

AN ORDINANCE TO AMEND CHAPTER 14 OF THE CODE OF THE CITY OF ASHLAND

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF ASHLAND, MISSOURI, AS FOLLOWS:

Section 1. Section 14.205. Billing and collection procedures (Water) of Chapter 14 of the Ashland City Code is hereby amended as follows:

Material to be deleted in ~~strikeout~~; material to be added underlined.

Section 14.205. Billing and collection procedures (Water)

- A. All water service charges shall be paid to the City, or its authorized agent, at the location or locations designated by the City. Water service charges shall be due on the 15<sup>th</sup> day of each month.
- B. Every water service charge specified in this section remaining unpaid after the 15<sup>th</sup> of the month shall be increased by ten (10) percent. If charges have not been paid by the 25<sup>th</sup> of the month at 5:00 p.m. a notice of disconnect will be issued and an additional ~~ten dollar~~ ten-dollar (\$10.00) charge shall be added to the water service charges remaining unpaid. If the 25<sup>th</sup> falls on a weekend or City holiday, the charge is assessed on the next business day. All fees must be paid by 5:00 p.m. on the date listed on the disconnect notice ~~of~~ or the ~~customers~~ customer's water service will be disconnected. Notwithstanding the foregoing, in the event a commercial or public funded customer service is providing services to individuals whose health may be compromised or vulnerable due to a lack of water service, including, but not limited to skilled nursing care facilities, assisted living facilities, hospice care facilities, and public schools, the City Utility Clerk shall notify the City Administrator 24 hours in advance of water service being disconnected. The City Administrator shall have discretion to extend the deadline for payment and disconnection after communication with said customer and arrangements have been made to bring the account current. Service will not be reconnected until all fees and a seventy-five dollar (\$75.00) reconnection fee have been paid. Reconnections will not be done outside of normal work hours for City public works employees, unless deemed an emergency situation by the city water superintendent. The fee for reconnections made outside of normal work hours shall be one hundred fifty dollars (\$150.00).

.....

Section 2. This Ordinance shall be in full force and effect from and after its passage. 2018.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Gene Rhorer, Mayor

Attest:

\_\_\_\_\_  
Darla Sapp, City Clerk

Certified as to correct form:

\_\_\_\_\_  
Jeffrey Kays, City Attorney



COUNCIL BILL NO. 2018-065

ORDINANCE NO.

AN ORDINANCE VACATING PART OF A DRAINAGE EASEMENT FOR THE RENEE DRIVE DRAINAGE IMPROVEMENT PROJECT; AND AUTHORIZING THE CITY CLERK TO RECORD THIS ORDINANCE

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF ASHLAND, MISSOURI AS FOLLOWS:

Section 1. The Board of Aldermen hereby vacates part of an easement for the Renee Drive Drainage Improvement Project that is in excess of the needs for this project. The legal description of easements to be vacated shall be substantially as set forth in the following exhibit, which is attached to and made a part of this ordinance.

Exhibit A: Vacating part of a Drainage Easement on property of Julie Keathley and Darlene Shelton-109 Renee Drive

Section 2. The City Clerk is authorized to cause a copy of this ordinance to be recorded in the office of the Recorder of Deeds of Boone County, Missouri.

Section 3. This ordinance shall be in full force and effect from and after its passage and approval.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Gene Rhorer, Mayor

Attest:

\_\_\_\_\_  
Darla Sapp, City Clerk

Certified as to correct form:

\_\_\_\_\_  
Jeffrey Kays, City Attorney

DESCRIPTION FOR VACATING PART OF DRAINAGE EASEMENT  
FOR THE RENEE DRIVE DRAINAGE IMPROVEMENT PROJECT  
JULIE KEATHLEY AND DARLENE SHELTON, OWNERS  
FOR THE CITY ASHLAND, MO  
JOB #13029.01

SEPTEMBER 25, 2018

PART OF THE DRAINAGE EASEMENT DEDICATED ACROSS THE EAST PART  
OF LOT 50, ASH POINTE THIRD ADDITION, RECORDED IN PLAT BOOK 33,  
PAGE 71, RECORDS OF BOONE COUNTY, MISSOURI, BEING MORE  
PARTICULARLY DESCRIBED AS FOLLOWS:

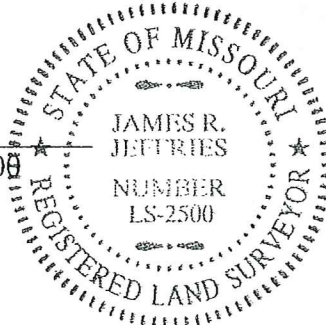
COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 50; THENCE  
WITH THE EAST LINE OF SAID LOT 50, S2°21'20"W, 20.00 FEET TO THE POINT  
OF BEGINNING;

THENCE FROM THE POINT OF BEGINNING, CONTINUING, S2°21'20"W, 90.45  
FEET TO THE NORTHERNMOST CORNER OF THE DRAINAGE EASEMENT  
RECORDED IN BOOK 4733, PAGE 43; THENCE LEAVING SAID EAST LINE AND  
WITH THE NORTHWEST LINE OF SAID DRAINAGE EASEMENT, S22°59'45"W,  
45.40 FEET TO THE WEST LINE OF SAID DRAINAGE EASEMENT DEDICATED  
ALONG THE EAST LINE OF SAID LOT 50; THENCE LEAVING SAID  
NORTHWEST LINE AND WITH THE WEST LINE OF SAID DRAINAGE  
EASEMENT, N2°21'20"E, 132.95 FEET; THENCE S87°38'20"E, 16.00 FEET TO THE  
POINT OF BEGINNING AND CONTAINING 1,788 SQUARE FEET.

ALLSTATE CONSULTANTS LLC.

James R. Jeffries  
JAMES R. JEFFRIES, PLS-2500

SEPT. 25, 2018  
DATE





COUNCIL BILL NO. 2018-066

ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A MISSOURI  
TRANSPORTATION FINANCE CORPORATION DIRECT LOAN AGREEMENT AND  
PROMISSORY NOTE FOR THE CONSTRUCTION OF A ROUNDABOUT AT ROUTE M  
AND HENRY CLAY BOULEVARD

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF ASHLAND,  
MISSOURI AS FOLLOWS:

Section 1. The Board of Aldermen hereby authorizes the Mayor, on behalf of the City of Ashland, to enter into a agreement with Missouri Transportation Finance Corporation Direct Loan Agreement and Promissory Note. The form and content of the Agreement shall be substantially as set forth in Exhibit A, which is attached to and made a part of this ordinance.

Section 2. This ordinance shall be in full force and effect from and after its passage and approval.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Gene Rhorer, Mayor

Attest:

\_\_\_\_\_  
Darla Sapp, City Clerk

Certified as to correct form:

\_\_\_\_\_  
Jeffrey Kays, City Attorney



Missouri Transportation Finance Corporation

P.O. Box 270  
Jefferson City, Missouri 65102  
573.526.2561  
fax 573.526.2819

October 18, 2018

Ms. Lyn Woolford  
City Administrator  
City of Ashland  
109 E. Broadway  
Ashland, MO 65010

Dear Ms. Woolford,

I am glad to inform you that on October 3, 2018 the Missouri Transportation Finance Corporation (MTFC) approved your loan request of \$1,100,000 for the construction of a roundabout at Route M and Henry Clay Boulevard in Ashland.

The term of the loan is ten years with an interest rate of 2.64 percent. The city of Ashland will make annual principal and interest payments beginning July 15, 2020 through July 15, 2029.

The loan disbursement is contingent on the following:

- The execution of the MTFC direct loan agreement and promissory note; and
- The execution of the City ordinance allowing the city of Ashland to enter into MTFC loan agreement.

Chelsey Call of MoDOT's Financial Services Division will be contacting you to proceed with the execution of the direct loan agreement and promissory note. In accordance with the MTFC Loan Policy, the direct loan agreement must be executed by the city of Ashland within 6 months (April 2019) to prevent the loan from lapsing.

Sincerely,

A handwritten signature in black ink that reads "Brenda Morris".

Brenda Morris, CPA  
Financial Services Director

cc: Chelsey Call-fs  
Mike Schupp-cd



CCO Form: FS03  
Approved: 06/10 (AR)  
Revised: 03/17 (MWH)  
Modified:

Job Number \_\_\_\_\_

**MISSOURI TRANSPORTATION FINANCE CORPORATION  
DIRECT LOAN AGREEMENT AND PROMISSORY NOTE**

TABLE OF CONTENTS

(1)	Purpose and use of loan proceeds .....	1
(2)	Representations by the City.....	1
(3)	Loan Amount.....	2
(4)	Accounting Practices.....	2
(5)	City's Obligation to Appropriate and Budget Required City Payments .....	4
(6)	City's Security for Direct Loan .....	4
(7)	Tax Covenants .....	5
(8)	Event of Default.....	6
(9)	Remedies on Default.....	7
(10)	Rights and Remedies Cumulative.....	8
(11)	Waiver of Breach.....	8
(12)	Severability.....	8
(13)	Amendments .....	8
(14)	Labor Protection .....	9
(15)	Nondiscrimination Assurance .....	9
(16)	Section 504 Assurances and the Americans with Disabilities Act of 1990.....	10
(17)	Disadvantaged Business Enterprise .....	10
(18)	Interest of Members of or Delegates to Congress.....	10
(19)	Buy America.....	10
(20)	Restriction on Lobbying .....	10
(21)	Commission Representative.....	10
(22)	MTFC Representative .....	10
(23)	City Representative .....	11
(24)	Notices .....	11
(25)	No Adverse Inference.....	11
(26)	Voluntary Nature of Agreement .....	12
(27)	Assignment .....	12
(28)	Law of Missouri to Govern.....	12
(29)	Federal Highway Administration Guidelines .....	12
(30)	Venue .....	12
(31)	Confidentiality.....	12
(32)	Performance Date Not Business Day .....	12
(33)	Section Headings .....	12
(34)	Execution in Counterparts .....	13
(35)	Components of Agreement.....	13

(36) Authority to Execute .....13

THIS DIRECT LOAN AGREEMENT AND PROMISSORY NOTE is entered into by the Missouri Transportation Finance Corporation (hereinafter, "MTFC"), the Missouri Highways and Transportation Commission (hereinafter, "the Commission"), and the City of Ashland (hereafter, "City").

WITNESSETH:

WHEREAS, the Entity applied to the Commission's Cost Share Committee for participation in the Commission's *Cost Share Program* and the Cost Share Committee approval the Entity's application on September 26, 2018. Subsequently, the City and the Commission will enter into a Missouri Highways and Transportation Commission Cost Share Agreement ("Cost Share Agreement") to provide for the terms and conditions of the approval of the City's participation in the *Cost Share Program*, outlining the parties' respective obligations towards the Commission's Project Route M roundabout (hereinafter, referred to as "Project"); and

WHEREAS, the MTFC is willing to provide the City with the Direct Loan, which would be used by the City and the Commission for the purpose stated herein; and

WHEREAS, the City agrees to repay the MTFC the Direct Loan amount as set forth in this Direct Loan Agreement (hereinafter, "Agreement") and the City also agrees to provide security for the loan as provided in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and benefits stated herein, and in further consideration of the obligations, terms and conditions set forth and recited, the parties agree as follows:

(1) PURPOSE AND USE OF LOAN PROCEEDS: The purpose of this Agreement is to provide the terms and conditions of the Direct Loan from the MTFC to the City and for the City's repayment of the Direct Loan to the MTFC. The City's use of the Direct Loan shall be specifically for the Route M roundabout and no other purposes whatsoever. Prior to the MTFC disbursing any portion of the loan proceeds to the City and/or Commission, the City and/or Commission agrees to provide to the MTFC the schedule of Project construction progress, outlining all actions to be taken by the City and/or Commission towards the construction of the Project and timeframes corresponding to the completion of certain milestones in the Project construction progress.

(2) REPRESENTATIONS BY THE CITY: The City makes the following representations as the basis for the undertakings contained in this Agreement:

(A) City Structure: The City is a municipal corporation, political subdivision and body corporate, duly organized and existing under the laws of the state of Missouri.

(B) Authority Granted: The City has lawful power and authority to enter



into this Agreement and to carry out its obligations hereunder. By proper action of its governing body, the City has been duly authorized to execute and deliver this Agreement, acting by and through its duly authorized officers.

(C) Approval Action Taken: The City has taken all necessary action to approve this Agreement. No further action or approvals by the City are necessary in connection with the construction or financing of the Project as defined in this Agreement, except with respect to the appropriation and budgeting of the City Payments on an annual basis as provided herein.

(D) Affirmation of No Breach of, Conflict with, or Default on Other Agreements: The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the performance of or compliance with the terms and conditions of this Agreement by the City will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease or any other restriction or any agreement or instrument to which the City is a party or by which it or any of its property is bound, or any order, rule or regulation applicable to the City or any of its property of any court or governmental body, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City under the terms of any instrument or agreement to which the City is a party.

(E) Conflict of Interest Prohibited: No official or employee of the City has any significant or conflicting interest, financial or otherwise, in the Agreement or in the transactions contemplated hereby.

(3) LOAN AMOUNT: The MTFC will provide the City/Commission with a Direct Loan in the amount of one million one hundred thousand dollars (\$1,100,000.00). The MTFC's Direct Loan will be provided to the City/Commission in the following manner: one disbursement to the Commission's Local fund on behalf of the City as authorized in the agreement. The first disbursement of \$300,000.00 will be provided to the City/Commission on or after August 1, 2019, (the "Closing Date"). The second disbursement of \$800,000.00 will be provided to the City/Commission on April 1, 2021.

(4) CITY PAYMENT OF THE LOAN:

(A) Promise To Pay: For value received, the City hereby promises to pay to the order of the MTFC the principal sum of one million one hundred thousand dollars (\$1,100,000.00), together with interest at the rate of 2.64% on the unpaid principal balance hereof, payable annually beginning on July 15, 2020 and ending on July 15, 2029. Interest shall be computed on the basis on actual days in a year. Annual payments shall be one hundred twenty two thousand five hundred fifty one dollars and fifty cents (\$122,551.50) with a final payment of one hundred twenty two thousand five hundred fifty one dollars and forty nine cents (\$122,551.49).

(B) Payment Schedule: The term "City Payments" shall refer to the

payments to be made by the City to the MTFC. The City shall repay the Direct Loan to the MTFC on an annual basis beginning in July 2020. City Payments will be made no later than July 15 of each year, according to the payment schedule below.

