licensee, I should check and ensure that all work on the property pursuant to this PIP or in connection with any other alteration or improvements complies with the applicable local, state and federal laws, regulations and codes.

I further acknowledge and agree that the upgrade completion timetable and the dates specified in the license agreement, if any, have been mutually agreed upon, and I understand that all work must be satisfactorily completed by each milestone. All requests for waivers or variance of or from the Standards or the requirements of the PIP must be submitted in writing to HHFL and must be approved in writing by HHFL, and requests for extensions to any milestone or deadline must be requested in writing from HHFL in advance of the completion date and must be approved in writing by HHFL. I understand and agree that as a condition to approving a milestone or deadline extension, HHFL may require that the PIP be modified to include upgrading or renovation of additional areas or items (in addition to any charges that might be due). I have indicated my agreement to this PIP, including, without limitation, the terms set forth on this page by affixing my signature in the space below.

I further understand that if a license agreement is executed and if IHG allows the PIP work to be conducted while the hotel is being operated as a duly licensed Holiday Inn Express and Suites brand hotel, the hotel must be operated in conformity with Holiday Inn Express and Suites Standards, and that it will continue to be subject to quality evaluations and guest feedback measurements. The hotel will be required to maintain acceptable ratings or scores in product quality, services and guest expectations as measured by HHFL through the Heartbeat System or otherwise and must maintain an acceptable quality evaluation. Failure to do so may be grounds for default under the license agreement.

The findings in this report are no longer effective six months after the date of this report unless a license agreement is executed within that time, unless extended in writing by HHFL.

ACCEPTED BY:

Signature

Date

Print Name

Entity

Hotel Name



Memorandum

TO: Daron Hall, City Manager

FROM: Blake Benson, Economic Development Director

DATE: October 7, 2015

SUBJECT: October 13, 2015 Agenda Item
Kannarr Eye Care expansion request

Kannarr Eye Care is considering a significant expansion that will not only provide more room for medical staff and patients, but will add another eye doctor and at least one support staff to the business. The private investment for the building and equipment alone will approach \$500,000.

Due to the significant capital investment involved and the creation of at least two new jobs at a higher than average wage scale, the EDAC considered an October 7 request from Kannarr Eye Care to offset \$17,000 in infrastructure costs, as this will keep the project below a 90% loan to value point with Labette Bank, who is financing the project. This will result in more favorable financing terms for Kannarr Eye Care and would be a one-time investment by the City.

Please place this item on the agenda for the City Commission meeting scheduled for Tuesday, October 13, 2015. Action being requested is the approval or denial of the EDAC recommendation and, if approved, authorize the Mayor to sign the appropriate documents.



REVOLVING LOAN FUND
(SALES TAX)

I. GENERAL INFORMATION

Kannarr Eye Care 26/Sept/2015

1. Name of Applicant Firm Date of Request
2521 N. Broadway 620-235-1737

2. Firm Address Firm Phone Number

3. Names and addresses of all persons or corporation who would be obligated as either applicant or personal guarantors of loans:
Shane R. Kannarr 1511 Woodland Terr. Pittsburg, KS 66762

Name Address
Amy L. Kannarr 1511 Woodland Terr. Pittsburg, KS 66762

Name Address

4. Names and addresses of the principal officers and directors of the applicant:
Shane R. Kannarr 1511 Woodland Terr. Pittsburg, KS 66762

Name Address Amy L. Kannarr 1511 Woodland Terr. Pittsburg, KS 66762

Name Address

Name Address

5. Nature of applicant's business: Optometry

6. The products to be assembled or manufactured or service to be rendered:
Full scope family eye care

7.

Applicant's Attorney

Phone Number

8.

Applicant's Financial Advisor

Phone Number

9. Michael Compton 1-417-451-2932

Applicant's Accountant

Phone Number

10. Estimated amount of loan: \$ 17,000

11. Number of years to retire loan: 5

12. List previous loans and credit references:

Labbette Bank, Community National Bank, Essilor

II. USE OF LOAN PROCEEDS

1. Amount requested for purchase of land: \$

2. Amount requested for land improvements (bldgs): \$

3. Amount requested for machinery and equipment: \$

4. Capitalized debt service: \$

5. Loan closing costs: \$

6. Working capital: \$ 7. Other (specify) \$

TOTAL REQUEST: \$ 17000

17000

III. LOAN PROPOSAL

1. Will the loan refinance an existing project? no

2. Will the loan proceeds be used to expand or replace an existing facility? ^{yes} 3. _____
Is the applicant presently located in the City of Pittsburg? ^{yes} _____
4. What type and size of building will be constructed? _____

5. Name and address of contractor and/or architect: Mike
Austerman - 3001 N. Rotary Ter. Pittsburg, KS 16762

Urban Prairie Architectural Collaborative, P.C. 4523 Mercier St. Kansas City, MO 64111

7. If the applicant will be in direct competition with local firms,
(a) Name of firms: Wimmer Visioncare / Dr. Paul Neigsch / Drs. Brooks / Walmart

- (b) Describe nature of the competition: other local eye care providers

IV. LOAN ANALYSIS

1. Has a financial advisor submitted an analysis indicating the need for the loan, the advisability of the loan or benefit to the applicant of the loan?

(If yes, attach a copy to this application.)

- ¹ . What type of equipment will be financed? ~~4 exam lanes / 1 pretest room~~

2. Has additional financing, whether internally generated or through other loans, been arranged? (If yes, explain on an attached sheet)

yes

3. Has the applicant investigated conventional financing?

Yes. It will cover the majority of the \$450,000 project. The \$17,000 in infrastructure

will keep the loan to value ratio at 90% which will improve the terms

of this loan.

V. PROPOSED LOCATION

1. Location of the proposed facility:

2521 N. Broadway

2. If the facility is a proposed expansion or replacement of another plant, state size and location of current operations:

Current office is 3,200 sq. ft. with 4 exam rooms and 2 doctos. The facility will have 8 exam rooms and allow us to hire a 3rd doctor and continue to grow.

3. What percentage of the facility will be occupied by the applicant?

100%

4. Is the prospective location properly zoned?

yes

5. If a zoning change is pending, cite application number and present status. If application has not been made, briefly describe what change will be needed and plans for submitting application:

n/a

6. If unusual demands for water or sewer services or police or fire protection will be made, specify the demands:

n/a

VI. OWNERSHIP AND MANAGEMENT

1. Describe the organizational structure of applicant (proprietorship, partnership, subsidiary, corporation, etc.):

LLC filing as a s-camp

Note relationship to a parent company: n/a

2. What portion of the project is being financed from other company funds (in addition to this loan)?

\$ 15 %

Please explain 10% - cash for building / 40% cash for equipment

3. Describe all threatened or outstanding litigation

n/a

4. Attach proforma statements for the first three (3) years of operation after issuance of the loan, including revenue projections, operating expense projections and a debt amortization schedule.

VII. MEASURE OF ECONOMIC GROWTH AND BENEFIT

1. What dollar amount of sales is contemplated? 1.6M
See attached

100%

2. What percentage of sales will be sold locally?

3. What is the estimated amount of merchandise and services purchased locally, per year?

We attempt to purchase locally all that we can office supplies 100%

4. How many people will the project employ:

Type: Professional	1	
Technical	2	
Clerical		
General Labor		

5. Number of current full-time employees at applicant's present location:

9 FTE

6. What is ratio of loan fund dollars to jobs created?

\$6666.00

VIII. In order to facilitate the timely processing of the application, please attach as part of the proposal the following items:

1. Copies of applicant's financial statements for the past three years certified as correct by the owner or an authorized officer.
2. Applicant's most recent annual or quarterly financial report.
3. Interim financial statements, to date, for the current fiscal year.
4. Financial statements, current to date, for each personal guarantor, on forms, certified by a Certified Public Accountant or the guarantor.
5. Copies of both federal and state income tax returns filed by applicant and each personal guarantor during the past three years.
6. In certain cases, due to the size of the loan, audited financials may be required.
7. Completed business plan with three year financial projections.
8. Loan (if approved) must be personally guaranteed.

IX. Applicant should be aware that additional financial data shall be required if requested by the City Manager, City Attorney or any other persons authorized by the City of Pittsburg, Kansas, including the Economic Development Revolving Loan Fund (Sales Tax) Committee (EDAC).

X. Attached hereto is a copy of the Collateral Requirements for the Economic Development Revolving Loan Fund (Sales Tax) for informational purposes. HOWEVER, APPLICANT ACKNOWLEDGES AND AGREES THAT SAID REQUIREMENTS AS WELL AS THIS APPLICATION ARE A SET OF GUIDELINES AND ANY OF THE PROVISIONS STATED THEREIN MAY BE WAIVED OR ADDED TO AT THE DISCRETION OF THE PITTSBURG CITY COMMISSION.

XI. EACH APPLICANT ALSO EXPRESSLY AGREES AND UNDERSTANDS THAT THE CITY'S MONETARY PLEDGE OF MONIES FROM THE FUND AND COMMITMENTS MADE IN ANY AGREEMENT SHALL BE CONTINGENT UPON THE CITY CONTINUING TO COLLECT THE

ONE-HALF CENT CITY RETAILERS' SALES TAX; AND APPLICANT ACKNOWLEDGES THAT SAID SALES TAX MAY BE DISCONTINUED AS PROVIDED BY THE PROVISIONS OF K.S.A. 12-187 et. seq. AND AMENDMENTS THERETO, AT ANY TIME.

Signature

Date

Title

**COLLATERAL REQUIREMENTS – CITY OF PITTSBURG, KANSAS ECONOMIC
DEVELOPMENT REVOLVING FUND
(SALES TAX)**

The following documents will be required:

1. A fully completed and signed application, with documents required therein attached.
2. A fully completed and signed financial statement by each personal guarantor.
3. The federal income tax returns of each personal guarantor for the last three (3) years, whether calendar or fiscal years.
4. Documents confirming compliance with the Kansas Bulk Transfer Act, if the Act is applicable.
5. A personal guaranty agreement to be signed by each personal guarantor and spouse.
6. Key persons term life insurance on the principal personal guarantor.
7. If the applicant is a corporation, a resolution of the Board of Directors authorizing the appropriate offices of the Corporation to sign the various loan documents on behalf of the Corporation.
8. Loan Agreement and Security Agreement, with Use of Loan Proceeds form attached.
9. Promissory Notes and Mortgage.
10. UCC financial statements for filing with the Secretary of State and the Crawford County Register of Deeds.
11. Other relevant financial information or loan security documents requested by the City Manager, the City Attorney or any authorized representative of the City of Pittsburg, Kansas.

CITYWORKS® LICENSE AGREEMENT

This Master Software License Agreement made by and between Azteca Systems, Inc. ("Azteca Systems") a Utah corporation, with a place of business at 11075 South State, Suite 24, Sandy, Utah 84070 USA and the **City of Pittsburg, KS (City)** using certain of Azteca Systems Licensed Products hereinafter referred to as "Licensee." The parties hereto acknowledge that this Agreement is intended to be a master agreement under which Licensee may license licensed products from time to time. Pursuant to the terms of this Agreement, the Maintenance Addendum, and any additional addenda or amendments thereto, Azteca Systems or its Affiliates may license the Licensed Products and provide support and maintenance to Licensee or Affiliates of Licensee. This Agreement is effective immediately upon delivery of Licensed Products (the "Effective Date").

WHEREAS, Azteca Systems has developed and is the owner of an extensive platform of products (the Software, as defined below);

WHEREAS, Azteca Systems responded to the City of Pittsburg's RFP dated February 9, 2015 to provide Software products to the City; and

WHEREAS, Licensee desires a non-exclusive license to use some of the products of the Software known as Cityworks® (as set forth herein); and

WHEREAS, Azteca Systems is willing to grant such a license on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises contained in this Agreement, Azteca Systems and Licensee agree as follows:

ARTICLE 1—DEFINITIONS

1.1 Definitions. The terms used are defined as follows:

- a. "Agreement" means this Software License Agreement between Azteca Systems and Licensee, inclusive of all schedules, exhibits, attachments, addenda and other documents incorporated by reference
- b. "Authorization Code(s)" means any key, authorization number, enablement code, login credential, activation code, token, account user name and password, or other mechanism required for use of a Product.
- c. "Authorized User" or "User" shall mean: (i) a direct user of the Licensed Products, including but not limited to Licensee's employees; or (ii) Licensee's consultants who have agreed to maintain the Licensed Property in confidence and use it only for the benefit of Licensee.
- d. "Client Data" means the data provided or inputted by or on behalf of Licensee, including personally identifiable information, for use with the Software.
- e. "Covered Software" shall mean the particular Cityworks Software, scripts, interfaces and custom code identified in Addendum 1.
- f. "Custom Applications" shall mean any scripts, interfaces, reports or program code created by Azteca Systems, Licensee, Cityworks Partner, or other third-party, other than Program Modifications to the Cityworks applications, that provide specific functionality uniquely designed for the Licensee. Any Custom Applications delivered to Licensee shall NOT become part of the Licensed Software unless otherwise specified in Addendum 1.
- g. "Data" means any Azteca Systems or third-party digital dataset(s) including, but not limited to, geographic vector data, raster data reports, or associated tabular attributes, whether bundled with Software and Online Services or delivered independently.
- h. "Deployment Server License" means a license that, in addition to providing staging server License rights, authorizes Licensee to install and use the Software for deployment in Licensee's internal use.
- i. "Testing Server License" means a license that authorizes Licensee to install and use the Software on a server in Licensee's internal use to provide testing License rights prior to deployment.
- j. "Documentation" means all user reference documentation that is delivered with the Software and includes but is not limited to (a) all materials published, provided digitally, or otherwise made available to Licensee

by Azteca Systems that relate to the functional, operational and/or performance capabilities of the Software; (b) all user, operator, system administration, technical, support and other manuals and all other materials published, provided digitally or otherwise made available to Licensee that describe the functional, operational and/or performance capabilities of the Software; (c) any Requests for Information and/or Responses for Proposals (or documents of similar effect) issued by Licensee, and the responses thereto from Azteca Systems, and any document which purports to update or revise any of the foregoing; and (d) the results of any "Proof of Concept" or similar type presentations or tests provided by Azteca Systems to Licensee.

- k. "Internal Use" means use of the Licensed Products by employees of Licensee in Licensee's internal operations but does not include access of the Licensed Products by, or use of the Licensed Products in the provisions of services to, Licensee's clients or customers. Internal Use also includes use of the Licensed Products by contractors of Licensee, including contractors providing outsourcing or hosting services, as long as Licensee assumes full responsibility for the compliance with this Agreement in such use. Use of the Licensed Products (or any part thereof) for the benefit of others, whether by means of a software as a service offering, service bureau application, application service provider, outsourcing or other means of providing service to any third party shall not be considered Internal Use.
- l. "Licensed Products" shall mean the portion of the Cityworks Software and the Documentation to which Licensee has purchased a License as identified as specified in Addendum 1 attached hereto. Licensed Products shall include any updates or upgrades to the Licensed Products that Azteca Systems may at its discretion deliver to Licensee.
- m. "Login" means a license that allows Licensee to permit a single authorized named end user to use the Software, Data, and Documentation installed on a server and accessed from a computer device.
- n. "Online Services" means any Internet-based system, including applications and associated APIs, hosted by Azteca Systems or its licensors, for storing, managing, publishing, and using Cityworks software and data, and other information.
- o. "Ordering Document(s)" means a sales quotation, purchase order, or other document identifying the Products that Licensee orders.
- p. "Preview" means any alpha, beta, or prerelease Product.
- q. "Product(s)" means Software, Data, Online Services, and Documentation licensed under the terms of this License Agreement.
- r. "Sample(s)" means sample code, sample applications, add-ons, or sample extensions of Products.
- s. "Server" means each single instance of an operating system, whether physically installed on a computer or within a virtualized environment.
- t. "Software" or "Cityworks Software" means all or any portion of Azteca Systems proprietary software technology accessed or downloaded from an Azteca Systems (Cityworks) - authorized website or delivered on any media in any format including backups, updates, service packs, patches, hot fixes, or permitted merged copies.
- u. "Maintenance Addendum" shall mean the Master Software Maintenance Addendum attached hereto.
- v. "Term License" means a license or access provided for use of a Product for a limited time period ("Term") or on a subscription or transaction basis.

ARTICLE 2—INTELLECTUAL PROPERTY RIGHTS AND RESERVATION OF OWNERSHIP

Products are licensed, not sold. Azteca Systems and its licensors own Products and all copies, which are protected by United States and applicable international laws, treaties, and conventions regarding intellectual property and proprietary rights including trade secrets. Licensee agrees to use reasonable means to protect Products from unauthorized use, reproduction, distribution, or publication. Azteca Systems and its third-party licensors reserve all rights not specifically granted in this License Agreement including the right to change and improve Products.

ARTICLE 3—GRANT OF LICENSE

3.1 Grant of License. Subject to the terms of this agreement, Azteca Systems grants to Licensee a personal, nonexclusive, nontransferable license solely to use the Products as set forth in the applicable Product Licensing Addendum (i) for which the applicable license fees have been paid; (ii) for Licensee's own internal use; (iii) in accordance with this License Agreement and the configuration ordered by Licensee or as authorized by Azteca Systems or its authorized distributor; and (iv) for perpetual use or for a term, if term is identified, until terminated in accordance with Article 5. License types may include, but are not limited to Login, Workgroup, Departmental, ELA (Enterprise License) or Term Licenses. Licensee may allow third party consultants or contractors to access and use the licensed Software, provided Licensee and Third party consultant agree to and are bound by the terms

set forth in Addendum 3. In addition to the Scope of Use in Article 4, Addendum 1-- Product Licensing and the Software Terms and Use which applies to specific Products, Addendum 2 -- Maintenance Agreement, Addendum 2, and Addendum 3 – Third Party Contractor Agreement (if applicable) collectively, are incorporated in this Agreement.

- a. *Software.* Use and License for specific Software products are set forth in Addendum 1- Product Licensing Addendum, which is incorporated by reference.
- b. *Maintenance.* Maintenance terms are set forth in Addendum 2, - Maintenance agreement which is incorporated by reference.
- c. *Third Party Contractor.* Terms of use for Third Party Contractor software usage (if applicable) are set forth in Addendum 3, which is incorporated by reference.

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3.2 Preview Release Licenses. Products acquired under an evaluation license or under a Beta program are intended for evaluation and testing purposes only and not for commercial use. Any such use is at Licensee's own risk, and the Products do not qualify for Azteca or distributor maintenance.

3.3 Special Use Programs. If Licensee acquires Products under a special program for noncommercial, nonprofit, educational, or other limited-use license, Licensee's use of the Products is subject to the terms set forth in the applicable enrollment form or as described on Azteca's website in addition to the non-conflicting terms of this License Agreement. All such program terms are incorporated herein by reference.

3.4 Delivery. Unless otherwise requested by Licensee, Azteca Systems shall provide an electronic link to make available to Licensee the Licensed Property by electronic download and a license key to activate the Licensed Property.