Amortization Schedule of MTFC Loan							
for the City of Ashland							
							8/17/2018
Amount Borrowed:	\$1,100,000.00						
Interest Rate:	2.64%						
Dates	Beginning Balance	Drawdown	Payment	Accrued Interest	Interest Payment	Principal Payment	Ending Balance
8/1/2019	\$0.00	\$300,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$300,000.00
7/15/2020	\$300,000.00		\$122,551.50	\$7,572.82	\$7,572.82	\$114,978.68	\$185,021.32
4/1/2021	\$185,021.32	\$800,000.00	\$0.00	\$3,479.41	\$0.00	\$0.00	\$985,021.32
7/15/2021	\$985,021.32		\$122,551.50	\$7,480.76	\$10,960.17	\$111,591.33	\$873,429.99
7/15/2022	\$873,429.99		\$122,551.50	\$23,058.55	\$23,058.55	\$99,492.95	\$773,937.04
7/15/2023	\$773,937.04		\$122,551.50	\$20,431.94	\$20,431.94	\$102,119.56	\$671,817.48
7/15/2024	\$671,817.48		\$122,551.50	\$17,784.57	\$17,784.57	\$104,766.93	\$567,050.55
7/15/2025	\$567,050.55		\$122,551.50	\$14,970.13	\$14,970.13	\$107,581.37	\$459,469.18
7/15/2026	\$459,469.18		\$122,551.50	\$12,129.99	\$12,129.99	\$110,421.51	\$349,047.67
7/15/2027	\$349,047.67		\$122,551.50	\$9,214.86	\$9,214.86	\$113,336.64	\$235,711.03
7/15/2028	\$235,711.03		\$122,551.50	\$6,239.82	\$6,239.82	\$116,311.68	\$119,399.35
7/15/2029	\$119,399.35		\$122,551.49	\$3,152.14	\$3,152.14	\$119,399.35	\$0.00
		\$1,100,000.00	\$1,225,514.99	\$125,514.99	\$125,514.99	\$1,100,000.00	

(C) Payment Method: All payments made hereunder shall be made in lawful currency of the United States of America by an automated clearinghouse transaction to be initiated by the City.

(D) Interest Computation: Interest will accrue beginning on the Closing Date of the Direct Loan. Interest on the outstanding loan balance shall be computed on the basis on actual days in a year. In the event that a scheduled disbursement is not made on the date specified in Paragraph (3) of this Agreement, or a City Payment is made on a different date than those due dates outlined in the Paragraph (4)(A) Payment Schedule above, or in the event the City makes payments exceeding the annual payment of principal and interest, as provided for in Paragraph (4)(E) below, the above payment schedule will be adjusted accordingly to reflect the new payment date, the new amount of future City Payments and remaining new balances. The City shall, upon receipt, comply with the revised terms in the revised payment schedule.

(E) Absolute Obligations: The City's obligations under this Agreement to make City Payments on or before the date the same become due, and to perform all of its other obligations, covenants and agreements hereunder, shall be absolute and unconditional, without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and



irrespective of whether the Project has been started or completed, and notwithstanding any default of the MTFC hereunder. The City waives the provisions of any statute or any other law now or hereunder in effect contrary to any of its obligations, covenants or agreements under this Agreement or which releases or purports to release the City therefrom. The City, for itself and for any guarantors, sureties, endorsers and/or person or persons now or hereafter liable hereon, if any, hereby waives demand of payment, presentment for payment, protest, notice of nonpayment or dishonor and any and all other notices and demands whatsoever, and any and all delays or lack of diligence in the collection hereof, and expressly consents and agrees to any and all extensions or postponements of the time of payment hereof from time to time or after maturity and any other indulgence and waives all notice thereof. The delay or failure to exercise any right hereunder shall not waive such right.

(F) Payment In Excess of Amount Due: The City shall have the right to provide payments that exceed the required annual payment of principal and interest, which is due for a particular year. Additionally, the City shall have the right to prepay the entire loan amount, consisting of the principal, and any accrued interest as of the date of payment, to the MTFC at any time during the term of this Agreement. There will be no prepayment fees charged to the City.

(G) Late Fee: In the event any City payment is submitted to the MTFC more than fifteen days past the due date, a late fee of two percent (2%) of the amount of the past due payment will be assessed to the City.

(5) CITY'S OBLIGATION TO APPROPRIATE AND BUDGET REQUIRED CITY PAYMENTS: The City agrees to budget its payments to the MTFC under this Agreement by ordinance, subject to annual appropriation and to provide annual certification that current City revenues plus unexpended balances from prior years are sufficient to meet its obligation to pay the MTFC under this Agreement within 30 days after the approval of the budget. Notwithstanding anything to the contrary herein, the City acknowledges and agrees, and MTFC acknowledges, that the payments hereunder shall constitute currently budgeted expenditures of the City, and shall not in any way be construed to be a general obligation or debt of the City in contravention of any applicable constitutional or statutory limitation or requirements concerning the creation of indebtedness by the City, nor shall anything contained herein constitute a pledge of the general credit, tax revenues, funds or moneys of the City. The City's obligations to make payments hereunder shall be from year to year only, and shall not constitute a mandatory payment obligation of the City in any ensuing fiscal year beyond the then current fiscal year.

(6) CITY'S SECURITY FOR DIRECT LOAN: In addition to the City's promise and agreement to carry out its obligation to repay the loan as provided for in Paragraph (4) and (5) above, the City agrees to grant to the MTFC a security interest in applicable federal or state funds due the City that pass through or are administered by the Commission or Missouri Department of Transportation.

(7) TAX COVENANTS:

(A) General: The Commission understands that MTFC is entering into the Loan and advancing the Loan Amount under this Agreement based on its understanding that interest on the Loan will be excluded from gross income for Federal income tax purposes and exempt from income taxation by the State of Missouri ("Tax-Exempt"). Each of the representations and covenants in this Agreement are made for the benefit of the MTFC and any other entity or person that shall later become the owner of the Loan Amount or who rely on the representations and covenants contained in this Agreement as a basis for treating interest on the Loan as Tax-Exempt when filing its Federal and State of Missouri income tax return. The Commission understands that Federal income tax laws impose requirements on the use of Loan proceeds, the use of assets financed by the Loan (the Project) and on the investment of proceeds of the Loan or amounts used to pay or secure the repayment of the Loan. The Commission agrees to take such steps as are necessary, including but not limited to those contained in this Agreement, for interest on the Loan to remain Tax-Exempt. Each of these covenants applies as long as any portion of the Loan remains outstanding. Violation of this Paragraph 7 is an Event of Default under this Agreement.

(B) Use of Project: The Project will be owned by the Commission or the State of Missouri, a political subdivision of the State or an instrumentality of the State or political subdivision (a "Governmental Person"). None of the Loan proceeds will be used in a manner that constitutes a "private business use". In making this covenant, the Commission acknowledges that: (1) the use of the Project is treated as the direct use of the Loan proceeds and (2) the term "private business use" generally means ownership or lease by, or other use in the trade or business of, a person or entity other than a Governmental Person if that person has special legal entitlements to use the Project that differ from the general public (such as, for example, an easement or special right of way or service or management agreement).

(C) Private Security or Payment: The payment of principal and interest on the Loan will not be (under the Agreement or any other underlying document) directly or indirectly:

1. secured by any interest: (a) in property used or to be used for a private business use; or (b) in payments in respect of such property; or

2. derived from payments (whether or not such payments are made to the Commission) in respect of property, or borrowed money, used or to be used for a private business use.

For purposes of this paragraph, taxes of generally applicable taxes are not treated as a private payment or as private security so long as no taxpayer enters into any special agreement with respect to the collection or payment of the tax.



(D) No Private Loan: No Loan proceeds shall be loaned directly or indirectly to any person or entity other than a Governmental Person.

(E) No Federal Guarantees: The Commission will not take any action or permit any action to be taken that would cause principal or interest on the Loan to be guaranteed by the Federal government.

(F) Assignment of Loan: The Commission will permit the assignment of the Loan by MTFC to any other person or entity so long as MTFC retains and provides to the Commission upon request the name and tax identification of the subsequent owner any other information required by Section 149(a) of the Internal Revenue Code of 1986, as amended. Upon written request by MTFC, the Commission shall confirm its compliance with the covenants of this Paragraph 7 to MTFC and the proposed assignee.

(G) No Invested Loan Proceeds; No Replacement Funds: The Loan proceeds shall be used to immediately pay third-party vendors, or to reimburse the Commission for amounts previously paid, for the Project. Accordingly no proceeds of the Loan will be invested by the Commission prior to the date of expenditure or reimbursement. No Loan proceeds will be used to reimburse any expenditure made by the Commission prior to August 1, 2019. No amounts are or will be set aside to pay debt service on the Loan, other than a fund or account that is used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year; and is depleted at least once each year to an amount that does not exceed the greater of (1) the earnings on the fund for the immediately preceding year, or (2) one-twelfth of the principal and interest payments on the Loan for the immediately preceding year.

(H) Tax Compliance Procedures: The Commission has written procedures in place to monitor and if necessary remediate noncompliance with any of the covenants set forth in this Paragraph 7. The Commission acknowledges that the covenants related to record keeping and use of proceeds of the Loan for the Project are necessary in order to substantiate that interest on the Loan eligible to be treated as Tax-Exempt. The Commission will promptly respond to any inquiry by the IRS related to the Tax-Exempt status of the Loan and will take such steps as are necessary to remediate any noncompliance, so the interest on the Loan remains Tax-Exempt.

(I) Form 8038-G: The City will timely file Form 8038-G as required by and pursuant to the mandates of section 149(g) of the Code. A copy of Form 8038-G is attached as **EXHIBIT A**.

(8) EVENT OF DEFAULT: If any one or more of the following events occurs and is continuing, it is hereby defined to be an Event of Default under this Agreement:

(A) Default in Making Payment When Due: Default in the due and punctual payment of a City Payment; or

(B) Default in Completing Construction Within Time Scheduled: Default in the completion of the Project, as provided in Paragraph (1), by 365 days after the estimated completion date as outlined in the most recent Project construction schedule.

(C) Breach of Duty: Unless otherwise specifically provided for in this Agreement, default in the due observance or performance of any other covenant, agreement, obligation or provision of this Agreement on the City's part to be observed or performed, and the continuance of such default for sixty (60) days after the MTFC has given the City written notice specifying such default, or such longer period as shall be reasonably required to cure such default, provided that: (i) the City has commenced such cure within said 60-day period, and (ii) the City diligently prosecutes such cure to completion; or

(D) Bankruptcy: The City: (i) admits in writing its inability to pay its debts as they become due; or (ii) files a petition in bankruptcy or for reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Bankruptcy Code as now or in the future amended or any other similar present or future federal or state statute or regulation, or files a pleading asking for such relief; or (iii) makes an assignment for the benefit of its creditors; or (iv) consents to the appointment of a trustee, receiver or liquidator for all or a major portion of its property or shall fail to have vacated or set aside the appointment of any trustee, receiver or liquidator which was made without the City's consent or acquiescence; or (v) is finally adjudicated as bankrupt or insolvent under any federal or state law; or (vi) is subject to any proceeding or suffers the entry of a final and non-appealable court order, under any federal or state law appointing a receiver, trustee or liquidator for all or a major part of its property or ordering the winding-up or liquidation of its affairs, or approving a petition filed against it under the United States Bankruptcy Code, as now or in the future amended, which order or proceeding, if not the subject of the City's consent, is not dismissed, vacated, denied, set aside or stayed within sixty (60) days after the day of entry or commencement; or (vii) suffers a writ or warrant of attachment of any similar process to be issued by any court against all or any substantial portion of its property, and such writ or warrant of attachment or any similar process is not contested, stayed or is not released within sixty (60) days after the final entry, or levy or after contest is finally adjudicated or any stay is vacated or set aside.

(E) Other Default: Any other event which is specifically defined as an Event of Default under other provisions of this Agreement.

(9) REMEDIES ON DEFAULT: If any Event of Default has occurred and is continuing, then the MTFC, or the Commission at the direction of MTFC, may take any one of the following actions:

(A) Acceleration of Maturity:



1. Accelerated Payment Due Date: By written notice delivered to the City, declare the entire loan balance, including principal and interest amounts, outstanding as of the date of the notice (hereinafter, "date of declaration") to become immediately due and payable no later than thirty (30) days from the date of declaration, such payment due date hereinafter referred to as "accelerated payment due date", as if such amount was originally stipulated to be paid on the accelerated payment due date.

2. Rescission When Default Cured: If the City cures the Event of Default, which gave rise to the declaration, prior to the accelerated payment due date, then the MTFC shall rescind such declaration and annul the Event of Default in its entirety. Upon the City submitting the payment curing the Event of Default, the above payment schedule will be adjusted accordingly to reflect the new payment date, the new amount of future City Payments and remaining new balances.

3. Subsequent Default: In the case of any rescission of declaration, then the MTFC and the City shall be restored to their former position and rights hereunder, but no such rescission shall extend to any subsequent or other occurrence of an Event of Default or impair any right consequent thereon.

(B) Institution of Suit: By mandamus or other suit, action or proceeding at law or in equity, to enforce its rights against the City to require and compel duties and obligations required by the provisions of this Agreement.

(C) Entity Funds Security: By written notice delivered to the City, cause applicable federal or state funds due the City that pass through or are administered by the Commission or Missouri Department of Transportation to be applied to the City's indebtedness until the default is cured.

(10) RIGHTS AND REMEDIES CUMULATIVE: The rights and remedies reserved to the MTFC and the Commission provided in this Agreement and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on more than one occasion.

(11) WAIVER OF BREACH: No waiver of any breach of any covenant or agreement contained herein shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement. In the case of a breach by the City, the MTFC may nevertheless accept from the City any payment or payments hereunder without in any way waiving the default or defaults of the City which were in existence at the time when such payment or payments were accepted by the MTFC.

(12) SEVERABILITY: If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision contained in the Agreement.

(13) AMENDMENTS: Any change in this Agreement, whether by modification



or supplementation, must be accomplished by a formal contract amendment signed and approved by the duly authorized representative of the MTFC, Commission and the City.

(14) LABOR PROTECTION: The City agrees to accept the terms and conditions of 5333(b) of Chapter 53 of title 49, U.S.C.

(15) NONDISCRIMINATION ASSURANCE: With regard to work under this Agreement, the City agrees as follows:

(A) Civil Rights Statutes: The City shall comply with all state and federal statutes relating to nondiscrimination, including but not limited to Title VI and Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d and 2000e, *et seq.*), as well as any applicable titles of the Americans with Disabilities Act. In addition, if the City is providing services or operating programs on behalf of the Missouri Department of Transportation or the Commission, it shall comply with all applicable provisions of Title II of the Americans with Disabilities Act.

(B) Administrative Rules: The City shall comply with the administrative rules of the United States Department of Transportation relative to nondiscrimination in federally-assisted programs of the U. S. Department of Transportation (49 CFR Subtitle A, Part 21) which are herein incorporated by reference and made part of this Agreement.

(C) Nondiscrimination: The City shall not discriminate on grounds of the race, color, religion, creed, sex, disability, national origin, age or ancestry of any individual in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The City shall not participate either directly or indirectly in the discrimination prohibited by 49 CFR 21.5, including employment practices.

(D) Solicitations for Subcontracts, Including Procurements of Material and Equipment: These assurances concerning nondiscrimination also apply to subcontractors and suppliers of the City. In all solicitations either by competitive bidding or negotiation made by the City for work to be performed under a subcontract including procurement of materials or equipment, each potential subcontractor or supplier shall be notified by the City of the requirements of this Agreement relative to nondiscrimination on grounds of the race, color, religion, creed, sex, disability or national origin, age or ancestry of any individual.

(E) Information and Reports: The City shall provide all information and reports required by this Agreement, or orders and instructions issued pursuant thereto, and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Commission or the U. S. Department of Transportation to be necessary to ascertain compliance with other contracts, orders and instructions. Where any information required of the City is in the exclusive possession of another who fails or refuses to furnish this information, the City shall so certify to the

Commission or the U. S. Department of Transportation as appropriate and shall set forth what efforts it has made to obtain the information.

(F) Incorporation of Provisions: The City shall include the provisions of paragraph (15) of this Agreement in every subcontract, including procurements of materials and leases of equipment, unless exempted by the statutes, executive order, administrative rules or instructions issued by the Commission or the U. S. Department of Transportation. The City will take such action with respect to any subcontract or procurement as the Commission or the U. S. Department of Transportation may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided that in the event the City becomes involved or is threatened with litigation with a subcontractor or supplier as a result of such direction, the City may request the United States to enter into such litigation to protect the interests of the United States.