ARTICLE 4—SCOPE OF USE

4.1 Permitted Uses

- a. For Products delivered to Licensee, Licensee may:
 1. Install and store Products on electronic storage device(s);
 2. Make archival copies and routine computer backups;
 3. Licensee may maintain a training instance of the application in addition to the deployed version; the training instance cannot use live production data and cannot support live operations;
 4. Move the Software in the licensed configuration to a replacement Server; and
- b. Licensee may use, copy, or prepare derivative works of Documentation supplied in digital format and thereafter reproduce, display, and redistribute the customized documentation only for Licensee's own internal use. Portions of Documentation supplied in digital format merged with other software and printed or digital documentation are subject to this License Agreement. Licensee shall include the following copyright attribution notice acknowledging the proprietary rights of Azteca and its licensors: "Portions of this document include intellectual property of Azteca and its licensors and are used herein under license. Copyright © [Licensee will insert the actual copyright date(s) from the source materials] Azteca Systems, Inc. and its licensors. All rights reserved."
- c. *Consultant or Contractor Access.* Subject to Section 3.1, Azteca Systems may grant Licensee the right to permit Licensee's consultants or contractors to use the Products exclusively and solely for Licensee's benefit subject to the terms and conditions of Addendum #3. Licensee shall be solely responsible for compliance by consultants and contractors with this License Agreement and shall ensure that the

consultant or contractor discontinues Product use upon completion of work for Licensee. Access to or use of Products by consultants or contractors not exclusively for Licensee's benefit is prohibited.

4.2 Uses Not Permitted. Except to the extent that applicable law prohibits or overrides these restrictions, or as provided herein, Licensee shall not

- a. Sell, rent, lease, sublicense, lend, assign, or time-share Products except to provide temporary access to City contractors performing work on City assets and subject to the terms of addendum #3;
- b. Permit persons other than Authorized Users to access or use the Licensed Products (or any part thereof);
- c. Act as a service bureau or Commercial ASP; City may add additional seat licenses to be used by community anchor institutions as an amendment to this agreement.
- d. Use Software, Data, or Documentation for a site or service and operate the site or service for profit or generate revenue through direct or indirect methods (e.g., advertising or by charging for access to the site or service);
- e. Redistribute Software, Data, or Online Services to third parties, in whole or in part, including, but not limited to, extensions, components, or APIs;
- f. Redistribute Authorization Codes;
- g. Reverse engineer, decompile, or disassemble Products;
- h. Make any attempt to circumvent the technological measure(s) that controls access to or use of Products;
- i. Upload or transmit content or otherwise use Products in violation of third-party rights, including intellectual property rights, privacy rights, nondiscrimination laws, or any other applicable law or government regulation;
- j. Remove or obscure any Azteca Systems (or its licensors') patent, copyright, trademark, proprietary rights notices, and/or legends contained in or affixed to any Product, Product output, metadata file, or online and/or hard-copy attribution page of any Data or Documentation delivered hereunder;
- k. Separate from the licensed use of APIs, Licensee may not unbundle or independently use individual or component parts of the Products, Software, Online Services, or Data;
- l. Incorporate any portion of the Software into a product or service that competes with the Software;
- m. Publish the results of benchmark tests run on Software without the prior written permission of Azteca Systems; or
- n. Use, incorporate, modify, distribute, provide access to, or combine any computer code provided with the Software in a manner that would subject such code or any part of the Software to open source license terms, which includes any license terms that require computer code to be (i) disclosed in source code form to third parties, (ii) licensed to third parties for the purpose of making derivative works, or (iii) redistributable to third parties at no charge.

ARTICLE 5—TERM AND TERMINATION

5.1. This License Agreement is effective upon acceptance. Licensee may terminate this License Agreement or any Product license at any time upon written notice to Azteca Systems. Either party may terminate this License Agreement or any license for a material breach that is not cured within ten (10) days of written notice to the breaching party, except that termination is immediate for a material breach that is impossible to cure. Upon termination of the License Agreement, all licenses granted hereunder terminate as well. Upon termination of a license or the License Agreement, Licensee will (i) stop accessing and using affected Product(s); (ii) clear any client-side data cache derived from Online Services; and (iii) uninstall, remove, and destroy all copies of affected Product(s) in Licensee's possession or control, including any modified or merged portions thereof, in any form, and execute and deliver evidence of such actions to Azteca Systems or its authorized distributor.

If this Agreement is terminated under section 4 of the Maintenance Addendum, Licensee shall then return to Azteca Systems all of The Software Cityworks, related modules, related updates, and any whole or partial copies, codes, modifications, and merged portions in any form. Azteca will for no additional charge to Licensee and at Licensee's option either grant a license to the Licensee, for a period of one year, which will allow Licensee to retain the ability to access records and data contained in The Cityworks Software or allow Licensee to create digital copies of all files needed by the Licensee for the same period. The parties hereby agree that all provisions which operate to protect the intellectual rights of Azteca Systems shall remain in force should breach occur.

5.2. **Termination of Maintenance.** The Maintenance Addendum (Addendum #2) and the rights granted thereunder may be terminated independently of the Agreement in accordance with Section 4 of the Maintenance Addendum.

ARTICLE 6—LIMITED WARRANTIES AND DISCLAIMERS

6.1 Limited Warranties. Except as otherwise provided in this Article 6, Azteca Systems warrants for a period of one hundred eighty (180) days from the date Azteca Systems issues the Authorization Code enabling use of Software and Online Services that (i) the unmodified Software and Online Services will substantially conform to the published Documentation under normal use and service.

6.2 Special Disclaimer. DATA, SAMPLES, HOT FIXES, PATCHES, UPGRADES, AND EVALUATION AND BETA SOFTWARE ARE DELIVERED "AS IS" WITHOUT WARRANTY OF ANY KIND.

6.3 Internet Disclaimer. THE PARTIES EXPRESSLY ACKNOWLEDGE AND AGREE THAT THE INTERNET IS A NETWORK OF PRIVATE AND PUBLIC NETWORKS AND THAT (i) THE INTERNET IS NOT A SECURE INFRASTRUCTURE, (ii) THE PARTIES HAVE NO CONTROL OVER THE INTERNET, AND (iii) NONE OF THE PARTIES SHALL BE LIABLE FOR DAMAGES UNDER ANY THEORY OF LAW RELATED TO THE PERFORMANCE OR DISCONTINUANCE OF OPERATION OF ANY PORTION OF THE INTERNET OR POSSIBLE REGULATION OF THE INTERNET THAT MIGHT RESTRICT OR PROHIBIT THE OPERATION OF ONLINE SERVICES.

6.4 General Disclaimer. EXCEPT FOR THE ABOVE EXPRESS LIMITED WARRANTIES, AZTECA SYSTEMS DISCLAIMS ALL OTHER WARRANTIES OR CONDITIONS OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE SYSTEM INTEGRATION, AND NON-INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS. AZTECA SYSTEMS DOES NOT WARRANT THAT PRODUCTS WILL MEET LICENSEE'S NEEDS; THAT LICENSEE'S OPERATION OF THE SAME WILL BE UNINTERRUPTED, ERROR FREE, FAULT-TOLERANT, OR FAIL-SAFE; OR THAT ALL NONCONFORMITIES CAN OR WILL BE CORRECTED. PRODUCTS ARE NOT DESIGNED, MANUFACTURED, OR INTENDED FOR USE IN ENVIRONMENTS OR APPLICATIONS THAT MAY LEAD TO DEATH, PERSONAL INJURY, OR PHYSICAL PROPERTY/ENVIRONMENTAL DAMAGE. ANY SUCH USE SHALL BE AT LICENSEE'S OWN RISK AND COST.

6.5 Exclusive Remedy. Licensee's exclusive remedy and Azteca Systems' entire liability for breach of the limited warranties set forth in this Article 6 shall be limited, at Azteca Systems' sole discretion, to (i) replacement of any defective media; (ii) repair, correction, or a workaround for Software or Online Services subject to the Azteca Systems Maintenance Program or Licensee's authorized distributor's maintenance program, as applicable; or (iii) return of the license fees paid by Licensee for Software or Online Services that do not meet Azteca Systems limited warranty, provided that Licensee uninstalls, removes, and destroys all copies of Software or Documentation; ceases using Online Services; and executes and delivers evidence of such actions to Azteca Systems.

ARTICLE 7—LIMITATION OF LIABILITY

7.1 Disclaimer of Certain Types of Liability. AZTECA SYSTEMS, ITS AUTHORIZED DISTRIBUTOR (IF ANY), AND ITS LICENSORS SHALL NOT BE LIABLE TO LICENSEE FOR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES; LOST PROFITS, LOST SALES, OR BUSINESS EXPENDITURES; INVESTMENTS; BUSINESS COMMITMENTS; LOSS OF ANY GOODWILL; OR ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATED TO THIS LICENSE AGREEMENT OR USE OF PRODUCTS, HOWEVER CAUSED ON ANY THEORY OF LIABILITY, WHETHER OR NOT AZTECA SYSTEMS OR ITS LICENSORS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

7.2 General Limitation of Liability. EXCEPT AS PROVIDED IN ARTICLE 8—INFRINGEMENT INDEMNITY, THE TOTAL CUMULATIVE LIABILITY OF AZTECA SYSTEMS AND ITS AUTHORIZED DISTRIBUTOR HEREUNDER, FROM ALL CAUSES OF ACTION OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT

LIABILITY, BREACH OF WARRANTY, MISREPRESENTATION, OR OTHERWISE, SHALL NOT EXCEED THE FEES ACTUALLY PAID BY LICENSEE DURING THE CURRENT SUPPORT PERIOD, FOR THE PRODUCTS THAT GIVE RISE TO THE CAUSE OF ACTION, EXCEPT IN THE CASE OF GROSS NEGLIGENCE ON THE PART OF AZTECA SYSTEMS.

7.3 Applicability of Disclaimers and Limitations. Licensee agrees that the limitations of liability and disclaimers set forth in this License Agreement will apply regardless of whether Licensee has accepted Products or any other product or service delivered by Azteca Systems. The parties agree that Azteca Systems has set its fees and entered into this License Agreement in reliance on the disclaimers and limitations set forth herein, that the same reflect an allocation of risk between the parties, and that the same form an essential basis of the bargain between the parties. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

THE FOREGOING WARRANTIES, LIMITATIONS, AND EXCLUSIONS MAY NOT BE VALID IN SOME JURISDICTIONS AND APPLY ONLY TO THE EXTENT PERMITTED BY APPLICABLE LAW IN LICENSEE'S JURISDICTION. LICENSEE MAY HAVE ADDITIONAL RIGHTS UNDER LAW THAT MAY NOT BE WAIVED OR DISCLAIMED. AZTECA SYSTEMS DOES NOT SEEK TO LIMIT LICENSEE'S WARRANTY OR REMEDIES TO ANY EXTENT NOT PERMITTED BY LAW.

ARTICLE 8—INFRINGEMENT INDEMNITY

8.1 Azteca Systems shall defend, indemnify, and hold Licensee harmless from and against any loss, liability, cost, or expense, including reasonable attorneys' fees, that Licensee incurs as a result of any claims, actions, or demands by a third party legally asserting that Licensee's licensed use of Software or Online Services infringe a US patent, copyright, or trademark, provided:

- a. Licensee promptly notifies Azteca Systems in writing of the claim;
- b. Licensee provides documents describing the allegations of infringement;
- c. Azteca Systems has sole control of the defense of any action and negotiation related to the defense or settlement of any claim; and
- d. Licensee reasonably cooperates in the defense of the claim at Azteca Systems' request and expense.

Both parties agree that prior City approval is required before City is obligated to pay any funds.

8.2 If Software or Online Services are found to infringe a US patent, copyright, or trademark, Azteca Systems, at its own expense, may either (i) obtain rights for Licensee to continue using the Software or Online Services or (ii) modify the allegedly infringing elements of Software or Online Services while maintaining substantially similar functionality. If neither alternative is commercially reasonable, the license shall terminate, and Licensee shall cease accessing infringing Online Services and shall uninstall and return to Azteca Systems any infringing item(s). Azteca Systems entire liability shall then be to indemnify Licensee pursuant to Section 8.1 and refund the unused portion of fees paid, prorated for the current maintenance period.

8.3 Azteca Systems shall have no obligation to defend Licensee or to pay any resultant costs, damages, or attorneys' fees for any claims or demands alleging direct or contributory infringement to the extent arising out of (i) the combination or integration of Software or Online Services with a product, process, or system not supplied by Azteca Systems or specified by Azteca Systems in its Documentation; (ii) material alteration of Software or Online Services by anyone other than Azteca Systems or its subcontractors; or (iii) use of Software or Online Services after modifications have been provided by Azteca Systems for avoiding infringement or use after a return is ordered by Azteca Systems under Section 8.2.

8.4 THE FOREGOING STATES THE ENTIRE OBLIGATION OF AZTECA SYSTEMS WITH RESPECT TO INFRINGEMENT OR ALLEGATION OF INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY.

ARTICLE 9—GENERAL PROVISIONS

9.1 Future Updates. New or updated Products and subscription renewals will be licensed under the then-current Azteca Systems license terms and conditions included with the deliverable Products.

9.2 Export Control Regulations. Licensee expressly acknowledges and agrees that Licensee shall not export, re-

export, import, transfer, or release Products, in whole or in part, to (i) any US embargoed country; (ii) any person on the US Treasury Department's list of Specially Designated Nationals; (iii) any person or entity on the US Commerce Department's Denied Persons List, Entity List, or Unverified List; or (iv) any person or entity or into any country where such export, re-export, or import violates any US, local, or other applicable import/export control laws or regulations including, but not limited to, the terms of any import/export license or license exemption and any amendments and supplemental additions to those import/export laws as they may occur from time to time.

9.3 Taxes and Fees, Shipping Charges. License fees quoted to Licensee are exclusive of any and all taxes or fees, including, but not limited to, sales tax, use tax, value-added tax (VAT), customs, duties, or tariffs, and shipping and handling charges.

9.4 No Implied Waivers. The failure of either party to enforce any provision of this License Agreement shall not be deemed a waiver of the provisions or of the right of such party thereafter to enforce that or any other provision.

9.5 Severability. The parties agree that if any provision of this License Agreement is held to be unenforceable for any reason, such provision shall be reformed only to the extent necessary to make the intent of the language enforceable.

9.6 Successor and Assigns. Licensee shall not assign, sublicense, or transfer Licensee's rights or delegate Licensee's obligations under this License Agreement without Azteca Systems' prior written consent, and any attempt to do so without consent shall be void. This License Agreement shall be binding on the respective successors and assigns of the parties to this License Agreement. Notwithstanding, a government contractor under contract to the government to deliver Products may assign this License Agreement and Products acquired for delivery to its government customer upon written notice to Azteca Systems, provided the government customer assents to the terms of this License Agreement.

9.7 Survival of Terms. The provisions of Articles 2, 5, 6, 7, 8, and 9 of this License Agreement, and the provisions of section 5 of Addendum 2, shall survive the expiration or termination of this License Agreement.

9.8 Equitable Relief. Licensee agrees that any breach of this License Agreement by Licensee may cause irreparable damage and that, in the event of such breach, in addition to any and all remedies at law, Azteca Systems shall have the right to seek an injunction, specific performance, or other equitable relief in any court of competent jurisdiction without the requirement of posting a bond or proving injury as a condition for relief.

9.9 US Government Licensee. The Products are commercial items, developed at private expense, provided to Licensee under this License Agreement. If Licensee is a US government entity or US government contractor, Azteca Systems licenses Products to Licensee in accordance with this License Agreement under FAR Subparts 12.211/12.212 or DFARS Subpart 227.7202. Azteca Systems Data and Online Services are licensed under the same subpart 227.7202 policy as commercial computer software for acquisitions made under DFARS. The commercial license rights in this License Agreement strictly govern Licensee's use, reproduction, or disclosure of Products. Azteca Systems Software source code is unpublished, and all rights to Products are reserved by Azteca Systems and its licensors. Licensee may transfer Software to any licensed government procuring agency facility to which computer(s) on which Software is installed are transferred. If any court, arbitrator, or board holds that Licensee has greater rights to any portion of Products under applicable public procurement law, such rights shall extend only to the portions affected.

9.10 Governing Law.

- a. *Licensees in the United States of America, Its Territories, and Outlying Areas.* This License Agreement shall be governed by and construed in accordance with the laws of the State of Kansas without reference to conflict of laws principles, except that US federal law shall govern in matters of intellectual property. Except as provided in Section 9.8, any dispute arising out of or relating to this License Agreement or the breach thereof shall be resolved in the following order:
 - *Consultation and negotiation in good faith and a spirit of mutual cooperation;*
 - *Mediation, by a mutually acceptable mediator chosen by the parties, which cost is shared equally;*

9.11 Maintenance. Maintenance for qualifying Software or Data consists of updates and other benefits, such as access to technical support, specified in Azteca Systems' or its distributor's current applicable maintenance policy, as specified in Addendum #2.

9.12 Feedback. Azteca Systems may freely use any feedback, suggestions, or requests for Product improvements that Licensee provides to Azteca Systems. Regardless of the source of any feedback or suggestions, any improvements to Cityworks Software or Products, and any related intellectual property, are owned by Azteca Systems.

9.13 Patents. Licensee may not seek, and may not permit any other user to seek, a patent or similar right worldwide that is based on or incorporates any Azteca Systems technology or services. This express prohibition on patenting shall not apply to Licensee's software and technology except to the extent that Azteca Systems technology or services, or any portion thereof, are a part of any claim or preferred embodiment in a patent application or a similar application.

9.14 Entire Agreement. This License Agreement, including its incorporated documents, addendums, and exhibits constitutes the sole and entire agreement of the parties as to the subject matter set forth herein and supersedes any previous license agreements, understandings, and arrangements between the parties relating to such subject matter. Additional or conflicting terms set forth in any purchase orders, invoices, or other standard form documents exchanged during the ordering process, other than product descriptions, quantities, pricing, and delivery instructions, are void and of no effect. Any modification(s) or amendment(s) to this License Agreement must be in writing and signed by each party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective authorized representatives.

AZTECA SYSTEMS, INC.

CITY OF PITTSBURG, KS– (LICENSEE)

By: _____

By: _____

Name: Brian L. Haslam

Name: Chuck Munsell

Title: President - CEO

Title: Mayor

Date: [mm / dd / yyyy]

Date: [10 /13 /2015]

ADDENDUM #1
PRODUCT LICENSING – SOFTWARE USE
TO THE MASTER SOFTWARE LICENSE AND MAINTENANCE AGREEMENT

Licensed Software: ELA Server AMS Standard:
Includes Unlimited Server AMS, Local Government Templates (LGT), Storeroom, Contracts, Cityworks Analytics, AMS, Mobile Native Apps (iOS/Android), e-URL, CCTV Reader and the use of the Enterprise Cityworks AMS APIs for 3rd party Cityworks-Centric applications.

Additional Software Licenses: Additional Software licenses may be added to this License Agreement with acknowledgement of an official Cityworks quote signed by Licensee and additional fees, if necessary, paid.

Updates to the above licensed software means a subsequent release of the program which Azteca generally makes available to its supported customers as part of the annual maintenance plan for which fees have been paid.

Occasionally, Azteca changes the name of its licensed software as part of its ongoing process to improve and increase the functionality of the software. In the event the software licensed or listed above changes in name, and/or improvements are made, Azteca will provide software with functionality that is similar to or with substantially the same or greater functionality of the originally licensed software, provided all current license fees have been paid.

Updates may not always include any release, option or future program that Azteca licenses separately. Updates are provided when available (as determined by Azteca). Azteca is under no obligation to develop any future programs or functionality. Any updates made available will be delivered to you, or made available to you for download. You shall be responsible for copying, downloading and installing the updates.

ADDENDUM 2

MAINTENANCE AGREEMENT & SOFTWARE TERMS OF USE

This Standard Maintenance Agreement is between the Licensee named below "Licensee" and Azteca, Systems, Inc. Maintenance provided herein consists of technical support, new version software, hot fixes, patches, and software updates. Maintenance is provided subject to the terms and conditions of the signed License Agreement and which is incorporated by reference.

1. **MAINTENANCE:** Azteca Systems will provide update and maintenance support services to Licensee for the times and periods and amounts specified in section 7.3 below. Maintenance support services consists of updates to Software Cityworks and Related Materials, documentation updates and access to telephone support, email support, web support, and other benefits deemed appropriate by Azteca Systems as provided for in the Maintenance Agreement.