(16) SECTION 504 ASSURANCES AND THE AMERICANS WITH DISABILITIES ACT OF 1990: The City shall comply with all the requirements imposed by section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 790 *et seq.*) and the administrative rules of the U. S. Department of Transportation (49 CFR Subtitle A, Part 27). The City shall comply with all requirements set forth in the Americans with Disabilities Act of 1990 (49 CFR Parts 27, 37 and 38) as well as all applicable regulations and directives issued pursuant thereto by other federal departments or agencies.

(17) DISADVANTAGED BUSINESS ENTERPRISE: The City agrees to comply with the disadvantage business enterprise requirements as contained in 49 CFR Part 26.

(18) INTEREST OF MEMBERS OF OR DELEGATES TO CONGRESS: No member of or delegate to the Congress of the United States shall be admitted to any share or part of this Agreement or third party contract or to any benefit arising therefrom.

(19) BUY AMERICA: The City agrees to abide by the provision of the Buy America requirements of 49 CFR Part 661.

(20) RESTRICTION ON LOBBYING: The City agrees to abide with the requirements of section 1352 of Title 31, U.S.C.

(21) COMMISSION REPRESENTATIVE: The Commission's Chief Financial Officer is designated as the Commission's representative for the purpose of administering the provisions of this Agreement. The Commission's representative may designate by written notice other persons having the authority to act on behalf of the Commission in furtherance of the performance of this Agreement.

(22) MTFC REPRESENTATIVE: MTFC's Treasurer is designated as MTFC's representative for the purpose of administering the provisions of this Agreement.



MTFC's representative may designate by written notice other persons having the authority to act on behalf of the MTFC in furtherance of the performance of this Agreement.

(23) CITY REPRESENTATIVE: The City's Administrator is designated as the City's representative for the purpose of administering the provisions of this Agreement. The City's representative may designate by written notice other persons having the authority to act on behalf of the City in furtherance of the performance of this Agreement.

(24) NOTICES: Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be deemed given three (3) days after delivery by United States mail, regular mail postage prepaid, or upon receipt by personal or facsimile delivery, addressed as follows:

MTFC to: Missouri Transportation Finance Corporation  
Attn: Treasurer  
105 West Capitol Avenue  
P.O. Box 270  
Jefferson City, Missouri 65102-0270  
Facsimile No.: (573) 526-2819

Commission to: Missouri Department of Transportation  
Attn: Chief Financial Officer  
105 West Capitol Avenue  
P.O. Box 270  
Jefferson City, Missouri 65102-0270  
Facsimile No.: (573) 526-2819

City to: Lyn Woolford  
City Administrator  
109 E Broadway  
Ashland, MO 65010

or to such other place as the parties may designate in accordance with this Agreement. To be valid, facsimile delivery shall be followed by delivery of the original document, or a clear and legible copy thereof, within three (3) business days of the date of facsimile transmission of that document.

(25) NO ADVERSE INFERENCE: This Agreement shall not be construed more strongly against one party or the other. The parties to this Agreement had equal access to, input with respect to, and influence over the provisions of this Agreement. Accordingly, no rule of construction which requires that any allegedly ambiguous provision be interpreted more strongly against one party than the other shall be used in interpreting this Agreement.

(26) VOLUNTARY NATURE OF AGREEMENT: Each party to this Agreement warrants and certifies that it enters into this transaction and executes this Agreement freely and voluntarily and without being in a state of duress or under threats or coercion.

(27) ASSIGNMENT: The City shall not assign, transfer or delegate any interest in this Agreement. In its sole discretion, the MTFC may unilaterally sell, assign, transfer or delegate its interest in this Agreement.

(28) LAW OF MISSOURI TO GOVERN: This Agreement shall be construed according to the laws of the state of Missouri. The City shall comply with all local, state and federal laws and regulations relating to the performance of this Agreement.

(29) FEDERAL HIGHWAY ADMINISTRATION GUIDELINES: The City agrees to comply with the Federal Highway Administration (FHWA) guidelines under which the MTFC was created as a State Infrastructure Bank (SIB), which specifically dictate that all projects receiving assistance from the SIB must comply with the federal requirements that apply to projects under Title 23, U.S.C. or Title 49, U.S.C. when the assistance is derived from: (1) the federal funds deposited into the SIB; (2) the non-federal matching funds; (3) all repayment amounts from federal and non-federal sources; and (4) any investment income generated from these funds. The City agrees to comply with further guidance under Title 23, U.S.C., Chapter 6, Section 610.1 which provides that the construction of such federal-aid highways shall be undertaken by the respective state transportation departments or under their direct supervision in accordance with the state and federal laws.

(30) VENUE: It is agreed by the parties that any action at law, suit in equity, or other judicial proceeding to enforce or construe this Agreement, or regarding its alleged breach, shall be instituted only in the Circuit Court of Cole County, Missouri.

(31) CONFIDENTIALITY: The City shall not disclose to third parties confidential factual matters provided by the Commission or MTFC except as may be required by statute, ordinance, or order of court, or as authorized by the MTFC. The City shall notify the MTFC immediately of any request for such information.

(32) PERFORMANCE DATE NOT BUSINESS DAY: If any date for the disbursement of a portion of the Direct Loan, the payment of a City Payment or the taking of any other action hereunder is not a Business Day, then such disbursement or payment shall be due, or such action shall be taken, on the first Business Day thereafter with the same force and effect as if made on the date fixed for disbursement, payment or performance. For purposes of this Agreement, Business Day means any day other than a Saturday, Sunday, a day that is a business holiday in the State of Missouri or any other day on which banking institutions in Missouri are required or authorized by law to close.

(33) SECTION HEADINGS: All section headings contained in this Agreement are for the convenience of reference only and are not intended to define or limit the

scope of any provision of this Agreement.

(34) EXECUTION IN COUNTERPARTS: This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same agreement.

(35) COMPONENTS OF AGREEMENT: This Agreement incorporates by reference the MoDOT Partnership Development Application, the MTFC Loan Policy and any written addendums and amendments thereto as if these incorporated documents were set forth herein word by word and constitutes the complete and entire understanding and agreement among the Commission, MTFC and the City with respect to the subject matter of this Agreement. In case of a conflict between the terms contained in the MoDOT Partnership Development Application and MTFC Loan Policy, the terms of the MoDOT Partnership Development Application shall govern. In the event of a conflict between the terms of the MoDOT Partnership Development Application and this Agreement, the terms of this Agreement shall govern. However, the MTFC reserves the right to clarify any contract term or relationship in writing and such written clarification shall govern in case of conflict with the applicable requirements stated in the MoDOT Partnership Development Application, MTFC Loan Policy or this Agreement.

(36) AUTHORITY TO EXECUTE: The signers of this Agreement warrant that they are acting officially and properly on behalf of their respective institutions and have been duly authorized, directed and empowered to execute this Agreement.

*[Remainder of Page Intentionally Left Blank.]*



IN WITNESS WHEREOF, the parties have entered into this Agreement on the date last written below.

Executed by the City this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Executed by the Commission this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Executed by the MTFC this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

MISSOURI HIGHWAY AND  
TRANSPORTATION COMMISSION

CITY OF ASHLAND, MISSOURI

\_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

ATTEST:

\_\_\_\_\_  
Secretary to the Commission

By \_\_\_\_\_  
Title: \_\_\_\_\_

Approved as to Form:

Approved as to Form:

\_\_\_\_\_  
Commission Counsel

\_\_\_\_\_  
Title: \_\_\_\_\_

MISSOURI TRANSPORTATION  
FINANCE CORPORATION

Ordinance: \_\_\_\_\_

\_\_\_\_\_  
Title \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary to the Missouri Transportation  
Finance Corporation









# Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)  
► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Department of the Treasury  
Internal Revenue Service

<b>Part I Reporting Authority</b>		If Amended Return, check here ► <input type="checkbox"/>
1 Issuer's name		2 Issuer's employer identification number (EIN)
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)
6 City, town, or post office, state, and ZIP code		7 Date of issue
8 Name of issue		9 CUSIP number
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a

<b>Part II Type of Issue (enter the issue price).</b> See the instructions and attach schedule.		
11 Education . . . . .		11
12 Health and hospital . . . . .		12
13 Transportation . . . . .		13
14 Public safety . . . . .		14
15 Environment (including sewage bonds) . . . . .		15
16 Housing . . . . .		16
17 Utilities . . . . .		17
18 Other. Describe ►		18
19 If obligations are TANs or RANs, check only box 19a . . . . .	► <input type="checkbox"/>	
If obligations are BANs, check only box 19b . . . . .	► <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box . . . . .	► <input type="checkbox"/>	

<b>Part III Description of Obligations.</b> Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21		\$	\$	years	%

<b>Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)</b>				
22	Proceeds used for accrued interest . . . . .			22
23	Issue price of entire issue (enter amount from line 21, column (b)) . . . . .			23
24	Proceeds used for bond issuance costs (including underwriters' discount) . . . . .	24		
25	Proceeds used for credit enhancement . . . . .	25		
26	Proceeds allocated to reasonably required reserve or replacement fund . . . . .	26		
27	Proceeds used to currently refund prior issues . . . . .	27		
28	Proceeds used to advance refund prior issues . . . . .	28		
29	Total (add lines 24 through 28) . . . . .			29
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) . . . . .			30

<b>Part V Description of Refunded Bonds.</b> Complete this part only for refunding bonds.	
31	Enter the remaining weighted average maturity of the bonds to be currently refunded . . . . . ► _____ years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded . . . . . ► _____ years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) . . . . . ► _____
34	Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)

**Part VI Miscellaneous**

- |     |  |  |
|-----|--|--|
| 35  |  |  |
| 36a |  |  |
| 37  |  |  |
- 35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . .
  - 36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . . . .
    - b Enter the final maturity date of the GIC ▶ \_\_\_\_\_
    - c Enter the name of the GIC provider ▶ \_\_\_\_\_
  - 37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . .
  - 38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box  and enter the following information:
    - b Enter the date of the master pool obligation ▶ \_\_\_\_\_
    - c Enter the EIN of the issuer of the master pool obligation ▶ \_\_\_\_\_
    - d Enter the name of the issuer of the master pool obligation ▶ \_\_\_\_\_
  - 39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . .
  - 40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . .
  - 41a If the issuer has identified a hedge, check here  and enter the following information:
    - b Name of hedge provider ▶ \_\_\_\_\_
    - c Type of hedge ▶ \_\_\_\_\_
    - d Term of hedge ▶ \_\_\_\_\_
  - 42 If the issuer has superintegrated the hedge, check box . . . . .
  - 43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . .
  - 44 If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . .
  - 45a If some portion of the proceeds was used to reimburse expenditures, check here  and enter the amount of reimbursement . . . . . ▶ \_\_\_\_\_
    - b Enter the date the official intent was adopted ▶ \_\_\_\_\_

<b>Signature and Consent</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	▶ _____	Date	▶ _____	
	Signature of issuer's authorized representative		Type or print name and title	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Firm's name ▶	Firm's EIN ▶		PTIN
	Firm's address ▶	Phone no. _____		



COUNCIL BILL NO. 2018-067

ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO THE THIRD  
AMENDMENT TO LEASE AGREEMENT WITH ELEMENTS HOME ENERGY  
SOLUTIONS, LLC

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF ASHLAND,  
MISSOURI.

Section 1. The City of Ashland purchased property from Westhoff Rentals LLC on October 16, 2018. The lease agreement is transferable to the City and for all intents and purposes the City is now the Landlord.

Section 2. The Tenant has notified the Landlord of its desire and intent to vacate the premises and terminate the lease prior to the end of the Lease term of December 31, 2018.

Section 3. The third amendment to lease agreement is hereby attached as marked as Exhibit "A".

This ordinance shall be in full force and effect after its passage and approval.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Gene Rhorer, Mayor

Attest:

\_\_\_\_\_  
Darla Sapp, City Clerk

Certified as to correct form:

\_\_\_\_\_  
Jeffrey Kays, City Attorney

**THIRD AMENDMENT TO LEASE AGREEMENT**

WHEREAS, Landlord Westhoff Rentals LLC and Tenant Elements Home Energy Solutions, LLC (“Tenant”) are parties to a Lease Agreement dated January 1, 2016 for Tenant’s lease of the premises located at 601 East Broadway, Ashland, Missouri (“Premises”). Said Lease was amended on February 3, 2017 and again on March 27, 2018.

On or about October 16, 2018 Westhoff Rentals LLC sold the Premises to the City of Ashland (“City” or “Landlord”). The Lease Agreement is transferable to the City and for all intents and purposes the City is now the Landlord as referred to in the Lease Agreement.

Tenant has notified Landlord of its desire and intent to vacate the premises and terminate the Lease prior to the end of the Lease term of December 31, 2018. Landlord agrees that Tenant’s vacating the premises prior to the end of the Lease term is desirable to Landlord and Landlord will agree to terminate the Lease and not deem Tenant in default of the Lease terms in this event. Landlord will agree to prorate any rents due that have not been prepaid prior to Tenant giving notice of its intent to vacate the premises and terminate the lease for that period after Tenant turns over possession of the Premises to Landlord.

**Landlord: City of Ashland**

By: \_\_\_\_\_ date: \_\_\_\_\_  
Gene Rohrer, Mayor, City of Ashland  
Rohrer

Attest: \_\_\_\_\_ date: \_\_\_\_\_  
Darla Sapp, City Clerk

**Tenant: Elements Home Energy Solutions, LLC**

By: \_\_\_\_\_ date: \_\_\_\_\_

(print name) \_\_\_\_\_ Title: \_\_\_\_\_

COUNCIL BILL NO. 2018-068

ORDINANCE NO.

AN ORDINANCE TO AMEND CHAPTER 10; 2012 INTERNATIONAL RESIDENTIAL BUILDING CODE ADDENDUMS OF THE BOONE COUNTY RESOURCE MANAGEMENT; SECTION 302.2 TOWNHOUSES

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF ASHLAND, MISSOURI, AS FOLLOWS:

Material to be deleted in ~~strikeout~~; material to be added underlined.

302.2 Townhouses: Exception: A common ~~two (2)~~ one (1) hour fire-resistance rated wall assembly tested in accordance with ASTM E 119 or UL 263 is permitted for townhouses if such walls do not contain plumbing or mechanical equipment, ducts or vents in the cavity of the common wall.....

Passed and adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Gene Rhorer, Mayor

Attest:

\_\_\_\_\_  
Darla Sapp, City Clerk

Certified as to correct form:

\_\_\_\_\_  
Jeffrey Kays, City Attorney





# 2012 INTERNATIONAL RESIDENTIAL CODE<sup>®</sup>

FOR ONE- AND TWO-FAMILY DWELLINGS

*A Member of the International Code Family<sup>®</sup>*

# 2012 IRC<sup>®</sup>

INCLUDES THE RESIDENTIAL REQUIREMENTS FROM THE NFPA 70, NATIONAL ELECTRICAL CODE<sup>®</sup> 2011  
*The electrical code designated for use with the I-Codes<sup>®</sup>*



**TABLE R301.7  
ALLOWABLE DEFLECTION OF STRUCTURAL MEMBERS<sup>b, c</sup>**

STRUCTURAL MEMBER	ALLOWABLE DEFLECTION
Rafters having slopes greater than 3:12 with no finished ceiling attached to rafters	$L/180$
Interior walls and partitions	$H/180$
Floors/ceilings with plaster or stucco finish	$L/360$
All other structural members	$L/240$
Exterior walls—wind loads <sup>a</sup> with plaster or stucco finish	$H/360$
Exterior walls with other brittle finishes	$H/240$
Exterior walls with flexible finishes	$H/120^d$
Lintels supporting masonry veneer walls <sup>e</sup>	$L/600$

Note:  $L$  = span length,  $H$  = span height.

- a. The wind load shall be permitted to be taken as 0.7 times the Component and Cladding loads for the purpose of the determining deflection limits herein.
- b. For cantilever members,  $L$  shall be taken as twice the length of the cantilever.
- c. For aluminum structural members or panels used in roofs or walls of sunroom additions or patio covers, not supporting edge of glass or sandwich panels, the total load deflection shall not exceed  $L/60$ . For continuous aluminum structural members supporting edge of glass, the total load deflection shall not exceed  $L/175$  for each glass lite or  $L/60$  for the entire length of the member, whichever is more stringent. For sandwich panels used in roofs or walls of sunroom additions or patio covers, the total load deflection shall not exceed  $L/120$ .
- d. Deflection for exterior walls with interior gypsum board finish shall be limited to an allowable deflection of  $H/180$ .
- e. Refer to Section R703.7.2.

**R301.8 Nominal sizes.** For the purposes of this code, where dimensions of lumber are specified, they shall be deemed to be nominal dimensions unless specifically designated as actual dimensions.

**SECTION R302  
FIRE-RESISTANT CONSTRUCTION**

**R302.1 Exterior walls.** Construction, projections, openings and penetrations of exterior walls of dwellings and accessory buildings shall comply with Table R302.1(1); or dwellings equipped throughout with an automatic sprinkler system

**TABLE R302.1(1)  
EXTERIOR WALLS**

EXTERIOR WALL ELEMENT		MINIMUM FIRE-RESISTANCE RATING	MINIMUM FIRE SEPARATION DISTANCE
Walls	Fire-resistance rated	1 hour—tested in accordance with ASTM E 119 or UL 263 with exposure from both sides	< 5 feet
	Not fire-resistance rated	0 hours	≥ 5 feet
Projections	Fire-resistance rated	1 hour on the underside	≥ 2 feet to < 5 feet
	Not fire-resistance rated	0 hours	≥ 5 feet
Openings in walls	Not allowed	N/A	< 3 feet
	25% maximum of wall area	0 hours	3 feet
	Unlimited	0 hours	5 feet
Penetrations	All	Comply with Section R302.4	< 5 feet
		None required	5 feet

For SI: 1 foot = 304.8 mm.  
N/A = Not Applicable.

installed in accordance with Section P2904 shall comply with Table R302.1(2).

**Exceptions:**

1. Walls, projections, openings or penetrations in walls perpendicular to the line used to determine the fire separation distance.
2. Walls of dwellings and accessory structures located on the same lot.
3. Detached tool sheds and storage sheds, playhouses and similar structures exempted from permits are not required to provide wall protection based on location on the lot. Projections beyond the exterior wall shall not extend over the lot line.
4. Detached garages accessory to a dwelling located within 2 feet (610 mm) of a lot line are permitted to have roof eave projections not exceeding 4 inches (102 mm).
5. Foundation vents installed in compliance with this code are permitted.

**R302.2 Townhouses.** Each townhouse shall be considered a separate building and shall be separated by fire-resistance-rated wall assemblies meeting the requirements of Section R302.1 for exterior walls.

**Exception:** A common 1-hour fire-resistance-rated wall assembly tested in accordance with ASTM E 119 or UL 263 is permitted for townhouses if such walls do not contain plumbing or mechanical equipment, ducts or vents in the cavity of the common wall. The wall shall be rated for fire exposure from both sides and shall extend to and be tight against exterior walls and the underside of the roof sheathing. Electrical installations shall be installed in accordance with Chapters 34 through 43. Penetrations of electrical outlet boxes shall be in accordance with Section R302.4.

**R302.2.1 Continuity.** The fire-resistance-rated wall or assembly separating townhouses shall be continuous from the foundation to the underside of the roof sheathing, deck or slab. The fire-resistance rating shall extend the full length of the wall or assembly, including wall extensions

# BOONE COUNTY RESOURCE MANAGEMENT

## 2012 International Code

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### Addendums

Effective Date:

4/2/2014



R301.9 Sediment control: all sites are subject to providing on-site sediment control structures to minimize to the maximum extent practical the erosion of soil from the building site. Acceptable practices include, but are not limited to use of silt fences, straw bales and rock check dams. Failure to provide and maintain such sediment control devices could result in inspections being withheld, issuance of a stop work order or even revocation of the building permit.

R302.1 Exterior walls: Add exception #6: a detached accessory garage or shed located not less than five (5) feet from any side lot line.

**R302.2 Townhouses:** Change exception to read: A common two (2) hour fire-resistance rated wall assembly tested in accordance with ASTM E 119 or UL 263 is permitted for townhouses if such walls do not contain plumbing or mechanical equipment, ducts or vents in the cavity of the common wall. The wall shall be rated for fire exposure from both sides and shall extend to and be tight against exterior walls and the underside of the roof sheathing. Electrical installations shall be installed in accordance with Chapters 34 through 43. Penetrations of electrical outlet boxes shall be in accordance with Section R302.4.

R302.5.1 Delete "equipped with a self-closing device."

R302.6 Dwelling/garage separation: Replace one-half (1/2) inch gypsum board with five-eighth (5/8) inch gypsum board in referenced Table R302.6 Dwelling /garage fire separation. Add last sentence to paragraph of R302.6: The garage shall be completely separated from the residence and its attic area by means of five-eighth (5/8) inch gypsum board or equivalent applied to the garage side.

R303.4 Mechanical ventilation. The dwelling unit shall be provided with whole-house mechanical ventilation in accordance with Section M1507.3. Alternatively an insulated duct from the outside connected to the return air or HVAC unit ahead of the filter with balancing damper may be provided. The duct size shall be based on the conditioned area the HVAC unit serves. The duct size shall be based on the conditioned area the HVAC unit serves. The duct shall be 4" diameter for area 1,500 S.F. or less, 6" diameter for areas over 1,500 S. F and less than or equal to 2,400 S.F. and 8" diameter for areas over 2,400 S. F.

R303.6 Add Exception: Bathroom exhaust fans may be exhausted into a soffit vent if composed of approved materials as determined by the building official.

R307.3 Water closet: All water closets shall be spaced at least fifteen (15) inches from the centerline of the fixture to any wall or plumbing fixture, except the centerline of the water closet may be spaced twelve (12) inches if located next to a bathtub.

R311.7.5.1 Risers: Change the first sentence to read: The maximum riser height shall be seven and three-fourth (7 7/8") inches (200mm). The rest of the paragraph remains as stated.

**AN ORDINANCE AUTHORIZING THE CITY OF ASHLAND, MISSOURI TO ENTER INTO A LEASE PURCHASE TRANSACTION WITH CONNECTIONS BANK, AS LESSOR, WITH RESPECT TO THE CONSTRUCTION OF A NEW CITY HALL FACILITY; AND APPROVING RELATED AGREEMENTS.**

**WHEREAS**, the City of Ashland, Missouri (the “City”) desires to obtain moneys to pay for construction of a new City Hall facility (the “Improvements”); and

**WHEREAS**, in order to facilitate the acquisition, construction and installation of the Improvements and to pay the cost thereof, it is necessary and desirable for the City to take the following actions:

1. Enter into a Base Lease (the “Base Lease”), with Connections Bank (the “Lessor”), pursuant to which the City will lease land on which the Improvements are to be located (the “Existing Property”) to the Lessor; and
2. Enter into a Lease Purchase Agreement (the “Lease”), with the Lessor, pursuant to which the City will lease the Existing Property and the Improvements (together, the “Project”) from the Lessor with an option to purchase.

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

**Section 1. Approval of the City Documents.** The Base Lease and the Lease (the “City Documents”) are hereby approved in substantially the forms submitted to and reviewed by the Board of Aldermen on the date hereof, with such changes therein as are required by the City’s legal counsel and approved by the Mayor, said officer’s execution thereof to be conclusive evidence of the approval thereof; provided that the maximum aggregate principal amount borrowed under the Base Lease and repaid under the Lease shall not exceed \$1,425,000.

The Mayor is hereby authorized and directed to execute and deliver the City Documents on behalf of and as the act and deed of the City. The City Clerk is hereby authorized to affix the City’s seal thereto and attest said seal as may be necessary.

**Section 2. Further Authority.** The City will, and the officials and agents of the City are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the City Documents and the Project. Without limiting the foregoing, the Board of Aldermen specifically authorizes and directs the prompt payment of all closing costs relating to the City Documents.

**Section 3. Effective Date.** This Ordinance will take effect and be in full force from and after its adoption by the Board of Aldermen and approval by the Mayor.

*[remainder of page intentionally left blank]*

**PASSED BY THE BOARD OF ALDERMEN AND APPROVED BY THE MAYOR OF THE CITY OF ASHLAND, MISSOURI THIS NOVEMBER 6, 2018.**

[SEAL]

By: \_\_\_\_\_  
Name: Gene Rhorer  
Title: Mayor

ATTEST:

By: \_\_\_\_\_  
Name: Darla Sapp  
Title: City Clerk

Certified as to correct  
Form:

\_\_\_\_\_  
Jeffrey Kays, City Attorney



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(Space above reserved for Recorder's use)

TITLE OF DOCUMENT:	BASE LEASE
DATE OF DOCUMENT:	November 1, 2018
GRANTOR(S) NAME AND MAILING ADDRESS:	CITY OF ASHLAND, MISSOURI 109 E. Broadway, P.O. Box 135 Ashland, MO 65010 Attention: City Clerk
GRANTEE(S) NAME AND MAILING ADDRESS:	CONNECTIONS BANK 301 E. Broadway Ashland, MO 65010
RETURN DOCUMENTS TO:	David S. Martin Gilmore & Bell, P.C. 2405 Grand Boulevard, Suite 1100 Kansas City, Missouri 64108
LEGAL DESCRIPTION:	See <b>Schedule 1</b>

## BASE LEASE

**BASE LESSOR:** CITY OF ASHLAND, a fourth-class city and political subdivision of the State of Missouri

**BASE LESSEE:** CONNECTIONS BANK, a Missouri state chartered bank

**DATE:** NOVEMBER 1, 2018

**THIS BASE LEASE** (the “Base Lease”), dated as of the date set forth above, by and between the Base Lessor named above (together with its successors and assigns, “Base Lessor”), and the Base Lessee named above (together with its successors and assigns, “Base Lessee”),

### WITNESSETH:

**WHEREAS**, in order to carry out the essential governmental and proprietary functions of Base Lessor, the governing body of Base Lessor deems it necessary to acquire the hereinafter defined Improvements; and

**WHEREAS**, Base lessor is the owner of the real estate described in **Schedule 1** hereto (together with all existing improvements and fixtures thereon, the “Existing Property”), to which it desires to make additional improvements; and

**WHEREAS**, Base Lessee proposes to (i) lease the Existing Property from Base Lessor, (ii) advance at least \$50,001 on the date of delivery hereof to provide funds to pay costs of the hereinafter defined Improvements on the Existing Property and to pay closing costs, and (iii) to make additional advances over time with a total of all such advances not to exceed \$1,425,000 (such advances constituting the “Base Lease Rentals”) in order to provide funds to pay costs of a new City Hall structure on the Existing Property, together with related improvements, fixtures, equipment and furnishings and support facilities (collectively, the “Improvements”); and

**WHEREAS**, Base Lessee has offered to lease the Existing Property and Improvements (together, the “Project”) to Base Lessor pursuant to a Lease Purchase Agreement dated as of the date hereof (as amended or supplemented from time to time, the “Lease”) by and between Base Lessee, as lessor, and Base Lessor, as lessee; and

**WHEREAS**, Base Lessor desires to lease the Existing Property to Base Lessee in consideration of payments of the above-described Base Lease Rentals and upon the terms and conditions herein set forth and to lease the Project from Base Lessee upon the terms and conditions set forth in the Lease;

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements herein set forth, Base Lessor and Base Lessee do hereby covenant and agree as follows:

**Section 1. Definitions.** Unless otherwise defined in this Base Lease, capitalized words and terms used in this Base Lease will have the meanings assigned thereto in **Section 1.1** of the Lease.

**Section 2. Representations by Base Lessor.** Base Lessor represents, warrants and covenants as follows:

(a) Base Lessor is a fourth-class city and political subdivision established and existing under and pursuant to the laws of the State of Missouri (the "State");

(b) The lease of the Existing Property to Base Lessee and the lease of the Project by Base Lessee to Base Lessor, as provided in the Lease, is necessary, desirable and in the public interest, and Base Lessor hereby declares its current need for the Project;

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

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

(e) Base Lessor has good and marketable fee title to the Existing Property;

(f) The Existing Property is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the construction and installation of the Improvements on the Existing Property, as contemplated by the Lease;

(g) All taxes, assessments or impositions of any kind with respect to the Existing Property, except current taxes, have been paid in full;

(h) The Existing Property is properly zoned for the purpose of the Improvements; and

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

**Section 3. Lease.** Base Lessor hereby leases to Base Lessee, and Base Lessee hereby rents and leases from Base Lessor, the Existing Property on the terms and conditions hereinafter set forth.

**Section 4. Term.** The term of this Base Lease shall commence as of the date of the delivery hereof, and shall end on the 20th anniversary of such date, unless such term is sooner terminated as hereinafter provided.

**Section 5. Rental.** As and for rental hereunder and in consideration for the leasing of the Existing Property to Base Lessee, Base Lessee shall:



- (a) Simultaneously with the delivery of this Base Lease, enter into the Lease;
- (b) Pay the Base Lease Rentals, as described in the preambles hereof, to the Base Lessor, or pursuant to its direction, in the manner described in the Lease.

**Section 6. Assignments and Subleases.** Base Lessee may assign its rights under this Base Lease or sublet the Project without the consent of Base Lessor (i) in connection with any assignment of its rights under the Lease, (ii) if the Lease is terminated for any reason or (iii) if an “event of default” as defined in the Lease has occurred.

**Section 7. Termination.** This Base Lease shall terminate upon the completion of the term set forth in **Section 4**; provided, however, in the event Base Lessor makes payment of the purchase price or makes all of the rental payments provided for in **Article IV** of the Lease and exercises its option to purchase Base Lessee’s interest in the Project pursuant to **Article X** of the Lease, then this Base Lease shall be considered assigned to Base Lessor and terminated through merger of the leasehold interest with the fee interest if Base Lessor is the owner of the fee interest.

If an “event of default” under the Lease occurs or if Base Lessor terminates the Lease pursuant to **Section 3.2** of the Lease, Base Lessee shall have the right to possession of the Project for the remainder of the term of this Base Lease and shall have the right to sublease the Project or sell its interest in the Project and this Base Lease upon whatever terms and conditions it deems prudent; provided, however, that Base Lessee shall provide Base Lessor with adequate public liability insurance covering the premises for the remainder of the term and will furnish Base Lessor with evidence thereof.