1.1. The services to be provided during the Maintenance Period include Azteca Systems Product Updates to Azteca System's Cityworks applications including Program Fixes, Program Upgrades and Program Modifications (not Custom Applications). Azteca Systems will ensure upward compatibility for the Software applications within a reasonable timeframe for minor and major ESRI® ArcGIS and Cityworks supported databases revisions. If identified as "Covered Software," Azteca Systems will ensure upward compatibility within a reasonable timeframe for Custom Applications when there are minor ArcGIS and Cityworks supported databases revisions (for example, from rev 10.1 to rev 10.2). Azteca Systems will not ensure upward compatibility for Custom Applications when there are major ESRI ArcGIS and Cityworks supported databases revisions (for example, from rev 10.x to rev 11.x), Azteca Systems will make all reasonable efforts to provide upward compatibility.

1.2. Azteca Systems shall, without additional charge (except as allowed for in paragraph 3.4, during the term of this Maintenance Agreement:

- (a) Without limiting any other obligation hereunder, make all reasonable efforts to provide those Program Fixes, if any, that are necessary to assure the Covered Software is functioning properly; provided Licensee provides Azteca Systems with written notice specifying particularity in narrative, non-technical terms to the best of Licensees' staff's ability the apparent error in the system and the manner in which the Software is not functioning properly (as provided in Section 2 of this Addendum); and
- (b) Deliver to Licensee any Program Upgrades relating to the Covered Software made available to others.
- (c) Provide Telephone Support, Email Support, Web Support, during normal business hours, 8 AM to 5 PM Mountain Time, Monday through Friday (excepting Holidays) and after hour emergency support line, and other benefits deemed appropriate by Azteca Systems (as set forth in Section 2 below).
- (d) Implement and maintain a means of secure, remote direct network access (VPN, Web-access, dial-up, etc.) to the Licensee's systems in order to perform thorough remote diagnostics and effect remote repairs, upgrades, and fixes.

1.3. The following items, among others, however, are specifically excluded as support services under this section of this Maintenance Agreement:

- (a) Assistance with questions related to computer hardware and peripherals that are not related to the use of the Covered Software;
- (b) Assistance with computer operating system questions not directly pertinent to the Covered Software or Program Modifications;
- (c) Data debugging and/or correcting;
- (d) Services necessitated as a result of any cause other than authorized ordinary and proper use by the Licensee of the Covered Software, including but not limited to neglect, abuse, unauthorized modification, unauthorized updates or electrical, fire, water or other damage; and

- (e) Consulting regarding Custom Applications created to function with the Covered Software unless the Custom Application is identified and listed as Covered Software in Addendum 1.

1.4. Support Periods are renewable unless terminated as provided in Section 4 below. The Maintenance Services consists of software and documentation updates and access to technical support via telephone, email, web-based (MyCityworks.com) and after hours support as set forth in Section 1 of this addendum. The Licensee will provide Azteca Systems in writing the names of the users or individuals who are authorized to contact Azteca Systems and request support services if necessary.

2. **PROCEDURES FOR ACCESSING SUPPORT:**

2.1. All problem categories from routine, non-critical and critical that occur during normal business hours shall procedurally occur as follows: 1) Licensee's system administration staff as first line of support, and then 2) Azteca Systems staff as the second line of support. Azteca Systems will make all reasonable efforts to acknowledge all requests for support during normal business hours within 4 hours.

2.2. Prior to calling Azteca Systems for support services, the Licensee will first attempt to isolate any problems that occur with the System. The Licensee will try to reduce the problem down to a specific software or system component. If it is determined that the problem is The Cityworks Software component, Licensee will first try and resolve the problem without Azteca Systems' involvement. If the Licensee cannot resolve the problem or isolate the problem, Licensee will call Azteca Systems directly.

2.3. For critical problems that occur outside of Azteca Systems' normal business hours (8 AM to 5 PM, Mountain Time) and cannot be isolated and resolved by the Licensee, Azteca Systems will provide an after-hours phone number or pager number that will forward the call or page to the currently assigned Azteca Systems support staff. Azteca Systems will make all reasonable efforts to acknowledge and respond to the request for support for critical problems that occur outside of normal business hours within 4 hours of receipt of the call from a designated and authorized Licensee representative. Critical problems are defined as problems that cause several users to be unable to perform their duties. Depending upon the type of problem, Azteca Systems support staff may need to be sent from Azteca Systems offices to the Licensee location. Azteca Systems project management will confer with Licensee's representative or project management before making this decision. The speed at which remote Azteca Systems staff can respond may be limited by the driving time or the airline flights that are available. The Licensee will reimburse Azteca Systems for all reasonable and customary travel expenses associated with resolving the problem (pursuant to the provisions of paragraph 3.4). For routine and non-critical problems Licensee will submit support requests during normal business hours.

2.4. For all problems involving The Cityworks Software component that are resolved without Azteca Systems' involvement, the Licensee should document the problem and the resolution and send a report to Azteca Systems so that it can be tracked, monitored, and historically recorded

3. **CHARGES/FEES**

3.1. For services hereunder, Licensee shall pay Azteca Systems an annual fee Maintenance Fees as set forth in paragraph 7.3 below. The annual fee for each period is set forth in paragraph 7.3, and shall be paid prior to the start for each Maintenance Period unless otherwise specified. The annual fee for successive Maintenance Periods (twelve-month periods) commencing upon the anniversary of the first maintenance period, shall become due prior to the end of the preceding paid-up Maintenance Period.

3.2. Upon 90 days written notice, the fee for Maintenance Periods listed in section 7.3 subsequent to year three (3) of the Maintenance Period, may be adjusted by Azteca Systems to reflect increases in costs of providing the services; provided, however, that the fee shall not increase by more than the CPI from the previous annual fee. Azteca Systems will notify Licensee of the new pricing no later than 90 days prior to the annual renewal date of the year preceding the year for which such adjusted pricing applies.

3.3. In addition to charges due under this Support Agreement, Licensee shall pay amounts equal to any sales tax, duties, or other consumption taxes, however designated, which are levied or based upon such charges, or upon this Maintenance Agreement.

3.4. Azteca will use all reasonable efforts to utilize remote support-type services. However, in the event Licensee and Azteca Systems agree it becomes necessary for Azteca Systems to be on-site to provide support for the Covered Software, Licensee will reimburse Azteca Systems for reasonable and customary travel expenses directly related to the on-site work. As the result of mutual negotiation by the parties, Azteca Systems shall provide a lump sum estimate and get the prior approval of Licensee before incurring any costs for which it shall seek reimbursement from Licensee under this Section. The speed at which remote Azteca Systems staff can respond may be limited by the driving time or the airline flights that are available. Licensee shall have the right to request an audit of any such cost related records of Azteca Systems to the extent reimbursement has been made by Licensee under the terms of this Section.

4. TERM AND TERMINATION:

4.1. The initial term of this Maintenance and Support Agreement will begin upon the effective date set forth in section 7.2 below, and continue for twelve (12) consecutive months at the rate of fee(s) as noted in section 7.3 below. Thereafter, Licensee may continue maintenance as set forth in the table below and beyond at the then-current amount.

4.2. Termination for convenience: Either party may terminate this maintenance agreement by giving the other party thirty (30) days' notice prior to the end of the current maintenance period.

4.3. In the event that either funding from Licensee or other sources is withdrawn, reduced, or limited, or the authority of Licensee to perform any of its duties is withdrawn, reduced, or limited in any way after the Effective Date of this Agreement and prior to normal completion, the parties shall have the authority to exercise the Termination for Convenience option to terminate this Agreement, in whole or in part. If a party to this Agreement chooses to terminate for convenience that party may do so by thirty (30) days' written notice to the other party.

4.4. If this Agreement is terminated for convenience, the Licensee is only liable for payment required by the terms of this Agreement for services rendered or software received and accepted prior to the Effective Date of termination.

5. WARRANTY, DISCLAIMER REMEDY, AND LIMITATION OF LIABILITY

5.1. Azteca Systems warrants that all technical support provided pursuant to this Maintenance Agreement shall be performed in a professional and workmanlike manner. Azteca Systems will use commercially reasonable efforts to provide corrections to a technical issue or provide a workaround, but Azteca Systems cannot guarantee that all technical issues can be fixed or resolved.

5.2. With respect to the services provided hereunder and to the extent permitted by applicable law, this warranty is in lieu of all other warranties, whether written or oral, express or implied, including without limiting the generality of the foregoing, any warranty of non-infringement, merchantability or fitness for a particular purpose.

5.3. EXCEPT FOR THE ABOVE EXPRESS LIMITED WARRANTY, AZTECA SYSTEMS DISCLAIMS ALL OTHER WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINTERFERENCE, SYSTEM INTEGRATION, AND

NON-INFRINGEMENT. AZTECA SYSTEMS DOES NOT WARRANT AND DISCLAIMS THAT MAINTENANCE OR ANY SERVICES PROVIDED HEREUNDER WILL MEET LICENSEE'S NEEDS THAT LICENSEE'S OPERATION WILL BE UNINTERRUPTED, ERROR FREE, FAULT TOLERANT, OR FAILURE-SAFE; OR THAT ALL NONCONFORMITIES CAN OR WILL BE CORRECTED.

5.4. **Remedy.** If Azteca Systems fails to fulfill its obligations under this maintenance addendum, Licensee's sole and exclusive remedy, except in the case of gross negligence on the part of Azteca Systems, is the right to terminate this maintenance agreement immediately for the affected and listed Products and receive a refund of the unused portion of maintenance fees paid under this maintenance agreement, prorated for the current maintenance period.

5.5. **Limitation of Liability.** EXCEPT IN THE CASE OF GROSS NEGLIGENCE ON THE PART OF AZTECA SYSTEMS, IN NO EVENT SHALL AZTECA SYSTEMS BE LIABLE TO LICENSEE FOR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, LOST PROFITS, LOST SALES OR BUSINESS EXPENDITURES; INVESTMENTS; COMMITMENTS IN CONNECTION WITH ANY BUSINESS; LOSS OF ANY GOODWILL; OR FOR ANY INDIRECT, SPECIAL INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATED TO THIS STANDARD MAINTENANCE AGREEMENT OR USE OF QUALIFYING PRODUCTS, HOWEVER CAUSED, ON ANY THEORY OF LIABILITY, AND WHETHER OR NOT AZTECA SYSTEMS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY REMEDY.

6. MISCELLANEOUS

6.1. Azteca Systems shall not be in default under this Agreement for its failure to perform or its delay in performing any obligation under this Maintenance Agreement (other than the reimbursement of fees as set forth in section 8.2 of the License agreement, during any period of time during which such delay is due to fire, flood, earthquake, strike, labor trouble or other industrial disturbance, war (declared or undeclared), embargo, blockage, legal prohibition or governmental action, riot, insurrection, damage, destruction or any other cause beyond the control of Azteca Systems or any of its contractors preventing or delaying the performance of such obligation, provided that such obligation shall be performed immediately upon the termination of such cause preventing or delaying such performance; and provided further that the sole effect of any delay by Azteca Systems shall be a related delay in payment by the Licensee pursuant to the relevant schedule.

6.2. **Notices:** Until further written notice, all payments and notices relevant to this Agreement shall be sent to the following addresses:

Azteca Systems: Azteca Systems, Inc.
11075 South State Street, Suite 24
Sandy, UT 84070

Licensee The address set forth in section 7.1 below.

6.3. **Negotiated Agreement:** This Agreement is intended to be a master agreement for licensing and maintenance. This Agreement is a negotiated agreement between the parties and supersedes and replaces any and all other standard terms of either party set forth in any quote, purchase order, invoice or communication and applies so long as this Agreement remains in effect. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated there under, unless the context requires otherwise.

6.4. **Applicable Laws:** This maintenance agreement is governed by and construed in accordance with the laws of the state of Kansas without reference to conflict-of-laws principles except that US federal law shall govern in matters of intellectual property.

6.5. **Data Confidentiality Statement:** Azteca Systems will take reasonable measures to ensure that any Licensee data and/or confidential information provided to Azteca Systems is not inappropriately accessed or distributed to any third-party. Data provided to Azteca Systems by the Licensee may be loaded onto Azteca Systems servers or employee computers for the purpose of testing The Software Cityworks, database structure, or database values, and related ESRI® software to resolve database or software performance issues, software enhancements and software defects. At no time will the data be distributed to individuals or organizations who are not Azteca Systems employees without first receiving written approval from Licensee. If requested by the Licensee, and once the testing has been completed, Azteca Systems will delete all data provided by the Licensee.

6.6. **No Implied Waivers:** No failure or delay by Azteca Systems or Licensee in enforcing any right or remedy under this Agreement shall be construed as a waiver of any future or other exercise of such right or remedy by Azteca Systems

7. **IDENTIFICATION AND AMOUNTS**

7.1. **Licensee Information**

Licensee Name:	City of Pittsburg Dept. of Innovation-Inform. Tech. Division
License Contact:	Patrick Walker
Number and Street	201 W. 4th Street
City/State/Zip/Country	Pittsburg, KS 66762
Phone	620-249-8214
Email	pat.walker@pittks.org

7.2. **Delivery Date/Effective Date**

MM/DD/YYYY

10/20/2015

7.3. **Schedule of payments and Fees under Maintenance Agreement**

Support Period	Date From/To (mm/dd/yy)	Amount
Year 1	10/20/15 to 10/19/16	\$30,000.00
Year 2	10/20/16 to 10/19/17	\$30,000.00
Year 3	10/20/17 to 10/19/18	\$30,000.00

ADDENDUM 3

THIRD PARTY CONSULTANT/CONTRACTOR ACKNOWLEDGMENT

If Licensee engages any third party contractor and desires to grant access to or permission to use the licensed software as set forth in 4.1 of the License Agreement, then access may be granted subject to the following terms conditions and provisions:

1. Access and use of the Licensed Software by any third party is solely for Licensee's benefit
2. The third party contractor (or, if applicable, its employee) shall be considered, as applicable, the Authorized User for purposes of the applicable license type, and all use by such contractor shall be in accordance with the terms and conditions of the Master License Agreement,
3. Before accessing the Licensed Software, the contractor agrees in writing that (a) the software shall be used solely in accordance with the terms of this Agreement and solely for Licensee's benefit and (b) the contractor shall be liable to Azteca Systems for any breach by it of this Agreement,
4. Licensee hereby agrees and acknowledges that Licensee will be liable for any and all actions or omissions of the contractor with respect to the use of the Licensed Software, as if such actions or omissions were the Licensee's;
5. Upon expiration or termination of this License Agreement, the rights of usage to any third party contractor shall immediately terminate;
6. Use of the Software by such third party contractors on Licensee's behalf will be governed by the terms of this Agreement, and will require that Licensee purchase the appropriate license for each user utilized by such third parties.
7. Any breach of this Agreement by any third party consultant(s)/contractor(s) will be deemed to be a breach by Licensee;
8. Licensee will ensure that Contractor agrees to comply with and does comply with the terms of this Agreement on the same basis as the terms apply to Licensee; and
9. Any third party contractor must sign a copy of this Addendum acknowledging that it has a copy of the license agreement and agrees to the terms herein, further Licensee shall provide a signed copy of this addendum for every third party contractor to which it has granted permission to access and/or use the licensed software;

The rights granted under Third-Party Addendum, do not modify the license or increase the number of licenses granted under this Agreement. Third-Party acknowledges acceptance by signing below, and providing a copy to Azteca Systems.

Third Party Contractor Name (Print)

By: _____
Authorized Signature

Date: _____

Professional Services Agreement
NewEdge Services, LLC

This Agreement for Professional Services ("Agreement") made and effective this _____ day of _____ 2015, by and between **NewEdge Services, LLC (Consultant)** and **City of Pittsburg, Kansas (Owner)** who, in consideration of the mutual covenants of this Agreement, hereby agree as follows:

1. Scope of Services

Consultant shall perform the tasks described on **Exhibit "A"** in accordance with the conditions thereon and provide all of the deliverable items in accordance with the terms of this contract. The scope of services is based on the response to the Owner's Request for Proposal for an Asset Management/Work Order System with a due date of March 9, 2015.

2. Billings, Compensation and Status

Consultant acknowledges that it is an independent consultant and is responsible for all project related taxes and there shall be no withholding of taxes. The **Consultant** understands, acknowledges and **Consultant** agrees that none of the employees shall be classified employee of the owner and that none of its employees shall have, be entitled to or receive any of the benefits afforded to the unclassified employees of the **Owner**.

Owner agrees to pay for of all tasks completed with respect to this contract in accordance with the Scope of Work attached as **Exhibit "A"**. **Owner** shall pay to **Consultant** an amount based on the price listed in the attached **Exhibit "A"** not to exceed **\$75,800.00**.

Consultant will invoice the **Owner** monthly for services rendered. Invoices will be based upon the proportion of the total services actually completed at the time of billing. Each invoice will set forth the Time, Date, timed length of support offered and nature of work performed. **Consultant** statements are due and payable upon receipt, and shall be paid in full within thirty (30) days of the statement date. Final settlement shall be made by the Owner to the **Consultant** within thirty days (30) following the completion and acceptance of **Consultant's** work.

Consultant reserves the right to cease representation if a statement remains outstanding for more than one hundred twenty (120) days.

OWNER is obligated only to pay periodic payments or monthly installments under the agreement as may lawfully be made from (a) funds budgeted and appropriated for that purpose during such municipality's current budget year or (b) funds made available from any lawfully operated revenue producing source.

Original Invoices shall be sent to Pat Walker, Network Administrator/Project Manager.

3. Term and Termination

- 3.1 The term of this Agreement begins on above signed date and unless properly terminated by either party, this Agreement will remain in effect for one year, except for Continued Support as described in Exhibit A, which will continue as long as OWNER maintains Cityworks licensing. This agreement may be extended through an addendum to include additional departments.
- 3.2 The terms of this Agreement shall be binding upon the parties hereto until all tasks outlined in **Exhibit "A"** have been delivered and accepted by **Owner** and all payments required to be made to the **Consultant** have been made; but, this Agreement may be terminated under any or all of the following conditions.
- 3.2.1 By mutual agreement and consent of the parties hereto.
- 3.2.2 By the **Owner** as a consequence of the failure of the **Consultant** to comply with the terms, or quality of work in a satisfactory manner, proper allowance being made for circumstances beyond the control of the **Consultant**. **Owner** must give **Consultant** thirty (30) days written notice of intent to terminate Agreement with cause. **Consultant** will have thirty (30) days to remedy failures, if failures are not remedied to the satisfaction of the **Owner** then Agreement shall be terminated.
- 3.2.3 By satisfactory completion of all services and obligations described herein.
- 3.2.4 By the **Owner**, giving thirty (30) days notice to the **Consultant** in writing and paying fees due for completed work.
- 3.2.5 Should the **Owner** desire to suspend the work, but not definitely terminate the agreement, this may be done by thirty (30) days notice given by the **Owner** in writing to that effect. The work may be reinstated and resumed in full force at a mutually agreed date upon receipt from the **Owner** of thirty (30) days notice in writing to that effect. Payments to Consultant will not be due for activity performed during work suspension.

4.0 Compliance With Laws And Ordinances

The **Consultant** hereby agrees to comply with all Federal, State and Local laws and ordinances applicable to the work or services under this contract.

5.0 Successors And Assigns

Owner and **Consultant** each bind himself, his successors, executors, administrators and assigns to the other party to this agreement, and to the successors, executors, administrators and assigns of each other party in respect to all covenants of this agreement.