**Section 8. Default.** Base Lessor shall not have the right to exclude Base Lessee from the Project or take possession of the Project (other than pursuant to the Lease) or to terminate this Base Lease prior to the expiration of its term upon any default by Base Lessee hereunder, except that if, upon the exercise of the option to purchase Base Lessee’s interest in the Project granted to Base Lessor in **Article X** of the Lease and after the payment of the purchase price specified therein and other sums payable under the Lease, Base Lessee fails to convey its interest in the Project to Base Lessor pursuant to said option, then Base Lessor shall have the right to terminate this Base Lease, such termination to be effective thirty (30) days after delivery of written notice of such termination to Base Lessee. In the event of any default by Base Lessee hereunder, however, Base Lessor may maintain an action for damages or, if permitted in equity, for specific performance.

**Section 9. Quiet Enjoyment.** At all times during the term of this Base Lease, Base Lessee shall peaceably and quietly have, hold and enjoy all of the Project, subject to the rights of Base Lessor under the Lease.

**Section 10. No Merger.** No union of the interests of Base Lessor and Base Lessee herein shall result in a merger of this Base Lease and the title to the Existing Property, except as described in **Section 7**.

**Section 11. Taxes and Assessments.** Base Lessor covenants and agrees to pay any and all assessments of any kind or character and all taxes levied or assessed upon the Existing Property.

**Section 12. Warranty and Indemnity Regarding Environmental Matters.** Base Lessor hereby warrants and represents that (i) there has not been any “release” (as defined in 42 U.S.C. § 9601(22)) or threat of a “release” of any “hazardous substances” (as defined in 42 U.S.C. § 9601(14)) on or about any of the Project, (ii) no part of the Project is or may be a “facility” (within the meaning of 42 U.S.C. § 9607(a)), and (iii) the Project and the use thereof are in compliance with all applicable laws, statutes, ordinances, rules

and regulations of any governmental or quasi-governmental authority, specifically including without limitation the Resource Conservation and Recovery Act and the Comprehensive Environmental Response, Compensation and Liability Act, both as amended, and all other environmental protection or toxic waste or hazardous substance handling, treatment, storage or disposal laws, statutes, ordinances, rules and regulations.

Base Lessor agrees to provide Base Lessee with copies of any notifications of releases of oil or hazardous materials or substances or of any environmental hazards or potential hazards which are given by or on behalf of Base Lessor to any federal, state or local agencies or authorities or which are received by Base Lessor from any federal, state or local agencies or authorities with respect to the Project. Such copies shall be sent to Base Lessee concurrently with their being mailed or delivered to the governmental agencies or authorities or within 10 days after they are received by Base Lessor.

Base Lessor agrees to provide Base Lessee with copies of all emergency and hazardous chemical inventory forms (hereinafter "Notices") with respect to the Project previously given, as of the date hereof, to any federal, state or local governmental authority or agency as required pursuant to the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C.A. Section 1101 *et seq.*, and to provide Base Lessee with copies of all such Notices subsequently sent to any such governmental authority or agency as required pursuant to the Emergency Planning and Community Right-to-Know Act of 1986. Such copies of subsequent Notices shall be sent to Base Lessee concurrently with their being mailed to any such governmental authority or agency.

Base Lessor hereby covenants and agrees, to the extent permitted by law, to indemnify, protect and hold harmless Base Lessee from and against any and all claims, demands, liabilities and costs, including without limitation attorneys' fees, arising from (a) any "release" (as defined above) or threat of a "release," actual or alleged, of any "hazardous substances" (as defined above) upon or about the Project or respecting any products or materials previously or now located upon, delivered to or in transit to or from the Project regardless of whether such release or threat of a release or alleged release or threat of release has occurred prior to the date hereof and hereafter occurs and regardless of whether such release or threat of a release or alleged release or threat of a release occurs as the result of the negligence or misconduct of Base Lessor or any third party or otherwise, or (b) any violation, actual or alleged, of or any other liability under or in connection with any law, statute, ordinance, rule or regulation of any governmental or quasi-governmental authority, specifically including without limitation the Resource Conservation and Recovery Act and the Comprehensive Environmental Response Compensation and Liability Act, both as amended, or any other environmental protection or toxic waste or hazardous substance handling, treatment, storage or disposal laws, statutes, ordinances, rules or regulations upon or about the Project or respecting any products or materials previously or now located upon, delivered to or in transit to or from the Project, regardless of whether such violation or alleged violation has occurred prior to the date hereof or hereafter occurs and regardless of whether such violation or alleged violation occurs as a result of the negligence or misconduct of Base Lessor or any third party or otherwise. Notwithstanding the foregoing, Base Lessor shall not be obligated to indemnify and hold harmless Base Lessee from and against any claims, demands, liabilities and costs, including without limitation attorneys' fees, which arise solely as a result of the negligence or misconduct of Base Lessee.

**Section 13. Waiver of Personal Liability.** All liabilities under this Base Lease on the part of Base Lessee are solely corporate liabilities of Base Lessee as a corporation, and, to the extent permitted by law, Base Lessor hereby releases each and every director and officer of Base Lessee of and from any personal or individual liability under this Base Lease. No director or officer of Base Lessee shall at any time or under any circumstances be individually or personally liable under this Base Lease for anything done or omitted to be done by Base Lessee hereunder.



**Section 14. Eminent Domain.** (a) In the event the whole or any part of the Project is taken by eminent domain proceedings, the interest of the Base Lessee shall be recognized. The proceeds of said condemnation shall be applied as provided in **Article XI** of the Lease. Under State statutes, the Base Lessor has the power to condemn property for its purposes, and the Base Lessor acknowledges that if the Base Lessor condemned the project, such action could adversely affect the continuation of this Base Lease. The Base Lessor further acknowledges that condemnation of the Project would adversely affect the Base Lessee and that without the Base Lessee's interest in the Project, the Base Lessee might not lease the Project to the Base Lessor pursuant to the Lease.

The Base Lessor and the Base Lessee have reached agreement on the terms of the acquisition of the Project, at Base Lessor's option, and to the use of the Project, all as set forth in the Lease. Any acquisition of the Base Lessee's interest in the Project or rights to its use by the Base Lessor (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with the Lease, including payment of Rental Payments and the applicable Purchase Price (as defined and set forth in the Lease). If the Base Lessor allows the Lease to expire without exercising its option to purchase (whether by failure to exercise its option to extend the Lease for a Renewal Term, failure to exercise its option to purchase at the conclusion of the Maximum Lease Term or failure to cure an Event of Default [as those terms are defined in the Lease]), that action shall constitute an irrevocable determination by the Base Lessor that the Project is not required by it for any public purpose for the term of this Base Lease.

The Base Lessor hereby covenants and agrees, to the extent it may lawfully do so, that if for any reason it exercises the power of eminent domain with respect to the Project, the appraisal value of the Project shall not be less than the Rental Payments then due plus the then applicable Purchase Price as defined and set forth in the Lease.

(b) In the event that title to all or a portion of the Existing Property is challenged or threatened by means of competent legal or equitable action, the Base Lessor covenants that it shall cooperate with the Base Lessee and shall take all reasonable actions, including where appropriate the lawful exercise of the Base Lessor's power of eminent domain, in order to quiet title to the Existing Property in the Base Lessor.

**Section 15. Leaseback to Base Lessor; Term; Rental.** Contemporaneously herewith Base Lessee and Base Lessor will execute the Lease whereby Base Lessee subleases back to Base Lessor and Base Lessor subleases from Base Lessee the Existing Property, and Base Lessee leases to Base Lessor and Base Lessor leases from Base Lessee the Improvements in accordance therewith. Title to the Existing Property shall remain in Base Lessor at all times. The Lease includes in **Article X** thereof the option of Base Lessor, upon payment of the purchase price, to purchase Base Lessee's interest in the Project.

**Section 16. Partial Invalidity.** If any one or more of the terms, provisions, covenants or conditions of this Base Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Base Lease shall be affected thereby, and each provision of this Base Lease shall be valid and enforceable to the fullest extent permitted by law.

**Section 17. Notices.** All written notices to be given under this Base Lease shall be given by mail to the party entitled thereto at its address set forth in the Lease, or at such address as the party may provide to the other party in writing from time to time. Any such notice shall be deemed to have been received 48 hours after deposit in the United States mail in registered form, with postage fully prepaid.



**Section 18. Section Headings.** All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Base Lease.

**Section 19. Amendments, Changes and Modifications.** This Base Lease may not be effectively amended, changed, modified, altered or supplemented except with the written consent of both Base Lessee and Base Lessor. Any waiver of any provision of this Base Lease or any right or remedy hereunder must be affirmatively and expressly made in writing and shall not be implied from in action, course of dealing or otherwise.

**Section 20. Applicable Law.** This Base Lease shall be governed by and construed in accordance with the laws of the State.

**Section 21. Execution; Electronic Transactions.** This Base Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same Base Lease. It is also agreed that separate counterparts of this Base Lease may be executed by Base Lessee and Base Lessor all with the same force and effect as though the same counterpart had been executed by both Base Lessee and Base Lessor. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will 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 parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means.

**Section 22. Successors.** This Base Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

**Section 23. Complete Agreement.** This written agreement is a final expression of the agreement between the parties hereto and such agreement may not be contradicted by evidence of any prior oral agreement or of a contemporaneous oral agreement between the parties hereto. No unwritten oral agreement between the parties exists.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, Base Lessor and Base Lessee have caused this Base Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

**CITY OF ASHLAND, MISSOURI**

[SEAL]

By: \_\_\_\_\_

Name: Gene Rhorer

Title: Mayor

ATTEST:

By: \_\_\_\_\_

Name: Darla Sapp

Title: City Clerk

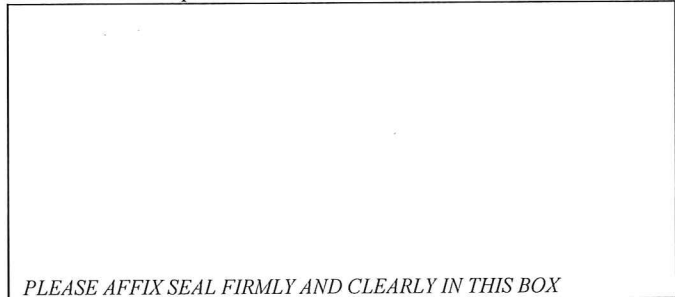
**ACKNOWLEDGMENT**

STATE OF MISSOURI       )  
  ) SS  
COUNTY OF BOONE       )

**BE IT REMEMBERED**, that on this \_\_\_\_ day of November, 2018, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came **GENE RHORER**, to me personally known, who, being by me duly sworn did say that he is the Mayor of the **CITY OF ASHLAND, MISSOURI**, a body politic and corporate duly authorized, incorporated and existing under and by virtue of the constitution and laws of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said body, and that the instrument was signed and sealed in behalf of said body by authority of its governing body, and he acknowledged said instrument to be the free act and deed of said body.

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

\_\_\_\_\_  
Notary Public in and for said State  
Commission Expires:



**CONNECTIONS BANK**

By: \_\_\_\_\_  
Name: Bill Lloyd  
Title: President

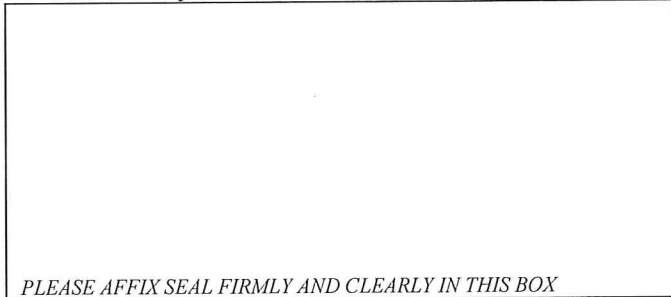
**ACKNOWLEDGMENT**

STATE OF MISSOURI            )  
  ) SS.  
COUNTY OF BOONE         )

**BE IT REMEMBERED**, that on this \_\_\_\_ day of November, 2018, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came **BILL LLOYD**, to me personally known, who, being by me being before me duly sworn did say that he is President of **CONNECTIONS BANK**, a banking corporation organized and existing under the laws of the State of Missouri, and that said instrument was signed on behalf of said corporation by authority of its board of directors, and said official acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said corporation.

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

\_\_\_\_\_  
Notary Public in and for said State  
Commission Expires:





**SCHEDULE 1 TO BASE LEASE**

**DESCRIPTION OF THE EXISTING PROPERTY**

The East 91 feet of the South Half (S 1/2) of Lot Number One (1) in Block Number Eleven (11) in the Town of Ashland, Boone County, Missouri.

ALSO, Lot Three (3) in Block Ten (10) of the Town of Ashland, Boone County, Missouri, EXCEPT that part conveyed to the State of Missouri for Highway purposes by Deed recorded in Road Book 3, Page 367, and Book 379, Page 109, Records of Boone County, Missouri.

ALSO, Lot Four (4) in Block Ten (10) of the Town of Ashland, Boone County, Missouri, EXCEPT that part conveyed to the State of Missouri for Highway purposes by Deed recorded in Road Book 3, Page 362, and Book 379, Page 540, Records of Boone County, Missouri.

SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

\* \* \*

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(Space above reserved for Recorder's use)

TITLE OF DOCUMENT:	LEASE PURCHASE AGREEMENT
DATE OF DOCUMENT:	November 1, 2018
GRANTOR(S) NAME AND MAILING ADDRESS:	CONNECTIONS BANK 301 E. Broadway Ashland, MO 65010
GRANTEE(S) NAME AND MAILING ADDRESS:	CITY OF ASHLAND, MISSOURI 109 E. Broadway, P.O. Box 135 Ashland, MO 65010 Attention: City Clerk
RETURN DOCUMENTS TO:	David S. Martin Gilmore & Bell, P.C. 2405 Grand Boulevard, Suite 1100 Kansas City, Missouri 64108
LEGAL DESCRIPTION:	See <b>Schedule 1</b>

## LEASE PURCHASE AGREEMENT

**LESSOR:** CONNECTIONS BANK, a Missouri state-chartered bank

**LESSEE:** CITY OF ASHLAND, MISSOURI, a fourth-class city and political subdivision of the State of Missouri

**DATE:** NOVEMBER 1, 2018

**THIS LEASE PURCHASE AGREEMENT**, dated as of the date set forth above, by and between the Lessor named above (together with its successors and assigns, "Lessor"), and the Lessee named above (together with its successors, "Lessee"),

### WITNESSETH:

**WHEREAS**, Lessor proposes to take the following actions:

(a) Lease from Lessee, pursuant to a Base Lease of even date herewith (the "Base Lease"), the real property described in **Schedule 1** hereto (together with all existing improvements and fixtures thereon, the "Existing Property"), to which it desires to make additional improvements;

(b) Provide funds (Base Lease Rentals) in an amount up to the Maximum Authorized Amount listed on **Exhibit B**, to pay the costs of construction, improvement, furnishing and equipping of a new City Hall structure located on the Existing Property (the "Improvements"), as further described on **Exhibit B**;

(c) Lease its interest in the Existing Property and the Improvements (together, the "Project") to Lessee for the rentals and upon the terms and conditions hereinafter set forth; and

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

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

## ARTICLE I

### DEFINITIONS AND RULES OF CONSTRUCTION

**Section 1.1. Definitions of Words and Terms.** In addition to words and terms defined herein, the following words and terms as used in the Base Lease and this Lease shall have the following meanings, unless some other meaning is plainly intended:

**"Additional Rent"** means those payments required to be made by Lessee by **Section 4.2**.

**"Base Lease"** means the Base Lease dated as of the date hereof between Lessor and Lessee, as from time to time supplemented or amended in accordance with **Section 19** of the Base Lease.