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6.0 General

- 6.1 The **Consultant** shall indemnify and save harmless the **Owner** against any and all claims, demands, suits or judgments for sums of any party for loss of life injury or damages to person or property growing out of, resulting from, or by reason of any negligent or intentional act by the **Consultant**, its agent, servants or employees, while engaged upon or in connection with the services required or performed hereunder.
- 6.2 While in performance of services or carrying out other obligations under this Agreement, the **Consultant** shall be acting in the capacity of the independent Contractors and not as employees of the **Owner**. The **Owner** shall not be obligated to any person, firm or corporation of their services under this Agreement. The **Consultant** shall be authorized to represent the **Owner** with respect to services being performed, dealing with other agencies, (including software vendors) and administrations in order to perform the services under this contract.
- 6.3 The **Consultant** warrants that it has not employed or retained any company or person other than bona-fide employee working solely for the consultant, to solicit or secure this contract, and that they have not paid or agreed to pay any company or person, other than bona-fide employees working solely for the consultant, any fee, commission, percentage, brokerage fee, gifts or any other consideration, contingent upon or resulting from the award or making of this contract. For breach or violation of this warranty, the **Owner** shall have the right to annul this contract without liability.

7. Anti-Kickback

Salaries of Consultant's employees performing work under this contract shall be paid unconditionally and not less often than once a month without deduction or rebate on any account except only such payroll deductions as are mandatory by law or permitted by the applicable regulations issued by the Secretary of Labor pursuant to the Copeland "Anti-kickback Act" (Title 18 U.S.A., Section 874) and as supplemented in the Department of Labor Regulations (29 CFR, Part 3).

8. Nondiscrimination

- 8.1 Consultant agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1973, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, title IX of the Education Amendments of 1972, and Consultant agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

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8.2 Consultant agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, national origin, and veteran status, political affiliation or physical disabilities.

8.3 Any act of discrimination committed by consultant, or failure to comply with these statutory obligations when applicable, shall be grounds for termination of this contract.

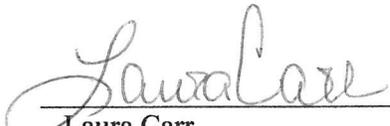
9. Applicable Law and Venue

Without regard to any rules on conflicts of law, this Agreement shall be subject to and interpreted in conformance with the laws of the State of Kansas and ordinances of the City of Pittsburg, unless expressly provided otherwise by federal law or regulations. Venue is defined as the District Court of Crawford County, Kansas.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

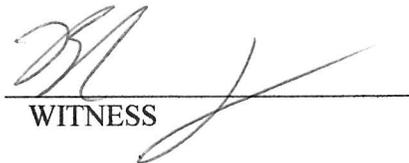
NewEdge Services, LLC

City of Pittsburg, Kansas



Laura Carr
Chief Operating Officer
NewEdge Services, LLC

Chuck Munsell
Mayor
City of Pittsburg, KS



WITNESS

WITNESS

Exhibit A

PROPOSED IMPLEMENTATION PLAN

PROJECT APPROACH AND METHODOLOGY:

The section below details NewEdge Services' methodology for implementing Cityworks for the City of Pittsburgh's Wastewater Collections and Wastewater Treatment Plants divisions of Public Utilities. NewEdge feels our process sets us apart from the competition. We feel that on-site interaction with the client is crucial. Our staff will be on-site for kick off meetings, work flow analysis, training and on-site support. The NewEdge support does not end after the go-live date. Our staff is still available to assist with issues and answer user questions as needed.

For this implementation, the City of Pittsburgh should have a dedicated resource to the implementation team who will act as our interface to GIS, IT or other departmental staff. Certain tasks will require this individual to spend up to 100% of their time, but on average the staff requirement to assist the implementation team will fall between 60-80%.

NewEdge understands the City has a long term goal of using Enterprise Work Order Management software throughout the City. The initial phase of implementation will focus on the following:

Wastewater Collections Division
Wastewater Treatment Plant
Storeroom module for Warehouse Management

The defined methodology will be used for the initial phase of implementation and will also be applied for any future implementations such as Parks and Recreation, additional divisions of Public Utilities and Public Works.

Task 1 – Software Acquisition

Azteca Systems, Inc. is the recognized leader in Enterprise GIS-centric Computerized Maintenance Management Systems. Product information and licensing for Azteca's Cityworks Server AMS software is included in **Sections 8 and 10** of this proposal. The software that will be acquired under this project will be the latest version of the Cityworks software and will be compatible with the current ESRI and database software in use by the City of Pittsburgh. Four pricing options have been supplied by Cityworks for review by the City. Either option the City chooses will not modify the implementation and configuration tasks listed below.

NewEdge strongly recommends that the purchase of the Cityworks software be done on a separate Purchase Order (PO) and contract from the implementation services. This method ensures that the City is the owner of the Cityworks software after the implementation is complete.

Task 2 – Workflow Assessment

NewEdge kicks off all Cityworks implementation projects with an on-site workflow assessment. Conducted by NewEdge staff, the team will review in detail the existing workflows and business processes currently in place. During this assessment, NewEdge staff will collect information that

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will be input into the Cityworks database such as employee lists, materials, etc. Prior to the scheduled assessment, NewEdge will provide a configuration guide that details the information needed for the configuration of the system. Spreadsheets formatted to match the Cityworks database will be provided.

The NewEdge team will take this opportunity to review current work flow procedures and propose changes or modifications to current processes that align more closely with practices and procedures utilized by the Cityworks AMS system.

Task Duration: 55 hours

Deliverables:

- *One week on-site for assessment meetings.*
- *Business process mapping report – detailing the current processes and suggestions for modifications to the current procedures*

Task 3 – Cityworks Database Design and Configuration

The NewEdge implementation team will take the information collected in the workflow assessment meetings and configure the Cityworks database. This work will be done in a test environment at the NewEdge office. The configured database becomes the production database used by the City. Configuration of the Cityworks database will include but are not limited to:

- Call Center / Service Requests
 - Problem Codes
 - Service Request Templates
 - Submit To / Dispatch To names configured
- Work Orders
 - Work Activities / Templates
 - Employee Lists
 - Materials
 - Equipment
- Inventory Asset – GIS Data
- Inspections
 - Inspection Types
 - Inspection Schedule
- Reporting
 - Cityworks Analytics
 - Custom Queries and Inboxes
 - Crystal Reports
- Storeroom
 - Material Lists
 - Suppliers / Contractors

During the workflow assessment meetings, NewEdge will determine the roles and responsibilities of the users accessing the system. The domain, role, and template level security will be established in the test environment.

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Based on reporting needs discovered during the Workflow Assessment, NewEdge will generate 2 custom Crystal Reports templates for the City. Additional reporting needs may be accommodated by Cityworks Reporting tools, Inboxes and Export to Excel or Word.

Task Duration: 275 hours

Deliverables:

- *Test environment configured off-site*
- *Configured Cityworks database*
- *2 Custom Crystal Report templates*

Task 4 – On-Site Review of the Cityworks Database

NewEdge staff will be on-site to review the Cityworks Database Configuration with the City of Pittsburg Wastewater Collections and Wastewater Treatment Plant staff. NewEdge staff will review all aspects of the Cityworks database and will verify the work flow of the service requests, work orders and inspections is correct. NewEdge staff will make configuration changes to the database during the review. All of this work will be performed on the NewEdge test site.

Task Duration: 16 hours

Deliverables:

- *2 days on site for Cityworks database review*

Task 5 – Installation and Configuration of Production Database

NewEdge will support the City staff off-site via phone and video conference support as they install and configure user machines, network communications, servers, etc. in preparation for the Cityworks software and database installation.

NewEdge will be on-site, to perform the installation and configuration of the Cityworks software and the associated database on the City's production servers, user machines and training computers. After completion of the installation, NewEdge staff will thoroughly test out the connectivity and functionality of the client machines to the Cityworks database. Some tests that will be performed include:

- Security correctly configured
- Ability to generate service requests, work orders and permits
- Codes / Templates are correct in the system

Task Duration: 24 hours

Deliverables:

- *Two days on site for software install and configuration*

Task 6 – Training and On-Site Support

See Training Practices section below for details on training and on-site support.

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STOREROOM MODULE:

The Storeroom module of Cityworks allows for materials in a warehouse to be tracked and removed from inventory as the materials are used against work orders. Workflow is a critical piece of using the Storeroom module in conjunction with the work order management software.

The implementation of Storeroom will follow the same tasks as outlined above for the implementation of Cityworks. Since the work orders and materials are linked in Cityworks, the NewEdge team finds it easier to implement the two modules together. However – the implementation of Storeroom can be moved to a later date if need be due to project scheduling and budget.

TRAINING PRACTICES:

NewEdge's philosophy of training is to be on-site and interact with the users. During implementations, NewEdge provides two levels of training – one level is a classroom type training where the trainer walks through the functionality of the software and performs live demonstrations. Users should have their own machines for the classroom training so they can interact with the software and perform the exercises given to them by the trainer. Our second level of training is the on-site support week. While we call this support, it's actually training. This is the time that NewEdge team members work one on one with the users of the software. It's an opportunity for the users to ask questions and receive clarification on the software while performing their daily work activities. NewEdge finds this a critical step in the implementation process. During this week we typically perform the fine-tuning of the database and streamline the work flow process.

Classroom Training

The NewEdge team will conduct on-site training of the Cityworks AMS software system.

- Administrator Training (1 day) – This training is targeted for the “super users” of the system. These users will be responsible for the underlying Cityworks database and on-going maintenance of the system.
- Designer Training (1 day) – This training is targeted for those users who will maintain the lists, codes, etc. in the Cityworks database. These attendees will manage the employee lists, materials, equipment and modify or add additional workflows.
- User Training (2 days) – This training is designed for the users of the system who will interact with the Cityworks system on a regular basis. This training should include users entering service requests, work orders, performing inspections and will use Cityworks to generate reports.
- Storeroom Training (1 day) – This training is focused on warehouse personnel and those that will be issuing, receiving and possibly purchasing materials through the Cityworks Storeroom module. It is also advised that warehouse

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personnel attend the User Training as well to get an understanding of the work order process.

Training materials (tip sheets, etc.) will be provided at the training sessions. The City will be responsible for providing a training facility including computers configured to the correct specifications for the Cityworks software and connectivity to the Cityworks database.

On-Site Support

Once Cityworks is on-line and the staff is trained, NewEdge staff will remain on-site to assist users as they encounter day to day business transactions using the Cityworks software. NewEdge sees this as a critical step in the implementation process as it gives our implementers an opportunity to work directly with the users on an individual basis. During this time our staff will discover and correct configuration issues, overcome training lapses and finalize or modify work order procedures and permitting work flows. The City will be responsible for setting up the schedule for on-site support. Each user should be dedicated one to two hours of individual support with the NewEdge staff, depending on their roles and responsibilities with the software.

Continued Support

The NewEdge staff will continue to provide off-site phone and video conference support after the training and roll-out support is complete. NewEdge staff will be available between the hours of 7:30 to 5:30 Monday through Thursday and from 7:30 to 11:30 on Fridays. These are NewEdge's official office hours. The City's maintenance agreement includes 24 hour support from Azteca personnel.

Additional Training (Optional)

Azteca offers a variety of training on the Cityworks software and also conducts a yearly conference. The Cityworks training can be either on-site at the Azteca facilities in Utah, regional training or video conference training. The courses provided range from Administrator training to module training such as Storeroom. A complete listing of training courses, descriptions and schedules can be found on MyCityworks.com.

Crystal Reports Training (Optional)

NewEdge also offers custom Crystal Reports training. Crystal Reports is the reporting mechanism used by Cityworks. The implementation package includes the development of 2 custom report templates however users may need additional custom reports generated after the go-live date. The 2 day Crystal Reports training will prepare the user to generate these reports for use in Cityworks. NewEdge will honor the pricing provided in the proposal for up to one year after the City is live with Cityworks.

Task Duration – 220 hours

Deliverables:

- *One week of training for the Cityworks AMS software*
- *Administrator / Designer Training*
- *Optional Crystal Reports Training*
- *Training materials*

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GIS DATA CLEANUP:

During the initial kick off meetings, a thorough review of the GIS database will be performed. Items that the NewEdge team will be looking for include:

- Database Structure
- Related Tables for vertical assets (Ex. Motors for pump features are generally stored in a related table)
- Attributes to display in the Cityworks interface
- Updates to feature tables by inspections – if applicable

NewEdge has developed custom tools for the management of FacilityID fields in the GIS Data. During the initial kick off meeting, the NewEdge team will review the FacilityID structure with City staff and determine if the existing FacilityID fields need to be kept or if they can be overwritten. The price for FacilityID cleanup in **Section 8 – Costs and Contract Terms** as found in the Request for Proposal response dated 3/9/2015 is for using our tool to populate the FacilityID fields. This cost could change based on findings during the initial kick off meeting. Also included in the cost proposal is the option price for NewEdge installing and configuring the FacilityID tool for future FacilityID management by the City.

NewEdge also understands the City wants to implement the system for work order management at the Wastewater Treatment Plant. NewEdge understands that the asset inventory currently resides in Access databases and in the SCADA software database. These assets will need to be translated as features in the GIS database so that work orders can be attached to the specific motor, pump, tank, etc. at the plant. The cost for NewEdge to perform this work is included in the GIS Data Cleanup line item in **Section 8 – Costs and Contract Terms** as found in the 3/9/2015 Request for Proposal response. This is optional and if the City wishes to update the GIS, then this task can be removed from the scope.

NewEdge staff will provide written documentation and cost proposals for any needed edits for Cityworks to operate and will also include recommendations for preparing the GIS data for future implementations.

Task Duration: 75 hours

Deliverables:

- *Updated GIS database for WWTP assets*
- *Optional – FacilityID Maintenance Tool*

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THIRD PARTY INTEGRATIONS:

As part of this project, the City of Pittsburg has identified five key system integrations between Cityworks and the following:

System	Description	Interface
Esri ArcGIS	GIS Software	No integration needed – core functionality of Cityworks
Microsoft Outlook	Email Notifications	No integration needed – core functionality of Cityworks
Microsoft Excel	Import/Export	No integration needed – data can be exported and imported through Cityworks or through the SQL Server database
IT Pipes	CCTV	IT Pipe’s Cityworks Integration Module

The concept of the enterprise system is to create integration points for users to share appropriate information with other users, without having the overhead of all the software packages for each application.

The NewEdge integration staff has a thorough knowledge of the back end structure and configuration of the Cityworks database. This is essential information to know and understand when linking the Cityworks software with third party solutions. NewEdge has experience integrating databases from Access, Fox Pro and even several proprietary database platforms and SQL Server. The NewEdge team prefers to leverage the Cityworks API’s that include Service Request, Work Order, Inspections and Metrics when possible, however database to database integrations are possible using triggers and scripts on the native databases.

NewEdge takes a phased approach when performing data integration activities. All of the steps below are first performed in the NewEdge offices in our development environment.

- Request copies of the existing data sources.
- Map data fields from source data to the tables and fields in the Cityworks database.
- Create custom scripts that will transfer the data from the data source to the Cityworks database. This might either be a job that transfers data on a scheduled basis, triggers between the database sources or direct links between the two databases.

Each integration listed above will require its own kick-off meeting and database review.

Task Duration: 56 hours

Deliverables:

- *Workflow Diagram and Application Design Document*

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LONG-TERM CITYWORKS IMPLEMENTATION PLAN:

Once the Wastewater Collections Division, Wastewater Treatment Plants and the Warehouse are live using Cityworks, NewEdge staff will work with City staff to develop a plan for continued Cityworks implementations. NewEdge staff will conduct a one day workshop to collect information on additional divisions and departments interested in Cityworks. The final report will include a phased approach to implementations, hardware and software recommendations and staffing needs.

Task Duration: 40 hours

Deliverables:

- *One day workshop*
- *Implementation Plan Document*

City of Pittsburgh – Cityworks Implementation Schedule

Jobs or actions to be accomplished	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Implementation Schedule (WWC, WWTP, Storeroom)						
Task 1 – Software Acquisition						
Task 2 – Kick Off Meeting and Workflow Assessment						
Task 3 – CW Database Design and Configuration						
Task 4 – On Site Review of Cityworks Configuration						
Task 5 – Installation and Configuration of Production Database						
Task 6 – Training and On-Site Support						
Continued Support						
GIS Data Cleanup						
Third Party Integrations With Cityworks						
IT Pipes						
SCADA						
Long Term Implementation Plan						

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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: TROY GRAHAM
Assistant Director of Public Works

DATE: October 6, 2015

SUBJECT: Agenda Item – October 13, 2015
Recommendation of the Planning and Zoning Commission
Request for a Conditional Use to Allow Chickens to be Housed on the
Property Located at 1017 East 4th Street

The Planning and Zoning Commission, in its meeting of September 28, 2015, considered a request submitted by Charles Watson for a Conditional Use under the provisions of Article 30 of the Pittsburg Zoning Ordinance to allow chickens to be housed at his residence located at 1017 East 4th Street. A Conditional Use will be required for this request due to the fact the property is not large enough to contain farm animals such as chickens (per City of Pittsburg Zoning Ordinance) and the fact it is located in an area currently zoned as CP-2 Planned General Commercial District. There was no one present to speak in opposition to this conditional use request and there were letters of approval from local neighbors presented at the meeting.

The following criteria are considered when a change of zoning case is heard. Although these criteria are not required when considering a Conditional Use, they are used as a guide.

1. Character of the neighborhood. The property is located in an area which is surrounded by a mix of single family residential homes and commercial properties. The property lies just to the west of the 4th Street and Rouse intersection which contains mostly commercial properties. Most of the property along 4th Street is zoned commercial although it contains a mix of residential homes and businesses.

MEMO TO: DARON HALL
OCTOBER 6, 2015
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2. Zoning and uses of nearby properties. The properties directly to the east and west of this property are zoned CP-2. The properties located directly to the north of this property are zoned R-2 Two Family Residential District. The properties to the south of this property across 4th Street are zoned CP-2 Planned General Commercial.
3. Suitability of the subject property for the uses to which it is being considered. The City has determined with our zoning regulations that a minimum of one (1) acre is required for the raising of farm animals such as chickens but has provided the opportunity for smaller tracts as long as care and maintenance of the area does not cause a nuisance with the issuing of a conditional use. If approved the Planning and Zoning Commission should set a limit to the number of chickens to be kept at this location. Conditional Use Section from the Zoning Manual states that "Keeping of farm animals such as cattle, sheep, horses, mules, chickens, ostriches, emus, rheas and any other animal defined by K.S.A. 47-1001, and acts amendatory and supplemental thereto, as "livestock" on a lot or tract of less than one (1) acre. Only that land used in keeping the farm animals shall be considered in determining the available land."
4. Length of time the subject property has remained vacant as zoned. Property is currently not vacant and contains a single family home.
5. The extent to which removal of the restrictions will detrimentally affect the nearby property. Granting of a Conditional Use for this applicant and property could be detrimental to neighboring properties should the maintenance of the area not be kept up. Other neighboring properties could also apply for the same type of Conditional Use.
6. Relative gain to public health, safety, & welfare. Health, Safety, and Welfare could be affected should maintenance of the property not be kept up regularly.

After reviewing all the evidence presented, the Planning and Zoning Commission voted unanimously to recommend to the Governing Body **approval** of this request. In this regard, would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, October 13, 2015. Action necessary will be for the Governing Body to consider the recommendation of the Planning and Zoning Commission and, if they are in agreement with the recommendation as provided, deny the request. If the Governing Body is not in agreement with the recommendation as provided, the State Statutes stipulate that the Governing Body, by a simple majority, may approve the request or send it back to the Planning and Zoning Commission for further consideration.