**“Base Lease Rentals”** means the sums to be paid by Lessor as rentals for its interest under the Base Lease, in an amount up to the Maximum Authorized Amount to be applied to pay Costs of the Improvements and closing costs, all as provided in this Lease.

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

**“Commencement Date”** is the date when the term of this Lease and Lessee’s obligation to pay rent commences, which date will be the date on which the initial amount of Base Lease Rentals is advanced to pay the Costs of the Improvements.

**“Completion Date”** means the date of completion of the Improvements as that date shall be certified as provided in **Section 5.4** hereof.

**“Construction Contract”** means the construction contract for the construction of the Improvements in accordance with the Plans and Specifications.

**“Cost”** or **“Costs”** means all reasonable or necessary expenses incidental to the acquisition, construction, installation, repair, alteration, improvement, extension, furnishing and equipping of the Improvements, including the expenses of studies, surveys, land title and title policies, architectural and engineering services, legal and other special services and all other necessary and incidental expenses.

**“Counsel”** means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for either Lessee or Lessor.

**“Engineer”** means an individual engineer or architect or a firm of engineers or architects selected by the Lessee who or which is not a full-time employee of the Lessee and is acceptable to Lessor.

**“Event of Default”** or **“Default”** means any Event of Default as defined in **Section 12.1**.

**“Existing Property”** means the real estate described in **Schedule 1** to this Lease, together with all existing improvements and fixtures thereon.

**“Final Disbursement Date”** means the earlier of (i) the Completion Date, or (ii) fifteen days prior to the first anniversary of the Commencement Date, which date will be the latest date on which a draw request for an advance of Base Lease Rentals may be paid.

**“Fiscal Year”** means the fiscal year of Lessee for financial and budgetary purposes as set forth on **Exhibit B** hereto.

**“Impositions”** means those Impositions defined as such in **Article VI**.

**“Improvements”** means the facilities, improvements, fixtures, equipment, furnishings and support facilities constituting a part of the Project, as further described on **Exhibit B** hereto and referred to in **Article V** hereof.

**“Interest Portion”** means the Interest Portion of a Rental Payment identified as such in **Exhibit A**.

**“Issuance Year”** is the calendar year in which the Commencement Date occurs.

“**Lease**” means this Lease Purchase Agreement between Lessor and Lessee, as from time to time supplemented and amended in accordance with **Article XIII** hereof.

“**Lease Term**” means the Original Term and any Renewal Term.

“**Maximum Authorized Amount**” means the maximum authorized amount specified on **Exhibit B**, to be paid by Lessor as the portion of Base Lease Rentals to be applied to pay Costs of the Improvements.

“**Maximum Lease Term**” means the Original Term and Renewal Term through the final Rental Payment Date listed on **Exhibit A**.

“**Net Proceeds**” when used with respect to any insurance proceeds or any condemnation award or amounts received from the sale of property under the threat of condemnation, means the amount remaining after deducting all expenses (including attorneys’ fees and any expenses of Lessee and Lessor) incurred in the collection of such proceeds or award from the gross proceeds thereof.

“**Original Term**” means the initial term of this Lease beginning as of the Commencement Date and ending on the last day of Lessee’s current Fiscal Year.

“**Principal Portion**” means the Principal Portion of a Rental Payment identified as such in **Exhibit A** hereto.

“**Project**” means the project referred to in the recitals of this Lease, including Lessor’s interest in the Existing Property and the Improvements.

“**Project Documents**” means the Base Lease, the Lease, the Construction Contract and any other agreements, documents or certificates related to the foregoing or the Project.

“**Purchase Price**” means the amount calculated in accordance with **Section 10.1**, which is the price that is payable to the Lessor to purchase the Project, if the Lessee, in its sole discretion, elects to exercise its option to purchase the Project pursuant to **Article X** hereof.

“**Renewal Term**” means the renewal term of this Lease during which the Lease Term may be extended in accordance with **Section 3.2** hereof, beginning on the first day of the Lessee’s next Fiscal Year after the Original Term and ending on the final Rental Payment Date listed on **Exhibit A**.

“**Rental Payment Dates**” means the dates during the Lease Term on which Rental Payments are due as set forth on **Exhibit A**.

“**Rental Payments**” means those payments required to be made by Lessee by **Section 4.1** hereof, as set forth in **Exhibit A**.

“**State**” means the state in which Lessee is located.

**Section 1.2. Rules of Construction.** Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing person shall include firms, associations and corporations, including public bodies, as well as natural persons.

The words "herein," "hereby," "hereunder," "hereof," "hereto," "hereinbefore," "hereinafter" and other equivalent words refer to this Lease and not solely to the particular article, section, paragraph or subparagraph hereof in which such word is used.

Reference herein to a particular article, a particular section, a particular exhibit or a particular schedule shall be construed to be a reference to the specified article, section, exhibit or schedule hereof or hereto unless the context or use clearly indicates another or different meaning or intent.

Whenever an item or items are listed after the word "including," such listing is not intended to be a listing that excludes items not listed.

**Section 1.3. Section and Article Headings.** The Section and Article headings herein are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions hereof.

**Section 1.4. Execution of Counterparts.** This Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument.

**Section 1.5. Construction and Enforcement.** This Lease shall be construed and enforced in accordance with the laws of the State. Wherever in this Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

**Section 1.6. Severability.** In the event any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

**Section 1.7. Complete Agreement.** This written agreement is a final expression of the agreement between the parties hereto and such agreement may not be contradicted by evidence of any prior oral agreement or of a contemporaneous oral agreement between the parties hereto. No unwritten oral agreement between the parties exists.

**Section 1.8. Accounting Terms.** Accounting terms used herein and not otherwise specifically defined shall have the meaning ascribed to such terms by accounting principles generally accepted in the United States of America as from time to time in effect.

## ARTICLE II

### REPRESENTATIONS AND COVENANTS

**Section 2.1. Representations and Covenants by Lessee.** Lessee represents, warrants and covenants as follows:

- (a) Lessee is a fourth-class city and political subdivision organized and existing under the constitution and laws of the State with full power and authority to enter into each of the Project Documents and the transactions contemplated hereby and to perform all of its obligations hereunder;



(b) The lease of the Project by Lessor to Lessee, as provided in this Lease, is necessary, desirable and in the public interest, and Lessee hereby declares its current need for the Project;

(c) The Improvements, when completed, in accordance with the Plans and Specifications and the Construction Contract, will result in facilities which will be in compliance with all applicable laws and regulations and Lessee's requirements, and will result in facilities suitable for the use by Lessee set forth on **Exhibit B** hereto;

(d) Lessee and the Engineer have estimated, and Lessee reasonably believes, that the aggregate of the Costs of the Improvements, constructed in accordance with the Plans and Specifications and the Construction Contract, will not exceed the amount being provided by Lessor under the Base Lease, together with other funds Lessee has available to pay such Costs;

(e) Lessee has duly authorized the execution and delivery of each of the Project Documents by proper action by its governing body at a meeting duly called, regularly convened and attended throughout by the requisite majority of the members thereof or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of each of the Project Documents;

(f) Neither the execution and delivery of any Project Document, nor the fulfillment of or compliance with the terms and conditions thereof, nor the consummation of the transactions contemplated thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Lessee is a party or by which Lessee is bound;

(g) There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal challenging the validity of the authorization or the power or authority of Lessee to enter into any Project Document or the validity or enforceability of any Project Document or which, if adversely determined, would adversely affect the transactions contemplated by any Project Document or the interest of Lessor or its assigns under any Project Document;

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

(i) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof;

(j) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current Fiscal Year to make the Rental Payments scheduled to come due during the Original Term, and to meet its other obligations for the Original Term, and such funds have not been expended for other purposes;

(k) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic;

(l) Lessee has complied, or will comply, with such public bidding requirements as may be applicable to any of the Project Documents and the acquisition and construction by Lessee of the Improvements; and

(m) During the Lease Term, the Project will be used by Lessee only for the purpose of performing essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority.

### ARTICLE III

#### GRANTING PROVISIONS; TERM

**Section 3.1. Granting of Leasehold.** Lessor, by these presents, hereby rents, leases and lets the Project unto Lessee, and Lessee hereby rents, leases and hires the Project from Lessor for the Rental Payments and subject to the terms and conditions hereinafter set forth.

**Section 3.2. Lease Term.** The Original Term shall commence as of the date of delivery of this Lease and shall terminate on the last day of Lessee's current Fiscal Year. The Lease Term may be continued, at the option of Lessee, at the end of the Original Term for an additional Renewal Term terminating on the final Rental Payment Date set forth on **Exhibit A** hereto. Lessee shall be deemed to have exercised its option to continue this Lease for the Renewal Term unless Lessee shall have terminated this Lease pursuant to **Section 3.3** or **10.1**. The terms and conditions during the Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in **Section 4.1** and in **Exhibit A** hereto.

Lessee currently intends, subject to the provisions of **Section 3.3**, to continue this Lease through the Maximum Lease Term and to pay the Rental Payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to pay all Rental Payments during the Original Term and the Renewal Term can be obtained. The responsible financial officer of Lessee shall do all things lawfully within his power to obtain and maintain funds from which the Rental Payments may be made, including making provision for such Rental Payments to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of Lessee and to exhaust all available reviews and appeals in the event such portion of the budget is not approved. Notwithstanding the foregoing, the decision to budget and appropriate funds or to extend this Lease for the Renewal Term is to be made in accordance with Lessee's normal procedures for such decisions, and the then current governing body of Lessee will have the final responsibility for that decision.

**Section 3.3. Nonappropriation.** Lessee is obligated only to pay such Rental Payments under this Lease as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current Fiscal Year. Should Lessee fail to budget, appropriate or otherwise make available funds sufficient to pay Rental Payments following the then current Original Term or Renewal Term, this Lease shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 15 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If this Lease is terminated in accordance with this Section, Lessee agrees to transfer possession of the Project to Lessor.



**Section 3.4. Use of Premises.** Lessee shall have the right to use the Project for any essential governmental or proprietary purpose of Lessee, subject to the limitations contained in the Project Documents.

#### ARTICLE IV

#### PROVISIONS FOR PAYMENT OF RENTAL PAYMENTS

**Section 4.1. Rental Payments; Prepayments; Monthly Accounting of Base Lease Rental Advances.**

(a) Lessee shall pay Rental Payments to Lessor on each Rental Payment Date, in an amount equal to the amount calculated as described on **Exhibit A** hereto. Rental Payments shall be made exclusively from legally available funds, in lawful money of the United States of America. All or a portion of each Rental Payment is paid as, and represents payment of, interest, as set forth in **Exhibit A** hereto. All Rental Payments shall be applied first to the Interest Portion accrued to the date of such payment and then to any principal portion that may be due on such Rental Payment Date. The Interest Portions of Rental Payments shall be calculated on the Principal Portion outstanding from time to time, using the interest rate and accrual basis set forth on **Exhibit B**.

(b) On the Commencement Date, Lessor will advance to or for the benefit of Lessee, an amount equal to at least \$50,001, being the first installment of Base Lease Rentals. Subsequently, Lessor will advance to or for the benefit of Lessee installments of Base Lease Rentals, aggregating not more than the Maximum Authorized Amount, upon receipt of a signed draw request in a form to be provided by the Lessor, to pay Costs of the Improvements, provided that no draw requests may be made after the Final Disbursement Date.

(c) As early as practicable after the earlier of (i) the date that Lessor has advanced the Maximum Authorized Amount of Base Lease Rentals, or (ii) the Final Disbursement Date, Lessor will calculate the remaining Rental Payments due on each Rental Payment Date with respect to the Improvements, in the manner described in **Exhibit A**, taking into account the amount of proceeds drawn by Lessee from time to time from the Commencement Date to and including the Final Disbursement Date. Lessor will provide Lessee with a completed **Exhibit A** to be attached to this Lease, calculated using the interest rates and accrual basis set forth on **Exhibit B**.

(d) Lessee will pay Lessor a charge on any Rental Payment not paid on the Rental Payment Date such Rental Payment is due at the rate of 10% per annum or the maximum amount permitted by law, whichever is less, from such date. Such late charge shall be payable by Lessee upon demand by Lessor and shall be deemed Additional Rent hereunder. Lessee acknowledges and agrees that the late charge (i) does not constitute interest, (ii) is an estimate of the costs Lessor will incur as a result of the late payment and (iii) is reasonable in amount. A portion of each Rental Payment is paid as, and represents payment of, interest, as set forth on **Exhibit A**.

**Section 4.2. Additional Rent.** Lessee will pay, subject to the provisions of **Section 3.3**, as Additional Rent (i) all Impositions (as defined in **Article VI**); (ii) all amounts required under **Section 4.5** or **14.5** and all other payments of whatever nature which Lessee has agreed to pay or assume under this Lease; and (iii) all expenses, including attorneys' fees, incurred in connection with the enforcement of any rights under this Lease by Lessor. Amounts required to be paid under this Section will be paid directly to the person or entity owed.



**Section 4.3. Rental Payments and Additional Rent Constitute Current Expense.** The obligation of Lessee to pay the Rental Payments and the Additional Rent and other amounts payable hereunder is subject to the provisions of **Section 3.3**, constitutes a current expense of Lessee and does not constitute a general obligation or indebtedness of Lessee for which Lessee is obligated to levy or pledge any form of taxation or for which Lessee has levied or pledged any form of taxation; such obligation shall not be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement, but in each Fiscal Year shall be payable solely from the amounts budgeted or appropriated therefor out of the income and revenue provided for such Fiscal Year, any proceeds of the Project and the Net Proceeds of any insurance or condemnation awards.

**Section 4.4. Rental Payments and Additional Rent Payable Without Abatement or Set-Off; Lessee's Obligations.** Subject to the provisions of **Section 3.3**, Lessee covenants and agrees that all payments of Rental Payments and Additional Rent shall be made by Lessee on or before the date the same become due, and Lessee shall perform all of its other obligations, covenants and agreements hereunder (including the obligation to pay Rental Payments and Additional Rent) without notice or demand and without abatement, deduction, setoff, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the acquisition or construction of the Improvements shall have been started or completed.

Nothing in this Lease shall be construed as a waiver by Lessee of any rights or claims Lessee may have against Lessor under this Lease or otherwise, but any recovery upon such rights and claims shall be from Lessor separately, it being the intent of this Lease that Lessee shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Lease, including its obligation to pay Rental Payments and Additional Rent. Lessee may, however, at its own cost and expense and in its own name or in the name of Lessor, prosecute or defend any action or proceeding or take any other action involving third persons which Lessee deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event Lessor hereby agrees to cooperate fully with Lessee and to take all action necessary to effect the substitution of Lessee for Lessor in any such action or proceeding if Lessee shall so request.

**Section 4.5. Advances by Lessor to Insure the Project.** In the event Lessee fails to either maintain the insurance required by this Lease or keep the Project in good repair, Lessor may, but shall be under no obligation to, purchase the required insurance and pay the cost of the premiums therefor and maintain and repair the Project and pay the cost thereof. All amounts so advanced by Lessor shall constitute Additional Rent for the then current Original Term or Renewal Term and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the date advanced by Lessor until paid at the rate of 10% per annum or the maximum amount permitted by law, whichever is less. In accordance with Section 427.120 of the Revised Statutes of Missouri, unless Lessee provides evidence of the insurance coverage required by this Lease, Lessor may purchase insurance at Lessee's expense to protect Lessor's interests hereunder. This insurance may, but need not, protect Lessee's interests. The coverage that Lessor may purchase may not pay any claim that Lessee may make or any claim that may be made against Lessee in connection with the Project. Lessee may later cancel any insurance purchased by Lessor, but only after providing evidence that Lessee has obtained insurance as required by this Lease. If Lessor purchases insurance for the Project, Lessee will be responsible for the costs of that insurance, including the insurance premium, interest and other reasonable charges directly related to the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance will be added as Additional Rent. The costs of the insurance may be more than the cost of insurance Lessee may be able to obtain on its own.

## ARTICLE V

### ACQUISITION, CONSTRUCTION, EQUIPPING AND INSTALLATION OF THE IMPROVEMENTS

**Section 5.1. Construction of Improvements.** Lessee has entered, or will enter, into the Construction Contract providing for the construction of the Improvements and has provided, or will provide immediately upon entering such Construction Contract, a copy of such Construction Contract to Lessor. Lessee shall cause the Improvements to be acquired, constructed, equipped and installed in accordance with the Plans and Specifications and the Construction Contract as promptly as practicable and with all reasonable dispatch.

Concurrently with the delivery of this Lease, upon request of Lessor, Lessee shall file with Lessor the Plans and Specifications in the form in which they then exist (it being understood that the Plans and Specifications may not be complete at that time). Thereafter, pursuant to the requirements of **Section 5.3**, Lessee shall promptly file the completed Plans and Specifications and such additions and supplements thereto as the same are prepared.

**Section 5.2. Payment for Acquisition, Construction, Equipping and Installation of the Improvements.** Costs and expenses of every nature incurred in the acquisition, construction, equipping and installation of the Improvements, which qualify as Costs of the Improvements, shall be requested by Lessee and paid by Lessor as described in **Section 4.1**.

**Section 5.3. Changes in the Plans and Specifications or Construction Contract or Modifications of the Improvements.** Lessee may make any changes in or modifications of the Plans and Specifications subsequent to the date of this Lease and prior to the Completion Date, may make any changes in or modifications of the Construction Contract and may make any deletions from or substitutions or additions to the Improvements (such completion, changes, modifications, deletions, substitutions and additions being together herein called "change orders"), subject to satisfaction of the following conditions:

(a) Such change orders do not materially alter the size, scope or character of the Improvements or impair the structural integrity or utility of the Improvements;

(b) Prior approval of the contractors' surety shall have been obtained;

(c) Such change order shall not postpone the date by which the Improvements are required to be completed or the amount of liquidated damages resulting from the failure to complete the Improvements by that date without the prior written approval of Lessor; and

(d) To the extent that any change order, together with all prior change orders, will increase the estimated Costs of the Improvements by more than 5%, (i) Lessee shall have set aside in a separate account funds to be used solely to pay Costs of the Improvements and sufficient to pay such excess, (ii) payment of Costs of the Improvements equal to the amount of such excess shall be paid by Lessee directly to the contractors and to the suppliers of materials and services as the same shall become due, (iii) Lessee shall save Lessor whole and harmless from any obligation to pay such excess, and (iv) any such payment by Lessee shall not diminish Lessee's obligation to make Rental Payments or other payments under this Lease.



No change order shall be effective until delivered to Lessor in accordance with the foregoing provisions.

**Section 5.4. Completion Date.** The Completion Date of the Improvements shall be evidenced to Lessor upon receipt by Lessor of a completion certificate stating that the Improvements are complete and that no more advances will be requested for Costs of the Improvements by the Lessee.

**Section 5.5. Design, Construction and Maintenance of the Improvements.** Lessor shall have no responsibility in connection with the selection of the Improvements, any contractor, subcontractor or supplier, the Plans and Specifications or the design of the Improvements, their suitability for the use intended by Lessee, or the performance by any contractor, subcontractor or supplier in acquiring, constructing and installing the Improvements. Lessor shall have no obligation to acquire, construct, furnish, equip, install, erect, test, inspect, service or maintain the Project or any portion thereof under any circumstances, but such actions shall be the obligation of Lessee. Lessor's sole responsibility in connection with the Improvements is to make advances of Base Lease Rentals to pay Costs of the Improvements in accordance with the terms and conditions specified in the Base Lease and in **Section 4.1** of this Lease.

**Section 5.6. Warranties.** Lessor hereby assigns to Lessee for and during the Lease Term, all of its interest in all warranties, guarantees or other contract rights against any contractor, subcontractor or supplier, expressed or implied, issued on or applicable to the Improvements, and Lessor hereby authorized Lessee to obtain the customary services furnished in connection with such warranties, guarantees or other contract rights at Lessee's expense. Lessee's sole remedy for the breach of such warranties, guarantees or other contract rights shall be against any contractor, subcontractor or supplier, and not against Lessor, nor shall such matter have any effect whatsoever on the rights of Lessor with respect to this Lease, including the right to receive full and timely Rental Payments, Additional Rent and other payments hereunder. Lessee expressly acknowledges that Lessor does not make nor has it made any representation or warranty whatsoever as to the existence or availability of such warranties, guarantees or other contract rights of the manufacturer or supplier of any portion of the Improvements.

**Section 5.7. DISCLAIMER OF WARRANTIES.** LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROJECT OR ANY PART THEREOF, OR WARRANTY WITH RESPECT THERETO. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS LEASE OR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OF THE PROJECT OR ANY PART THEREOF.

## ARTICLE VI

### IMPOSITIONS

**Section 6.1. Impositions.** Lessee shall bear, pay and discharge, before the delinquency thereof, as Additional Rent, all taxes and assessments, general and special, if any, which may be lawfully taxed, charged, levied, assessed or imposed upon or against or be payable for or in respect of the Project, including any taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and further including all water and sewer charges, assessments and other general governmental charges and impositions whatsoever, foreseen or unforeseen, which if not paid when due would



impair the security of Lessor or encumber the Project (all of the foregoing being herein referred to as "Impositions").

**Section 6.2. Contest of Impositions.** Lessee shall have the right, in its own name or in Lessor's name, to contest the validity or amount of any Imposition which Lessee is required to bear, pay and discharge pursuant to the terms of this Article by appropriate legal proceedings instituted at least 10 days before the Imposition complained of becomes delinquent and may permit the Imposition so contested to remain unpaid during the period of such contest and any appeal therefrom unless Lessor shall notify Lessee that, in the opinion of Counsel, by nonpayment of any such items the interest of Lessor in the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event Lessee shall promptly pay such taxes, assessments or charges or provide Lessor with full security against any loss which may result from nonpayment, in form satisfactory to Lessor. Lessor agrees to cooperate with Lessee in connection with any and all administrative or judicial proceedings related to Impositions. Lessee shall hold Lessor whole and harmless from any costs and expenses Lessor may incur with respect to any Imposition.

## ARTICLE VII

### INSURANCE; INDEMNITY

**Section 7.1. Insurance Required.** Lessee shall, during the Lease Term, cause the Project to be kept continuously insured against such risks customarily insured against for facilities such as the Project and shall pay (except as otherwise provided herein), as the same become due, all premiums in respect thereof, such insurance to include the following policies of insurance:

(a) Starting on the Completion Date, insurance insuring the Project against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State in an amount not less than the lesser of an amount equal to the full insurable value thereof or the then applicable purchase price under **Section 10.1** (subject to reasonable loss deductible clauses) issued by such insurance company or companies authorized to do business in the State as may be selected by Lessee. The full insurable value of the Project may be determined by an engineer, contractor, appraiser, appraisal company or one of the insurers, to be selected, subject to Lessor's approval, and paid by Lessee, or may be deemed by the Lessee to be equal to the total amount of all Base Lease Rentals advanced by the Lessor. The policy or policies of such insurance shall name Lessee and Lessor as insureds and loss payees. All proceeds from such policies of insurance shall be applied as provided in **Article XI**. During acquisition, construction, equipping and installation of the Improvements, Lessee shall cause to be provided, insofar as the Improvements are concerned, the insurance required by subparagraph (b) below in lieu of the insurance required by this subparagraph (a);

(b) During the acquisition, construction, equipping and installation of the Improvements and in lieu of the insurance required in subparagraph (a) of this Section, builder's risk-completed value insurance insuring the Improvements against fire, lightning and all other risks covered by the extended coverage endorsement then in use in the State to the full insurable value of the Improvements (subject to reasonable loss deductible clauses), but in no event shall such amount be less than the amount necessary to prevent the application of any co-insurance provisions, issued by such insurance company or companies authorized to do business in the State as may be selected by Lessee. Such policy or policies of insurance shall name Lessee and Lessor as insureds and loss payees, and all payments received under such policy or policies by Lessee shall be paid over to Lessor;

(c) Comprehensive general accident and public liability insurance (including coverage for all losses whatsoever arising from the ownership, maintenance, operation or use of any automobile, truck or other motor vehicle), under which Lessee and Lessor are named as insureds, in an amount not less than the amount which the Lessor shall reasonably request for a combined single limit for bodily injuries and property damage;

(d) Performance and labor and material payment bonds with respect to the contracts for the acquisition, construction, equipping and installation of the Improvements and in the full amount of such contracts, made by the contractors thereunder as the principals and a surety company or companies qualified to do business in the State as surety which shall be approved in writing by Lessor, which bonds shall be in such form as is acceptable to Lessor and shall name Lessee and Lessor as obligees; and

(e) Workers' compensation and unemployment coverages to the extent, if any, required by the laws of the State.

Not less than 20 days prior to the expiration dates of the expiring policies, originals or copies of the policies required by this Section or certificates evidencing such insurance shall be delivered by Lessee to Lessor. All policies of such insurance, and all renewals thereof, shall contain a provision that such insurance may not be cancelled by the issuer thereof without at least ten days written notice to Lessee and Lessor.

Nothing in this Lease shall be construed as preventing Lessee from satisfying the insurance requirements herein set forth by using blanket policies of insurance provided each and all of the requirements and specifications of this Lease respecting insurance are complied with.

**Section 7.2. Enforcement of Contract and Surety Bonds.** In the event of material default of any contractor or subcontractor under any contract made in connection with the acquisition and construction of the Improvements, or in the event of a material breach of warranty with respect to any materials, workmanship or performance, Lessee will promptly proceed, either separately or in conjunction with others, to pursue diligently the remedies of Lessee against the contractor or subcontractor in default and against each surety on a bond securing the performance of such contract. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, after deduction of expenses incurred in such recovery and after reimbursement to Lessee of any amounts theretofore paid by Lessee and not previously reimbursed to Lessee for correction or remedying of the default which gave rise to the proceedings against the contractor, subcontractor or surety, shall be held by Lessee in a separate account and not commingled with other funds of Lessee if received before the Completion Date, and, if received after the Completion Date, shall be appropriated solely for the purpose of paying Rental Payments under this Lease.

**Section 7.3. Release and Indemnification.** To the extent permitted by law, Lessee shall indemnify, protect, hold harmless, save and keep Lessor harmless from and against any and all liability, obligation, loss, claim, tax and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith (including counsel fees and expenses) arising out of or as the result of (a) the entering into of the Base Lease or this Lease, (b) the acquisition, construction, equipping and installation of the Improvements, (c) injury, actual or claimed, of whatsoever kind or character, to property or persons, occurring or allegedly occurring in, on or about the Project during the Lease Term or otherwise arising during the Lease Term because of Lessor's interest in the Project, and/or (d) the breach of any covenant by Lessee herein or any material misrepresentation by Lessee contained herein. The indemnification arising under this section shall



continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the termination of this Lease for any reason.

## ARTICLE VIII

### ASSIGNMENT AND SUBLEASING

**Section 8.1. Assignment by Lessor.** Lessor's right, title and interest in, to and under this Lease and the Project may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor without the necessity of obtaining the consent of Lessee; provided that any assignment shall not be effective until Lessee has received written notice, signed by the assignor, of the name, address and tax identification number of the assignee. Lessee agrees to keep a record of all such notices of assignment and to execute all documents, including notices of assignment and financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in the Project and in this Lease. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right Lessee may have against Lessor.

**Section 8.2. Assignment and Subleasing by Lessee.** Except as set forth in this Section, none of Lessee's right, title and interest in, to and under this Lease and in the Project may be assigned or encumbered by Lessee for any reason, except that Lessee may sublease all or part of the Project if Lessee obtains the prior written consent of Lessor and an opinion of nationally recognized counsel in the area of tax-exempt obligations of state and local governments satisfactory to Lessor that such subleasing will not adversely affect the exclusion of the interest components of the Rental Payments from gross income for federal income tax purposes. Any such sublease of all or part of the Project will be subject to this Lease and the rights of Lessor in, to and under this Lease and the Project.

## ARTICLE IX

### MAINTENANCE, REPAIRS AND MODIFICATIONS

**Section 9.1. Maintenance, Repairs and Modifications.** Lessee shall, at its own expense, maintain, preserve and keep the Project in good repair, working order and condition, and shall from time to time make all repairs, replacements and improvements necessary to keep the Project in such condition. Lessor shall have no responsibility for any repairs, replacements or improvements. In addition, Lessee shall, at its own expense, have the right to remodel any portion of the Improvements or to make additions, modifications and improvements thereto. All such additions, modifications and improvements shall thereafter comprise part of the Project and be subject to the provisions of this Lease; provided, however, that Lessee may install at its own expense any furniture, furnishings, trade fixtures and business equipment and such furniture, furnishings, trade fixtures and business equipment (specifically excluding lighting fixtures and heating, ventilating and air conditioning equipment and wiring within conduits) shall remain the property of Lessee and shall not be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage the Improvements nor cause it to be used for purposes other than those permitted by this Lease and authorized under the provisions of municipal, state and federal law. The Project, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is not substantially less than the value of the Project immediately prior to the making of such additions, modifications and improvements. Any property for which a substitution or replacement is made pursuant to this Section may be disposed of by Lessee in such manner and on such terms as are determined by Lessee.



Lessee will not permit any mechanic's or other lien to be established or remain against the Project for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by Lessee pursuant to this Section; provided that if any such lien is established and Lessee shall first notify Lessor of Lessee's intention to do so, Lessee may in good faith contest any lien filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless Lessor shall notify Lessee that, in the opinion of Counsel, by nonpayment of any such item the interest of Lessor in the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide Lessor with full security against any such loss or forfeiture, in form satisfactory to Lessor. Lessor will cooperate fully with Lessee in any such contest, upon request and at the expense of Lessee.

**Section 9.2. Liens.** Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Project, other than the respective rights of Lessor and Lessee as herein and in the Base Lease provided. Except as expressly provided in this Article, Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. Lessee shall reimburse Lessor for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

## ARTICLE X

### LESSEE'S OPTION TO PURCHASE THE PROJECT

**Section 10.1. Lessee's Option to Purchase the Project.** Lessee shall have the option to purchase Lessor's interest in the Project, upon giving written notice to Lessor at least 15 days before the date of purchase, on any date, upon payment in full to Lessor the then applicable Purchase Price, as described on **Exhibit A**.

**Section 10.2. Determination of Fair Purchase Price.** Lessee and Lessor hereby agree and determine that the Rental Payment hereunder during the Original Term and any Renewal Term represent the fair value of the use of the Project and that the amount required to exercise Lessee's option to purchase Lessor's interest in the Project pursuant to **Section 10.1** represents, as of the end of the applicable Rental Payment Date, the fair purchase price of the Project. Lessee hereby determines that the Rental Payments do not exceed a reasonable amount so as to place Lessee under an economic practical compulsion to renew this Lease or to exercise its option to purchase the Project hereunder. In making such determinations, Lessee and Lessor have given consideration to the Costs of the Improvements, the uses and purposes for which the Project will be employed by Lessee, the benefit to Lessee by reason of the acquisition, construction, equipping and installation of the Improvements and the use and occupancy of the Project pursuant to the terms and provisions of this Lease and Lessee's option to purchase the Project. Lessee hereby determines and declares that the acquisition, construction, equipping and installation of the Improvements and the leasing of the Project pursuant to this Lease will result in a Project of comparable quality and meeting the same requirements and standards as would be necessary if the acquisition, construction, equipping and installation of the Improvements were performed by Lessee other than pursuant to this Lease. Lessee hereby determines and declares that the Maximum Lease Term does not exceed the useful life of the Improvements.

## ARTICLE XI

### DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

**Section 11.1. Damage, Destruction and Condemnation.** Unless Lessee shall have exercised its option to purchase the Project and terminate this Lease as provided in **Article X**, if (i) any component of the Project is destroyed (in whole or in part) or is damaged by fire or other casualty or (ii) title to or the temporary use of such component of the Project or the interest of Lessee or Lessor in the component of the Project, shall be taken under the exercise of the power of eminent domain, or the threat of such exercise, by any governmental body or by any person, firm or corporation acting under governmental authority, Lessee shall cause the Net Proceeds of any insurance or condemnation award or any sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Project by Lessee. Any balance of the Net Proceeds remaining after such work has been completed shall be held and appropriated by Lessee for the exclusive purpose of paying Rental Payments under this Lease.

If Lessee determines that the replacement, repair, restoration, modification or improvement of the Project is not economically feasible or in the best interest of Lessee, then, in lieu of making such replacement, repair, restoration, modification or improvement and if permitted by law, Lessee shall promptly purchase the Project by paying the then applicable Purchase Price to Lessor and such Net Proceeds shall be applied by Lessee to such payment to the extent required for such payment. Any balance of the Net Proceeds remaining after paying the Purchase Price to Lessor shall belong to Lessee.

**Section 11.2. Insufficiency of Net Proceeds.** If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement of any component of the Project in accordance with **Section 11.1**, subject to appropriation of sufficient funds, Lessee shall complete the work and pay any cost in excess of the amount of the Net Proceeds, and Lessee agrees that if by reason of any such insufficiency of the Net Proceeds Lessee shall make any payments pursuant to the provisions in this **Section 11.2**, Lessee shall not be entitled to any reimbursement therefor from Lessor or to any reduction in Rental Payments then due or thereafter coming due.

**Section 11.3. Cooperation of Lessor.** Lessor shall cooperate fully with Lessee, at the expense of Lessee, in filing any proof of loss with respect to any insurance policy covering the events described in **Section 11.1** and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Project or any part thereof and will, to the extent it may lawfully do so, permit Lessee to litigate in any proceeding resulting therefrom in the name of and on behalf of Lessor. In no event will Lessor voluntarily settle, or consent to the settlement of, any proceedings arising out of any insurance claim or any prospective or pending condemnation proceeding with respect to the Project or any part thereof without the written consent of Lessee.

## ARTICLE XII

### DEFAULT PROVISIONS

**Section 12.1. Events of Default Defined.** The following shall be "Events of Default" under this Lease and the term "Events of Default" shall mean, whenever it is used in this Lease, any one or more of the following events:

- (a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein;



(b) Failure by Lessee to observe and perform any covenant, condition or agreement under any Project Document on its part to be observed or performed, other than as referred to in clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to Lessee by Lessor; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor shall consent to an extension of such time if Lessee certifies that corrective action has been instituted by Lessee within the applicable period and will be diligently pursued until such failure is corrected;

(c) Any statement, representation or warranty made by Lessee in or pursuant to any Project Document or any instrument or certificate related thereto or to the Project shall be incorrect, untrue or misleading in any material respect;

(d) Any provision of any Project Document shall at any time for any reason cease to be valid and binding on Lessee, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee shall deny that it has any further liability or obligation under this Lease or the Base Lease; or

(e) The filing by Lessee of a voluntary petition in bankruptcy, or failure by Lessee to promptly lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its essential functions, or adjudication of Lessee as a bankrupt, or assignment by Lessee for the benefit of creditors, or the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to Lessee in any proceedings instituted under the provisions of any applicable federal bankruptcy law.

**Section 12.2. Remedies.** Whenever any Event of Default shall have happened and be continuing, Lessor shall have the right, at its option and without any further demand or notice, to take any one or more of the following remedial steps:

(a) By written notice to Lessee, Lessor may declare all Rental Payments and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term to be due;

(b) With or without terminating this Lease, take possession of the Project, sell Lessor's interest in the Base Lease, or lease the Project and collect the rentals therefor for all or any portion of the remainder of its leasehold term upon such terms and conditions as it may deem satisfactory in its sole discretion, with Lessee remaining liable for the difference between the Rental Payments, Additional Rents and other amounts payable by Lessee hereunder during the Original Term or then current Renewal Term, as the case may be, and the net proceeds of any purchase price, rents or other amounts paid by the purchaser, new lessee or sublessee of the Project, and, provided further, that, in such event, if Lessor shall receive a payment for sale of its interest or total Rental Payments for lease of the Project that are, after payment of Lessor's expenses in connection therewith, in excess of the then applicable Purchase Price, then such excess shall be paid to Lessee either by Lessor, its assigns, or by its sublessee; or

(c) Take whatever action at law or in equity may appear necessary or desirable to collect the Rental Payments then due and thereafter to become due during the then current Original Term or



Renewal Term, or enforce performance and observance of any obligation, agreement or covenant of Lessee under this Lease.

**Section 12.3. No Remedy Exclusive.** No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor or Lessee to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

**Section 12.4. No Additional Waiver Implied by One Waiver.** In the event any agreement contained in this Lease shall be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

### ARTICLE XIII

#### AMENDMENTS, CHANGES AND MODIFICATIONS

**Section 13.1. Amendments, Changes and Modifications.** This Lease may be amended, changed or modified in any manner by written agreement of Lessor and Lessee. Any waiver of any provision of this Lease or any right or remedy hereunder must be affirmatively and expressly made in writing and shall not be implied from inaction, course of dealing or otherwise.

### ARTICLE XIV

#### MISCELLANEOUS

**Section 14.1. Maintenance of Tax-Exemption.** Lessee shall not take any action or fail to take any action which action or failure would cause the interest components of Rental Payments under this Lease to be includable in gross income for federal income tax purposes. Lessee will comply with all applicable provisions of the Code, including Sections 103 and 148 thereof, and the regulations of the Treasury Department thereunder from time to time proposed or in effect in order to maintain the exclusion from gross income for purposes of federal income taxation of the interest components of Rental Payments under this Lease. Without limiting the generality of the foregoing, Lessee hereby ratifies, confirms and incorporates herein, as though set forth in full at this place, the representations, covenants and warranties contained in the Federal Tax Agreement relating to this Lease and delivered to Lessor concurrently with this Lease.

**Section 14.2. Notices.** It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Lease to be given or filed with Lessor or Lessee if the same shall be duly mailed by registered or certified mail with postage prepaid addressed as set forth in **Exhibit B** hereto. Lessor and Lessee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

**Section 14.3. Title to Personal Property.** Title to any portion of the Project that constitutes personal property shall vest in Lessee subject to Lessor's rights under this Lease and the Base Lease; provided that title thereto shall thereafter immediately and without any action by Lessee vest in Lessor and Lessee shall

immediately surrender possession thereof to Lessor upon (i) any termination of this Lease without Lessee exercising its option to purchase pursuant to **Section 10.1** or (ii) the occurrence of an Event of Default. It is the intent of the parties hereto that any transfer of title to Lessor pursuant to this Section shall occur automatically without the necessity of any deed, bill of sale, certificate of title or other instrument of conveyance. Nevertheless, Lessee shall execute and deliver any such instruments as Lessor may request to evidence such transfer.

**Section 14.4. Security Interest.** To secure the payment of all of Lessee's obligations under this Lease, to the extent permitted by law, Lessor retains a security interest in that portion of the Project consisting of personal property or fixtures and on all additions, attachments, accessions thereto, substitutions therefor and on any proceeds therefrom. Lessee consents to the filing of financing statements with respect to such personal property and fixtures and shall execute such additional documents, including affidavits, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest.

**Section 14.5. Net Lease.** It is the understanding and agreement of the parties hereto that, subject to **Sections 3.3** and **4.3**, this is a clear "net" lease obligation and that Lessee shall bear all expenses and make all payments consistent with the principle of the "net" Lease. Lessee hereby assumes and agrees to perform all duties and obligations relating to the Project, as well as the use, operation, and maintenance thereof, even though such duties and obligations may otherwise be construed to be those of Lessor.

**Section 14.6. No Pecuniary Liability.** No provision, covenant or agreement contained in this Lease or any obligation herein imposed upon Lessor, or the breach thereof, shall constitute or give rise to or impose upon Lessor a pecuniary liability.

**Section 14.7. Access to Premises.** Lessee agrees that Lessor or any agent or representative of Lessor shall have the right at all reasonable times to enter upon and to examine and inspect the Project. Lessee further agrees that Lessor and any such agent or representative shall have such rights of access to the Project as may be reasonably necessary to cause the proper maintenance of the Project in the event of failure by Lessee to perform its obligations hereunder.

**Section 14.8. Title to the Existing Property.** Lessee covenants that the title to the Existing Property is and shall remain in Lessee, subject to the rights of Lessor hereunder and under the Base Lease.

**Section 14.9. Binding Effect.** This Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

**Section 14.10. Execution; Electronic Transactions.** This Lease may be executed in any number of counterparts, each of which will be deemed to be an original but all together will constitute but one and the same Lease. It is also agreed that separate counterparts of this Lease may be executed by Lessor and Lessee all with the same force and effect as though the same counterpart had been executed by both Lessor and Lessee. Copies, teletypes, facsimiles, electronic files and other reproductions of original executed documents will 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 parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means.

*[Remainder of page intentionally left blank.]*

IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

**CONNECTIONS BANK**

By: \_\_\_\_\_  
Name: Bill Lloyd  
Title: President

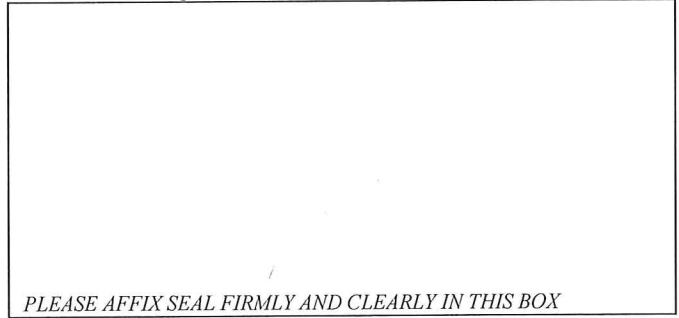
**ACKNOWLEDGMENT**

STATE OF MISSOURI            )  
  ) SS.  
COUNTY OF BOONE            )

**BE IT REMEMBERED**, that on this \_\_\_\_ day of November, 2018, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came **BILL LLOYD**, to me personally known, who, being by me being before me duly sworn did say that he is President of **CONNECTIONS BANK**, a banking corporation organized and existing under the laws of the State of Missouri, and that said instrument was signed on behalf of said corporation by authority of its board of directors, and said official acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said corporation.

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

\_\_\_\_\_  
Notary Public in and for said State  
Commission Expires:





CITY OF ASHLAND, MISSOURI

[SEAL]

By: \_\_\_\_\_

Name: Gene Rhorer

Title: Mayor

ATTEST:

By: \_\_\_\_\_

Name: Darla Sapp

Title: City Clerk

ACKNOWLEDGMENT

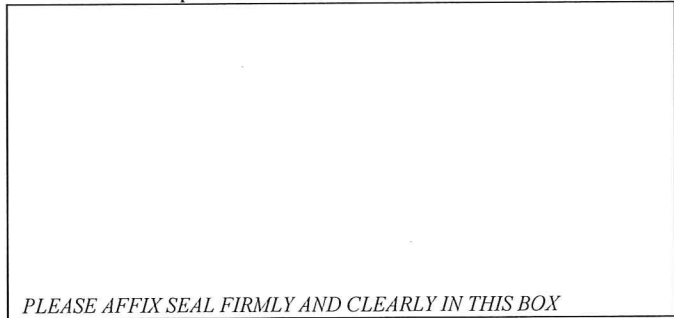
STATE OF MISSOURI        )  
  ) SS  
COUNTY OF BOONE        )

**BE IT REMEMBERED**, that on this \_\_\_\_ day of November, 2018, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came **GENE RHORER**, to me personally known, who, being by me duly sworn did say that he is the Mayor of the **CITY OF ASHLAND, MISSOURI**, a body politic and corporate duly authorized, incorporated and existing under and by virtue of the constitution and laws of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said body, and that the instrument was signed and sealed in behalf of said body by authority of its governing body, and he acknowledged said instrument to be the free act and deed of said body.

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

\_\_\_\_\_  
Notary Public in and for said State

Commission Expires:



*PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX*

## EXHIBIT A TO LEASE PURCHASE AGREEMENT

### RENTAL PAYMENT SCHEDULE

The Interest Portion of Rental Payments will be payable on January 1, 2019 and on the first day of each calendar month thereafter, in amounts equal to the interest accrued at the Interest Rate set forth on **Exhibit B** on the aggregate principal advanced and outstanding as Base Lease Rentals. The Principal Portion of Rental Payments will be payable on the Final Rental Payment Date in the amount equal to the aggregate principal advanced and outstanding as Base Lease Rentals.

The "Purchase Price" shall be the remaining Principal Portion of the Rental Payments as of the purchase date, plus the unpaid Interest Portion accrued to the purchase date, plus all other amounts due under the Lease that remain unpaid on the purchase date.

## EXHIBIT B TO LEASE PURCHASE AGREEMENT

### OTHER PROVISIONS

**Improvements:** A new City Hall structure on the Existing Property, together with related improvements, fixtures, equipment and furnishings and support facilities.

**Intended Use of Facilities:** City Hall.

**Fiscal Year:** Lessee's Fiscal Year currently begins on May 1 of each year.

**Amount of Base Rentals to be Advanced at the Commencement Date:** Not less than \$50,001.

**Maximum Authorized Amount** (of Base Rentals to be Advanced for Improvements): \$1,425,000.

**Interest Rate:** The Interest Portions of Rental Payments will be calculated on the Principal Portions outstanding from time to time, using a per annum interest rate of 3.75%, based upon a 30/360 accrual basis.

**Final Rental Payment Date:** December 1, 2019.

**Addresses:** The following addresses listed on the front recording page of this Lease shall be used for purposes of **Section 14.2**, unless changed as described therein.



**SCHEDULE 1 TO LEASE PURCHASE AGREEMENT**

**DESCRIPTION OF THE EXISTING PROPERTY-**

The East 91 feet of the South Half (S 1/2) of Lot Number One (1) in Block Number Eleven (11) in the Town of Ashland, Boone County, Missouri.

ALSO, Lot Three (3) in Block Ten (10) of the Town of Ashland, Boone County, Missouri, EXCEPT that part conveyed to the State of Missouri for Highway purposes by Deed recorded in Road Book 3, Page 367, and Book 379, Page 109, Records of Boone County, Missouri.

ALSO, Lot Four (4) in Block Ten (10) of the Town of Ashland, Boone County, Missouri, EXCEPT that part conveyed to the State of Missouri for Highway purposes by Deed recorded in Road Book 3, Page 362, and Book 379, Page 540, Records of Boone County, Missouri.

SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

\* \* \*